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HOUSE OF COMMONS DEBATES

OFFICIAL REPORT

FIRST SESSION—THIRTY-FIRST PARLIAMENT

29 Elizabeth II

VOLUME I, 1979

COMPRISING THE PERIOD FROM THE NINTH DAY OF OCTOBER, 1979
TO THE NINTH DAY OF NOVEMBER, 1979

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HOUSE OF COMMONS

Tuesday, October 9, 1979

• (1035)

FIRST SESSION—THIRTY-FIRST PARLIAMENT

[*English*]

The Thirtieth Parliament having been dissolved by proclamation on Monday, March 26, 1979, and writs having been issued and returned, a new Parliament was summoned to meet for the dispatch of business on Tuesday, October 9, 1979, and did accordingly meet on that day.

Tuesday, October 9, 1979

This being the day on which Parliament is convoked by proclamation of His Excellency the Administrator of the Government of Canada for the dispatch of business, and the members of the House being assembled:

• (1040)

C. B. Koester, Esquire, the Clerk of the House, read to the House a letter that the Honourable Ronald Martland, Puisne Judge of the Supreme Court of Canada, in his capacity as Deputy Governor General, will proceed to the Senate chamber to open the first session of the Thirty-first Parliament of Canada on this day, Tuesday, the ninth of October, 1979, at 10.30 a.m.

A message was delivered by Colonel T. G. Bowie, Gentleman Usher of the Black Rod, as follows:

Members of the House of Commons:

It is the desire of the Honourable the Deputy of His Excellency the Governor General of Canada that this honourable House attend him immediately in the chamber of the honourable the Senate.

Accordingly, the House went up to the Senate chamber, when the Speaker of the Senate said:

Honourable members of the Senate, and members of the House of Commons:

I have it in command to let you know that the Honourable the Deputy of His Excellency the Governor General of Canada does not see fit to declare the causes of his summoning the present Parliament of Canada until the Speaker of the House of Commons shall have been chosen according to law, but this afternoon, at the hour of three o'clock, His Excellency the Governor General of Canada will declare the cause of calling this Parliament.

• (1055)

[*Translation*]

ELECTION OF SPEAKER

HON. JAMES JEROME, MEMBER FOR THE ELECTORAL DISTRICT OF SUDBURY

Right Hon. Joe Clark (Prime Minister): Dr. Koester, the time has now come to proceed to the appointment of a candidate as Speaker of the House of Commons, a privilege long bestowed on the Prime Minister. The Deputy Governor General has just told us that the Prime Minister cannot state the reasons for convening Parliament until such time as a Speaker has been elected, because without a Speaker we are but a group of men and women and not a House of Commons. The Speaker is indeed our spokesman.

The first Speakers elected by their parliamentary colleagues had the responsibility of speaking to the sovereign, because the House had fought for several centuries to wrest from the crowned head of the state the power to rule the country in order to put it in the hands of the elected representatives of the people. It was indeed a dangerous office, requiring an exemplary courage and strength of conviction of those elected to it.

That is why we are electing a Speaker today. According to our tradition, he is supposed to resist the appointment and be accompanied to the Speaker's chair. This reminds us all that our government is a democratic one, that democracy has evolved over many centuries and that each and every one of us must do his or her utmost to protect our democratic rights and privileges.

• (1100)

[*English*]

The Speaker, sir, is the custodian of the privileges, rights, and the honour of the House of Commons, for he presides over the debates of the House and enforces the observance of all of the rules for preserving order in its proceedings. He is the representative of the House in its relations with the Crown, the Senate and other authorities and persons outside Parliament.

The Speaker has to be many things. He must be rigorously and scrupulously impartial in his deliberations. He is the servant of the whole House, not just a particular party. He must have a thorough knowledge of the rules, orders and precedents which guide our proceedings. Since, in the heat of debate, we are sometimes fractious, he must be firm, wise and able judiciously to settle our differences.

I am sure the members of this House will agree that Mr. James Jerome has displayed all of these qualities since he was

first elected Speaker in 1974. He has been fair, effective and sensitive in presiding over this House through five active years.

It is, therefore, Dr. Koester, my great pleasure to move, seconded by the right hon. Leader of the Opposition (Mr. Trudeau):

That James Jerome, Esquire, member for the electoral district of Sudbury, do take the Chair of this House as Speaker.

Some hon. Members: Hear, hear!

[*Translation*]

Right Hon. P. E. Trudeau (Leader of the Opposition): Mr. Koester, dear colleagues of the House of Commons, may the agreement between the Prime Minister (Mr. Clark) and myself on the appointment of the hon. member for Sudbury (Mr. Jerome) as Speaker of the House of Commons be a token of harmony during this new Parliament. His appointment is also of historical significance in that, for the first time ever, a member of the opposition has been recommended for that important office by the government party.

• (1105)

[*English*]

I must confess that I feel a little like a father sending a son off into the world, anxious for his well-being but confident in his ability and determination to fight for the common good.

In the context of this Parliament, the hon. member for Sudbury is a natural choice to guide its business, moderate its disputes and uphold its procedures. I think we have made a right choice, for in the past five years he has presided over this House with wisdom, understanding and good humour. It would be a tough act to follow, and it is perhaps provident for all of us that he is following his own act.

Filled with good will as we are today, most of us know this will not be an easy Parliament. I suppose no Parliament is easy, but the experience of the last two decades has shown that minority Parliaments are fascinating, challenging and nerve-racking. Perhaps no-one's nerves are more on the rack than those of the Speaker, who holds the reins to pull the House together.

[*Translation*]

It can very well be stated and repeated that the government will act as if it had a majority, but the facts remain unchanged. Given that element of suspense, the atmosphere will be electric and the Speaker will have a difficult part to play warding off a storm. It rests with us all to recognize that the proceedings of the House are always vitally important for the country and go beyond mere partisan interests. My right hon. colleague opposite and his party now form the government. As for myself and the Liberal party, we will be playing a new role in the opposition. The roles have been reversed, but I am sure that both sides have had an opportunity to think it over during the past few months.

• (1110)

[*English*]

There can be an honest debate over the many changes of the past decade, but there is no question that change, slow as it always is with the parliamentary structure, has produced benefits for all parties. Rather than stifle opportunity, it has expanded it and past oppositions have benefited in a way to make them, as I well know, much more effective observers of government.

I talk of rule changes, of course, but there are many other innovations which were brought forth in the past ten years to make the oppositions more effective critics of governments, such as research staffs for caucuses, increased office and staff, space in the Confederation Building, offices in the constituencies, certain travel and telecommunications facilities, and broadcasting of the House of Commons. All these have made Parliament more effective, and the oppositions more effective.

Equally as important as change is the interpretation of change to fit the pressures of the House of Commons. In the past five years, the Chair has assessed these pressures in accordance with the Standing Orders and has issued, on a variety of occasions, its view of how procedures are best adapted to the functioning of the House.

In 1975, the hon. member for Sudbury set out in some detail his views on the considerations which should govern the daily question period, which he described as unique. To use his own words:

It is an excellent feature of our Parliament and while we have much to learn from other governmental systems, the question period is one area in which we are in the forefront of responsible government and every effort must be made to preserve the excellence of this practice.

He went on to say:

—any basic principle governing the question period ought to be such that it will enable members to put questions with a minimum of interference.

In a similar manner, he widened the operation of Standing Order 43 when it was agreed, in 1976, to allow 15 minutes to this procedure rather than have it encroach on the question period itself. I use these examples, Mr. Koester, to illustrate how the House has benefited from a flexible approach to its procedures in rapidly changing times.

I wish to assure the hon. member for Sudbury, should the House elect him to succeed himself, that this opposition will strive to follow the interpretations he has set down in the past which always gave a fair shake to the opposition.

Some hon. Members: Hear, hear!

Mr. Trudeau: Finally, I would like to touch briefly on another aspect of this nomination which we feel is extremely important. This party has adhered consistently over the years to the underlying principle of the independence of the Speaker. On a number of occasions we have had debates and arguments about what independence means. I know some of my friends in other parties believe it is best achieved by the creation of a permanent Speaker who is above participation in the political

process; in essence, a figurehead who has security of tenure no matter how the political winds may shift.

Our view of independence, on the other hand, is that of a Speaker who is one among equals. He has earned his way into the House of Commons through election as a member of Parliament and then, through the confidence of his parliamentary peers, is chosen to serve them as the arbiter of their interests. Through this process we endorse our Speaker with the substance of independence, and I commend the Prime Minister (Mr. Clark) for accepting the principle that a member who has had the confidence of the House of Commons as its impartial presiding officer may continue to enjoy that confidence regardless of party affiliation.

[*Translation*]

My colleagues of the official opposition also join me in supporting the motion respecting the election of the hon. member for Sudbury to the Chair of the House and we can assure him of our support and co-operation.

Mr. Edward Broadbent (Oshawa): Dr. Koester, I am pleased to give the support of our party to that motion.

• (1115)

[*English*]

I add immediately in this context, Dr. Koester, that under this motion—one which I am sure will be carried unanimously—we shall be reappointing the hon. member for Sudbury (Mr. Jerome) to perform in the present Parliament the duties he so ably carried out for us in the last. I would only add this to what the Prime Minister (Mr. Clark) and the Leader of the Opposition (Mr. Trudeau) have said—incidentally, it was interesting to note that the Leader of the Opposition has taken a new-found interest in the fate of the opposition—

Some hon. Members: Oh, oh!

Mr. Broadbent: —I understand the hon. member for Sudbury has just returned from a visit to China, and therefore he will understand me better than most when I say that the coming Parliament will be one in which we shall be living in interesting times. A man or a woman—in this case, a man—of a judicious nature, fair-mindedness and tough-mindedness is required, and my colleagues and I cannot think of anyone who better fits the bill than does the hon. member for Sudbury.

Some hon. Members: Hear, hear!

[*Translation*]

Mr. Fabien Roy (Beauce): Dr. Koester, I am very happy to join the mover and the seconder as well as the leader of the New Democratic Party in supporting the motion now before us. I think the selection of the hon. member for Sudbury (Mr. Jerome) as Speaker of this House is a very wise one. His experience and competence are known not only in this House but also outside of it. And I think that the way he ran the business of the House of Commons in recent years is a sign of his impartiality and his intention that the business of the House be carried out in an orderly and dignified fashion. I am convinced his experience will be very useful to the House, and his role is to consider as well that there are also minorities in this House. There are four political parties sitting here with avowed responsibilities. That is why we rely on the co-operation and impartiality of the Speaker so all members on both sides of the House can be heard and represent their fellow citizens and carry out the role they have been assigned under their mandate.

Dr. Koester, I want to assure him of my support and that of all my colleagues so he may indeed carry out that task with dignity and impartiality.

Mr. Marcel Prud'homme (Saint-Denis): Dr. Koester, I think that the Social Credit Party of Canada having been given the floor it might be agreed that other members participate at this point in the debate and join the right hon. Prime Minister (Mr. Clark) as well as the right hon. Leader of the Opposition (Mr. Trudeau) as well as the Leader of the New Democratic Party and my good friend the hon. member for Beauce (Mr. Roy) in supporting this nomination with great pleasure.

• (1120)

[*English*]

The Clerk of the House declared the motion carried in the affirmative, *nemine contradicente*, and James Jerome, Esquire, member for the electoral district of Sudbury, duly elected to the Chair of the House.

Mr. Jerome was conducted from his seat in the House to the Speaker's chair by right hon. Joe Clark and right hon. P. E. Trudeau.

Mr. Speaker: Hon. members, I beg to return my humble acknowledgements to the House for the great honour you have been pleased to confer on me by choosing me to be your Speaker.

It is hard to believe that it is a little more than five years ago that I first spoke those unfamiliar words, and in doing so I reflected at that time on the tradition that those words involve. I then said, not considering myself at that time to be much of a traditionalist, that in examining traditions those which persist seem always to have an intrinsic value to them which far outweighs their mere ceremonial significance, and that language with which an elected Speaker humbly returns acknowledgements for such a great honour is accurate in every way and significant, just as the tradition of resisting, once chosen by the House, taking on this obligation.

That has as its roots the traditions of the very speakership itself which, even in its terminology, seems to be obscure in meaning because the one thing the Speaker is never seen to do is to speak in the House or, at least, not very often, to the delight of the members, I am sure.

Going back to the early traditions of this great responsibility, initially having to go, on behalf of Parliament, to appear

before the monarch in his own chosen chamber, and there to demand, on behalf of the people of the nation who had dared to get themselves elected into a House of Commons and, furthermore, dared to try to have a say in how the country might be run—a development which was not particularly popular with the monarch at the time—meant that Speakers were not very popular with the monarch at the time and in fact one of them, on this mission on behalf of democracy, was beheaded.

I say that so that my reluctance in coming to the Chair will be understood, and I have no illusions that on many days during the course of this Parliament that would be a fate which would seem quite acceptable as far as most members of the House of Commons are concerned; and, in fact, on some days there will be some who will be glad to take a hand at the axe.

In any case, I am happy to say that the reception which we now receive in the other place is much more cordial. Nevertheless, even this afternoon my first obligation on your behalf will be to appear before the representative of Her Majesty to demand, on our behalf, the rights and privileges we require to carry out our business as elected representatives, freedom of speech in this assembly and the right to carry out, free from interference from Her Majesty or any other powers, our business on behalf of the electors of the country.

[*Translation*]

Needless to say, it is a great honour to be elected as a member of the House of Commons. And if it is an honour to gain approval from the supreme judges within our democratic system, our fellow citizens, it is an even greater one to be chosen by hon. members to preside over these important sittings.

• (1125)

[*English*]

It is an honour and an obligation which I accept with humility. I accept it on your behalf and I make the commitment to you, as I did five years ago, that I will place the obligation above every other consideration, whether it be of party politics, of family, of friends, or whatever. It is an obligation which I place above every other. I said then that it was one that I never expected to fulfil. Certainly, I never expected that I would be standing here attempting to fulfil it a second time.

In conclusion, may I say, in thanking the right hon. Prime Minister (Mr. Clark), the right hon. Leader of the Opposition (Mr. Trudeau), the hon. member for Oshawa (Mr. Broadbent) and the hon. member for Beauce (Mr. Roy), that it is not possible for any Speaker to preside over this chamber without the good will of the members. Furthermore, it is only possible to succeed, or hope to succeed, on the basis of your desire that the meetings be orderly.

I cannot help but conclude that we have taken a step in these last five years, in introducing television into our proceedings, which has placed us, I believe, in the forefront of the democratic nations of the world, because the essence and the fundamental principle of democratic government is that it takes place in the open, in full view of the citizens. Television has made that possible in our society in a way that no other single step has been able to accomplish in our history. It has offered us the opportunity to participate together as citizens in this process, but it has also placed upon us the obligation to see to it that in this chamber, where often opinions clash, our meetings are exemplary, not only in the content of our dealings but also in our attitude and our conduct toward each other.

I say to you that it is with your good will and your consensus that we will be able to have such meetings. My ability to preside over them always rests in your hands. This will never change, and the minute I lose that good will or that confidence I shall not be able to preside. It is you who make it possible to preside and I offer you my co-operation, as I have tried to give it in the past, because I do believe that together we will make this one of the great Parliaments of our country. I thank you again for the confidence you have placed in me.

Some hon. Members: Hear, hear!

SITTING SUSPENDED

Right Hon. Joe Clark (Prime Minister): Mr. Speaker, I would suggest that the sitting be suspended until 3 p.m. this day.

Mr. Speaker: It has been suggested by the right hon. Prime Minister (Mr. Clark) that the sitting be suspended until three o'clock this afternoon. Is the House agreed?

Some hon. Members: Agreed.

Mr. Speaker: Accordingly, the sitting is suspended until three o'clock this afternoon.

At 11.26 a.m. the sitting was suspended until 3 p.m. this day.

• (1510)

SITTING RESUMED

The House resumed at 3 p.m.

OPENING OF THE SESSION

Mr. Speaker read a communication from the Governor General's secretary announcing that His Excellency the Administrator of the Government of Canada would proceed to the Senate chamber at three o'clock on this day for the purpose of formally opening the session of the Dominion Parliament.

A message was delivered by Colonel T. G. Bowie, Gentleman Usher of the Black Rod, as follows:

Mr. Speaker, it is the pleasure of His Excellency the Administrator of the Government of Canada that this honourable House attend him immediately in the chamber of the honourable the Senate.

Accordingly, Mr. Speaker with the House went up to the Senate chamber. Then the Hon. James Jerome, Speaker of the House of Commons, said:

May it please Your Excellency,

The House of Commons have elected me their Speaker, though I am but little able to fulfil the important duties thus assigned to me.

If in the performance of those duties I should at any time fall into error, I pray that the fault may be imputed to me, and not to the Commons, whose servant I am, and who, through me, the better to enable them to discharge their duty to their Queen and country, humbly claim all their undoubted rights and privileges, especially that they may have freedom of speech in their debates, access to Your Excellency's person at all seasonable times, and that their proceedings may receive from Your Excellency the most favourable construction.

The Honourable the Speaker of the Senate, addressing the Honourable the Speaker of the House of Commons, then said:

Mr. Speaker, I am commanded by His Excellency the Administrator of the Government of Canada to declare to you that he freely confides in the duty and attachment of the House of Commons to Her Majesty's person and government, and not doubting that their proceedings will be conducted with wisdom, temper and prudence, he grants and upon all occasions will recognize and allow their constitutional privileges.

I am commanded also to assure you that the Commons shall have ready access to His Excellency upon all seasonable occasions, and that their proceedings, as well as your words and actions, will constantly receive from him the most favourable construction.

Then His Excellency the Administrator of the Government of Canada was pleased to open Parliament by a speech from the throne.

● (1548)

And the House being returned to the Commons chamber:

[*Translation*]

Mr. Speaker: I have the honour to report that, the House having attended on His Excellency the Governor General in the Senate chamber, I informed His Excellency that the choice of Speaker had fallen upon me and, in your names and on your behalf, I made the usual claim for your privileges, which His Excellency was pleased to confirm to you.

* * *

[*English*]

OATHS OF OFFICE

Right Hon. Joe Clark (Prime Minister) moved for leave to introduce Bill C-1, respecting the administration of the oaths of office.

Motion agreed to and bill read the first time.

* * *

SPEECH FROM THE THRONE

Mr. Speaker: I have the honour to inform the House that when the House did attend His Excellency the Governor General this day in the Senate chamber, His Excellency was pleased to make a speech to both Houses of Parliament. To prevent mistakes, I have obtained a copy which is as follows:

Speech from the Throne

Honourable Members of the Senate:

Members of the House of Commons:

I have the honour to welcome you to the First Session of the Thirty-first Parliament of Canada.

Canada has been honoured this year by visits from two members of the Royal Family. In April the Prince of Wales travelled to the west and north and to Toronto and Ottawa. In June and July Queen Elizabeth The Queen Mother graciously undertook engagements in Halifax and Toronto. Members will be pleased to hear of Prince Philip's forthcoming brief visit this October in preparation for the Duke of Edinburgh's Commonwealth Study Conference in Canada next spring. Meanwhile in November Princess Anne will fulfil engagements with the Canadian Save the Children Fund.

During this year I have had a most memorable opportunity to reinforce my appreciation of the beauty, variety and natural wealth of our country. My wife and I have experienced the warm welcome extended to us by each region in its own special way. We have paid official visits to all ten provinces and the Northwest Territories, and we look forward to a visit before long to the Yukon Territory. We have also had periods of residence in The Citadel, Quebec, and in quarters made available in the Governor's House at Lower Fort Garry.

I am proud, in my capacity as representative of our gracious Sovereign Queen Elizabeth II, to participate in this important ceremony in the life of our nation, which brings together the three elements of the Parliament of Canada, the Crown, the Senate and the House of Commons.

I look forward to meeting the members of this new Parliament.

My ministers were given a mandate to change the direction of the Government of Canada, as we enter the 1980s. The basic purposes of that change will be to enhance the rights, freedoms and opportunities of individual Canadians, and re-establish the spirit of partnership and renewal which are fundamental to our federation.

[*Translation*]

The mandate of my ministers is also to build upon the special strengths of Canada. We front on one mass market and three great oceans, with access to the world. Each of our regions contains vast physical resources which can be the basis of industrial strength well into the future. Confident local identities are emerging—rooted in language, custom and community—and yielding a cultural vitality unique among nations. My ministers believe that the way to build a whole nation is to respect our individual parts, and you will be invited to consider measures to build upon the diverse regional and cultural strengths of Canada.

During the past four months, my ministers have made every effort to change the climate of federal/provincial relations which has prevailed in recent years. As a result of their efforts, there has been visible progress. An agreement on lotteries has been concluded and agreement in principle has been reached with certain coastal provinces concerning offshore mineral resources. Bringing about this change in relations is fundamental to my government's philosophy. Working with our provincial partners, we seek practical solutions to concrete problems.

To make federalism work, it is essential to change the attitudes of the past and the federal government must set the example. Accordingly, it is a primary goal of my government to bring about a new era in federal-provincial relations. Consultation and co-operation will be the hallmarks of that new era. The time has come to reconcile our differences. It is time to work together to fully realize our country's potential. It is by building for the future that we will renew Canadian federalism. In this spirit, my government looks forward to the next Conference of First Ministers in Ottawa this year.

[*English*]

Citizens and Parliament can control government only if information is public. You will be asked to approve freedom of information legislation based on the principle that government information should be available to the people, that necessary exceptions to that principle should be limited and specified, and that disputes over the application of those exceptions should be resolved independently of the government.

To correct inequities currently borne by some Canadian individuals, you will be asked to amend sections of the Indian Act, to extend spouses' allowances in circumstances where they are now denied, to amend certain legislation respecting veterans, and to further protect the privacy of individual Canadians.

You will also be asked to consider reforms to extend the power of Parliament. Proposals will be submitted to the Standing Committee on Procedure and Organization to strengthen the powers and resources of parliamentary committees, to accord more prominence to private members' initiatives, and to make my ministers more accountable to you. The standing committee also will be invited to consider the question of a permanent Speaker for the House of Commons.

To demonstrate the capacity of Parliament, you will be asked to approve the immediate establishment of four small select committees, with the resources and powers necessary to enquire fully into the special needs of handicapped and disabled Canadians; measures to strengthen the role of the voluntary sector in our society; policies with respect to foreign ownership, including the operations of the Foreign Investment Review Agency; and measures necessary to prevent recurring cost overruns on major government projects. You will be invited to establish a joint committee to undertake a broad enquiry into the future development of nuclear energy in Canada. In addition, standing committees of Parliament will be invited to examine Canadian cultural policy, Canadian foreign policy, and the retirement income needs of Canadians in the 1980s. Annual reports of crown corporations, the commissioner of official languages, the Economic Council of Canada and other similar bodies will be referred automatically to the appropriate committees of Parliament.

To broaden responsibility for the management of Parliament, Privy Councillors not members of cabinet and drawn from both sides of the House will be invited to serve as commissioners of internal economy.

[*Translation*]

My ministers believe the greatest immediate challenge facing Canada today is to restore growth, confidence and jobs to the Canadian economy. While our economy faces serious immediate problems, my government believes the economic potential of Canada is the strongest in the world. My ministers will propose a five-part strategy to build on that potential.

First, my ministers will reduce the burden of government on the economy by better controlling expenditures. A new expenditure management system has been introduced within the government to set strict over-all spending limits, to ensure that all ministers accept full responsibility for spending restraint, and to require that funds for new programs come from savings in existing programs. In that context, you will be asked to approve creation of a Ministry of State for Social Development to better co-ordinate social programs and expenditures.

My government has initiated action to reduce the size of the federal public service and to offer for private purchase and ownership Crown corporations operating in areas where direct government intervention is no longer necessary. Legislation will be introduced to strengthen control over and accountability of remaining Crown corporations. You will also be asked to approve "sunset" legislation to provide a regular opportunity for Parliament to judge whether government programs and agencies need continue in their present form, if at all. The form of the estimates to be placed before you will be improved to provide more accurate information. You will be given projections of government revenues and expenditures for the next four years so that you can judge the probable impact of today's decisions on tomorrow's economy.

[*English*]

Second, my government will place greater reliance on individual initiative to generate growth and jobs for Canadians. You will receive proposals for regulatory reform, designed to ensure that the certainty and nature of government regulation encourages individual initiative and planning. Measures will be introduced to expand research and development in Canada and to further promote exports of Canadian goods and services. You will be asked to approve agreements arising from the Tokyo round of multilateral trade negotiations, including adjustment measures for industries adversely affected by those agreements. The Minister of State for Economic Development will convene a National Economic Development Conference to discuss with the provinces, business, labour, co-operatives and other groups, Canada's economic goals for the decade ahead, and how they might best be achieved in a spirit of full economic partnership. In that same spirit, legislation will be introduced to improve the handling of industrial disputes within federal jurisdiction.

[Mr. Speaker.]

Third, my government will propose measures to help individual Canadians build a stake in our country. You will be asked to approve a program of tax credits for mortgage interest and property taxes. Measures will be placed before you to assist small and medium-size enterprises, and to encourage more Canadians to participate in the ownership of public and private enterprises. You will be asked to consider revisions to the Employment Tax Credit program, the creation of a Youth Employment Secretariat, and other measures to create new jobs for young Canadians. An employment strategy for women will be placed before you. Programs to assist native Canadians to develop and apply work skills will be expanded. Changes will be introduced in the unemployment insurance program to ensure greater equity and to remove disincentives to work.

Fourth, my government will ask you to support programs which build upon the strengths of the regions of Canada. Legislation will be placed before you to strengthen the mandate of the Department of Regional Economic Expansion. You will be asked to consider a white paper on future development of our fisheries resources, prepared in consultation with fishermen, the fishing industry and the provinces. My ministers have begun to overhaul the grain transportation system through appointment of a grain transportation co-ordinator, the signing of agreements for the development of the Prince Rupert terminal, and a significant increase in hopper car capacity. A Seaway Advisory Council will be created to ensure that users and affected areas can contribute to policy concerning this essential waterway. My government will ensure an even flow of work to Canadian shipyards, as we develop an effective Canadian merchant fleet. Measures will be introduced to encourage further mining development in the Canadian north, and to strengthen the capacity of our two territorial governments to manage their own affairs. In co-operation with the provinces and industry, a national tourism strategy will be developed.

Fifth, my government is committed to making Canada self-sufficient in energy by 1990. To that end, in consultation with the provinces, measures will be introduced to encourage a significant reduction in Canada's over-all energy consumption, and to stimulate a major expansion in our capacity to supply and distribute energy in various forms. In bringing forth these measures, my government accepts and respects provincial jurisdiction over resources, as it accepts its own responsibility to ensure economic stability, competitive advantage and other national objectives.

My government views the diversity of Canada as a great national asset, and is determined to encourage, not limit, the development and expression of that diversity. That encouragement will be the beginning principle of the proposals by my ministers for consideration by the parliamentary committee reviewing cultural policies. It will be the purpose of an amendment to the Immigration Act to embed in its preamble the multicultural fact of Canada.

[*Translation*]

Legislation will be introduced to encourage fuller provincial and parliamentary participation in telecommunications policy-making. The Canadian Film Development Corporation Act will be amended to significantly increase private sector participation in the corporation and to broaden its mandate to encompass development of the recording and publishing industries in Canada.

Members of the House of Commons,

During the session you will be asked to appropriate the funds required for the services and payments authorized by Parliament.

You will be asked to approve a number of bills left pending at the dissolution of the previous Parliament.

You will be asked to consider other measures.

[*English*]

Honourable Members of the Senate,

Members of the House of Commons,

May divine providence guide you in your deliberations.

Right Hon. Joe Clark (Prime Minister) moved:

That the speech of His Excellency the Governor General delivered this day from the throne to both Houses of Parliament be taken into consideration later this day.

Motion agreed to.

● (1600)

VACANCIES

Mr. Speaker: I have the honour to inform the House that since the General Election held on May 22, 1979, communications have been received from several members notifying the Chief Electoral Officer, in accordance with chapter H-9 of the Revised Statutes of Canada, 1970, that the following vacancies have occurred in the representation, namely:

The Hon. Don Jamieson, member for the electoral district of Burin-St. George's, by resignation.

The Right Hon. John G. Diefenbaker, member for the electoral district of Prince Albert, by decease.

Accordingly, new writs of election have been issued.

* * *

THE LATE RIGHT HON. J. G. DIEFENBAKER

TRIBUTES TO FORMER PRIME MINISTER

Right Hon. Joe Clark (Prime Minister): Mr. Speaker, I think it would be appropriate at this point in the proceedings of the first session of the Thirty-first Parliament for the House of Commons of Canada to pause and pay tribute to a man whose presence dominated this chamber for almost four decades, the late Right Hon. John George Diefenbaker. Different Canadians remember different qualities of that extraordinary man. But whatever our other memories over a long and dynamic past I think all of us see him here in this House of Commons in a fighting stance, a House of Commons man who came to symbolize an institution he so often dominated. Here and in the land he was the great populist of Canadian public life who brought vitality to a political process which had all too often become distanced from the people it served. As Canadians, we have always felt ourselves heirs to the spirit of parliamentary democracy as well as to its form, and John Diefenbaker was the symbol of that spirit.

[*Translation*]

But what is even more fundamental is that he has entirely changed our attitude toward our own country. The development of the north which he initiated, and that of the various regions which he encouraged, demonstrate to what extent he was aware of the very extensive opportunities offered by this great country of ours. Canada is essentially a country of builders, and our strength and outlook as pioneers have never been expressed more vigorously or presented more dramatically than through John Diefenbaker's convictions.

[*English*]

He was an indomitable man, a man of passion with strongly held and vigorously defended views, an unequivocal patriot whose commitment and devotion to Canada were beyond question, a statesman whose stature was enhanced by his warmth and by his personal approach toward the people and the land he loved so deeply. He was a singular man who entered and enlarged the lives of all of us as no one ever will again. Our people and our Parliament will miss him deeply.

Some hon. Members: Hear, hear!

Right Hon. P. E. Trudeau (Leader of the Opposition): Mr. Speaker, all of us have expressed in our own way our feelings on the death of the right hon. member for Prince Albert, but it is fitting that one of our first functions in the new Parliament should be to remember him in the context he loved the most. This House was his working home, politically, intellectually and emotionally; it was courtroom, hustings and family parlour all rolled into one.

Almost 40 years is an extraordinarily long time to remain in the nest. Even more extraordinary is the manner in which the right hon. gentleman continued to contribute to this House. Members came and went, were exulted or diminished, performed or languished, but John Diefenbaker marched right along, never missing a step, never missing an opportunity.

[*Translation*]

First elected in 1940, he arrived here full of enthusiasm, dedication and fighting spirit eager to do what he had always dreamed of doing. The winds of fortune may have changed many times over these past 40 years, but John Diefenbaker remained faithful to his personality and convictions. The eloquence and idealism he had brought from western Canada were still very much in evidence in the last electoral victory which was to bring him back fighting in the House of Commons.

John Diefenbaker will be remembered as a fighter, because that is essentially what he was. He had fought for human rights and for values dear to the hearts of ordinary citizens. He was a man they could understand because he spoke their language. Whenever he stood up in the House to speak on their behalf, other hon. members not only listened well, but took note of what he had to say.

[*English*]

He was a remarkable politician whose strongly held beliefs, ideals and antagonisms were not always shared, though his vigour in holding them was greatly admired. He was more than just a public man. He did not simply touch a person, he got inside him. Indeed, some might say he got under their skin. He was part of this chamber in an almost unnatural sort of way. Even when he did not speak you knew he was here. And when he was not here people would go around wondering what Dief would have said.

I do not know about other members, but I have the uneasy feeling he is still part of this place. Just this morning as I was speaking my thoughts on the role of the opposition when we elected you, Mr. Speaker, I half looked over at the other side expecting to see him shaking his finger at me and thundering, "Never has there been such a conversion since Saul on the road to Damascus."

Some hon. Members: Oh, oh!

The Late Right Hon. J. G. Diefenbaker

Mr. Trudeau: He sometimes mentioned to me the loneliness of being the only surviving former prime minister and seemed sincerely keen to have some company. I now know how he felt and sincerely share his keenness.

Some hon. Members: Oh, oh!

Mr. Trudeau: It is sad that John Diefenbaker is not here today, Mr. Speaker, and we shall miss him. But just speaking of the impact he made on Canadians and upon this House is a happy tribute to a person who knew the joy and satisfaction of doing what he wanted to do with his life and doing it to the best of his ability. What more could any of us wish as a record of our own ambitions and achievements?

On behalf of the official opposition, I extend our sympathy to the right hon. gentleman's family. They can treasure the memory of his career and take comfort from the rich life which he and Mrs. Diefenbaker enjoyed together.

Mr. Edward Broadbent (Oshawa): Mr. Speaker, I join the Prime Minister (Mr. Clark) and the Leader of the Opposition (Mr. Trudeau) in extending deepest sympathy on behalf of our party to the members of John Diefenbaker's family.

Although it goes without saying among members of this House who knew him and saw him in action that John Diefenbaker was an extraordinary parliamentarian, it is also important for those of us who are here and who hope to remain to note that at the same time he was an extraordinary populist in the sense that he never forgot that in a democracy it is essential to maintain the closest possible rapport with the ordinary citizen. He did not forget this at any point in his political life. He was also a notable, tough-minded fighter both against his enemies on the other side of the House and, from time to time, as his colleagues will recall, within his own party when he thought a battle was in order. This, too, is something all of us in political life can learn from the memory of John Diefenbaker—that he fought for what he believed in.

• (1610)

He was a man who had an extraordinary sense that Canada is much more than merely the sum of its regional parts. Although he was not always—perhaps I understate it—precise in his vision of what constituted a greater Canada, there can be no doubt that no Canadian was ever left in any question about his own very real passion on that important subject.

[*Translation*]

Finally, Mr. Diefenbaker was the first head of government who was of neither British nor French extraction. This fact is very important because, like many Canadians, his ancestors came from another part of the world and they played a very important role in the development of our country.

[*English*]

John Diefenbaker will be remembered and missed by Canadians in every part of our land.

[Mr. Trudeau.]

[*Translation*]

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, I should like to join with the head of the government, the Leader of the Opposition (Mr. Trudeau), as well as with the Leader of the New Democratic Party (Mr. Broadbent) in paying tribute to this great Canadian. My leader, the hon. member for Beauce (Mr. Roy), would have liked very much to do it himself, but being a newcomer to this House he did not have the privilege to know as well as I did this great Canadian, Mr. John G. Diefenbaker. It is therefore a great honour for me to pay a posthumous tribute to this great Canadian.

I had the pleasure of meeting him in Quebec City on one of his visits there as a member of Parliament. He gave a lecture at the Chateau Frontenac and as it was open to the public, I went to hear him. I was curious to meet this fellow, if I may use this expression with reference to him, who had a bad reputation in the province of Quebec. He was reported to be hostile to French Canadians. Later on, after getting acquainted with his views and his intentions, I soon realized that this Canadian loved his country, every part of his country.

He was defeated several times prior to being elected on March 26, 1940. That shows that he was a great fighter. Some of us were defeated more than once before being elected. That does not make us any the worse for it, but it does give us many more ideas and more determination to keep on forging ahead.

Mr. Speaker, for 11 years I had the good fortune of knowing him, as we all did, at least those of us who spent those 11 years here and, as the Leader of the Opposition said a while ago, his repartees afforded us truly enjoyable moments even while working hard in this Parliament and fighting for our respective stands. I should like to remind the House that it was under his administration that we were given simultaneous interpretation, a means of unity in this country. I consider it an essential tool in drawing us all closer to one another. I wanted to stress that. I should also like to remind this House that he set an excellent example by his attendance in this House. When he was in top shape, he came to the House regularly, taking part in the debates and respecting the opinions of others while fighting very courageously for all of his own.

I remember, among other things, that he occasionally held views that differed from those of the members of his own party but that, because of his convictions, he defended his own.

He loved Parliament and he used to call it "this democratic institution". I think that taking our inspiration from his convictions and his courage, we should love this institution and work together at giving our country the best administration possible. On behalf of my party, I should like to extend my sincere condolences to his family. We shall long keep his memory.

[*English*]

HOUSE OF COMMONS

ANNOUNCEMENT OF APPOINTMENT OF C. B. KOESTER, ESQUIRE, AS CLERK

Mr. Speaker: I have the honour to inform the House that the governor in council has appointed Charles Beverley Koester, Esquire, C.D., M.A., Ph.D., as Clerk of the House of Commons in the place of Alistair Fraser, B.A., LL.B., resigned.

May I borrow just a moment from the House at this juncture to say two things. First, it is self-evident that no Speaker can survive without the constant counsel, advice, support and assistance of the Clerk of the House of Commons. In all of the Speaker's responsibilities, some of which are very visible in the chamber and many of which are lesser known in administrative capacities, in the direction of the House of Commons personnel and organizations and things of that sort, in every respect a Speaker is lost without the constant support and advice on procedural matters, administrative matters and in every way of the Clerk of the House of Commons.

Having worked with Dr. Koester, I have every confidence that we are in the best possible hands at this moment, and I look forward to his very wise and already demonstrated able counsel in assisting me through the years to come.

May I also say that since I have been the Speaker of this House, and for some time prior to that, I and predecessors of mine were the beneficiairies of the excellent counsel and advice of Mr. Alistair Fraser, who distinguished himself as Clerk of the House of Commons and, finally, just as he was leaving office, I think put a fitting stroke into the history book of our procedures and practices by being a co-editor and co-author of the most recent revision of Beauchesne's parliamentary procedures. It is an excellent work and stands as a tribute to him.

I felt at this moment as we change Clerks of the House of Commons that the House would want to join me in paying tribute to Alistair Fraser for all of his great years of excellent and faithful service to the House of Commons, and at the same time wish Dr. Koester, the new Clerk of the House of Commons, the same kind of success with which Mr. Fraser distinguished himself.

Some hon. Members: Hear, hear!

APPOINTMENT OF ALISTAIR FRASER, ESQUIRE, AS HONORARY OFFICER

Right Hon. Joe Clark (Prime Minister): Mr. Speaker, I naturally want to join in your remarks of tribute not only to Alistair Fraser but also to Dr. Koester, with whom we look forward—and I know I speak on behalf of all members of the House in saying this—to working very closely in ensuring that this House of Commons continues to be an effective and respected institution in the country.

Alistair Fraser, Esq.

I think it is appropriate that we take a moment now to say a few words in tribute to the outstanding service over 12 years of Alistair Fraser as Clerk of the House of Commons. I pronounce that word differently than others do for reasons Your Honour will understand.

Each one of us, whenever we came here, who had the opportunity, to serve with Mr. Fraser have cause to regret his resignation, because he has been not only attentive to his duties but tireless in the discharge of those duties toward all members of the House of Commons.

[*Translation*]

He is responsible to a large extent for the structure of the House of Commons as we know it today. Moreover, he looked after programs for parliamentary interns, he extended more facilities to members, he arranged for the broadcasting of our debates, he supervised major changes to the Standing Orders and participated in the drafting of the new edition of Beauchesne's Parliamentary Rules and Forms, which will be for us a valuable guide for many years.

[*English*]

I want also to express my personal recognition of his courtesy and his unfailing attention to all matters on which I have consulted him over my years in the House.

It is my privilege to propose the following resolution, which I am sure will meet with the unanimous approval of all members of this House. I move, seconded by the Leader of the Opposition (Mr. Trudeau):

That this House, desiring to record its deep appreciation of the distinguished and faithful service of Alistair Fraser, Esquire, B.A., LL.B., as Clerk of the House of Commons, designate him an honorary officer of the House of Commons with an entrée to the chamber and a seat at the Table on ceremonial occasions.

● (1620)

Mr. Speaker: The House has heard the motion moved by the Right Hon. Prime Minister (Mr. Clark), seconded by the Leader of the Opposition (Mr. Trudeau). Is it the pleasure of the House to adopt the said motion?

Right Hon. P. E. Trudeau (Leader of the Opposition): Mr. Speaker, in seconding the motion, we in this party would also like to offer our best wishes and co-operation to the recently appointed Clerk of the House of Commons, Dr. Koester. He is, of course, no stranger to those who have already served in this chamber. We have great respect for his background as a scholar and a former clerk of the Saskatchewan legislature. We welcome him to this important position and I am sure all members of the House join me in looking forward to his friendship and guidance for many sessions to come.

However, today, much as the Prime Minister (Mr. Clark) has done, I want on behalf of our party to say farewell to another good friend of this House, Mr. Alistair Fraser, who retired as Clerk of the House a few weeks ago.

[*Translation*]

When paying homage to someone, one often speaks of "selfless devotion". That expression has been used so often as

to become almost meaningless. Yet I believe it to be an accurate description of the way in which Mr. Fraser served the House of Commons as an institution and its members as individuals. He has indeed shown selfless devotion to a task whose origin dates back to the British Parliament at the beginning of the fourteenth century.

[*English*]

Those who accept the position of Clerk of the House of Commons are not allowed to display the range of opinions and emotions which so delight the heart of a politician. Clerks are not allowed to be cantankerous, exasperated or belittling. Rather, they are teachers, conciliators and friends. They do not think of self but bend their will and their stamina to making the House of Commons work. They help each member, regardless of seniority or status, to fit his own aims and responsibilities within the parliamentary framework, bound as it is by long tradition and a maze of complicated rules and procedures.

[*Translation*]

Mr. Speaker, the description I have just given is, in fact, a portrait of Mr. Fraser. In 12 years, he himself became an institution in this House. Apart from the pressures inherent in his position, he was in a sense the key to some revolutionary changes which took place in the workings of the House of Commons and the services to its members. What comes to mind in particular is the creation of the parliamentary interns group, which benefited all parties, the growth in committee staff, the reorganization of the role of the pages of this House, who serve us all, the implementation of the broadcasting service through which our proceedings are broadcast live to the Canadian public.

[*English*]

Mr. Fraser takes with him a unique background and a parliamentary insight which I hope, indeed urge, that he share with others in the productive years which lie ahead of him. He also takes with him the gratitude and affection of members of the House.

I am delighted to second the motion moved by the Prime Minister that Mr. Fraser become an honorary officer of this House, with the hope that he will become a frequent visitor.

Some hon. Members: Hear, hear!

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, on behalf of the New Democratic Party—and I speak also in a personal sense as one who has known Alistair Fraser for many years—I should like to indicate our wholehearted support of the motion that has been moved by the Prime Minister (Mr. Clark) and seconded by the Leader of the Opposition (Mr. Trudeau). Like each of them, I should like to take a moment first to say that we, too, welcome most warmly the appointment of Dr. Koester as Clerk of the House of Commons. We are already aware of his efficiency and his ability and we look forward to the years when he will be our man at the Table.

With respect to Alistair Fraser, I may say that I am one of those in the House who remembers Beauchesne not just as a book but as a human being.

Some hon. Members: Oh, oh!

An hon. Member: And not just a spirit.

Mr. Knowles: Dr. Arthur Beauchesne was Clerk of the House of Commons when I came here. He was succeeded later by Mr. Leon Raymond, and both of them served this chamber exceedingly well. They had distinguished careers in that high office, but I am one who can say that Alistair Fraser measured up to the standards that they set.

Reference has already been made to the tremendous amount of expansion and development which has taken place during the past 12 years. This made being Clerk a different job than it had been in earlier times, and I say that this House is doing itself proud to take this moment to pay tribute to the work of Alistair Fraser. We found him in our midst to be one who was extremely friendly to all of us. We found him to be impartial and helpful in the advice that he gave to us as members, and I believe that the same could be said with regard to the advice he gave to the Chair. We also found him to be efficient in the conduct of the House of Commons. We are pleased to give to him the same honour that was given to the previous Clerks whom I mentioned by making him an honorary officer of this House. He is a young man, he has a career ahead of him, I am sure, and we wish him well in that career and happiness for many years.

Some hon. Members: Hear, hear!

[*Translation*]

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, personally and on behalf of my party I am happy to second the motion of the right hon. Prime Minister (Mr. Clark) proposing that the new Clerk of the House of Commons be Dr. Koester. There is no doubt in our minds that he will work in co-operation with you, Mr. Speaker, and with each hon. member of the House. I have had the pleasure of knowing him for a few years and I am sure he will fulfil his duties with great competence and dedication to all members of the House.

As for Mr. Fraser, I welcome the motion proposing that he be made an honorary officer of the House of Commons. I have also had the pleasure of working with him for 11 years and he gave me judicious advice. Of course, any newly-elected member has a whole lot to learn. Occasionally, conflicts do arise and hon. members take the advice of the people we usually call the people at the Table who are the link between them and the Speaker. Mr. Fraser fulfilled his duties with know-how, integrity and impartiality. I am pleased, therefore, to say these things about him and to thank him for all the help he gave me and my party and which allowed us to better serve our country, to be more efficient in the House and, finally, to be good Canadians. All hon. members are in favour of this

motion; that is natural. I am sure that we will always remember Mr. Fraser in our deliberations.

[*English*]

Hon. Allan J. MacEachen (Cape Breton Highlands-Canso): Mr. Speaker, I have one or two reasons for saying a word about this very felicitous motion proposed by the Prime Minister (Mr. Clark), not only because I have been a friend of Mr. Fraser for many years but also because of the association that the Fraser family has had with the province of Nova Scotia. His father served as Lieutenant Governor of Nova Scotia for one term and his grandfather before his father had the same honour, and I have not lost hope that Alistair Fraser, whom we are honouring today, may follow in that tradition.

Some hon. Members: Hear, hear!

Mr. MacEachen: In light of the warm praise given by the Prime Minister, maybe it will happen earlier than I had expected.

• (1630)

Of course, Alistair gave outstanding service to the House of Commons and he deserves the rest he is now receiving in a very beautiful part of Canada, in the town of Guysborough, in the constituency of Cape Breton Highlands-Canso. After having lived in Ottawa for so many years, I have no hesitation in saying that Alistair has definitely improved his residential status.

Some hon. Members: Hear, hear!

Motion agreed to.

* * *

INTERNAL ECONOMY COMMISSION

Right Hon. Joe Clark (Prime Minister) presented the following message for His Excellency the Governor General of Canada:

His Excellency the Governor General of Canada transmits to the House of Commons a certified copy of an approved order in council appointing the Hon. Walter Baker, President of the Queen's Privy Council and Minister of National Revenue, the Hon. Roch La Salle, Minister of Supply and Services, the Hon. Sinclair Stevens, President of the Treasury Board, and the Hon. Perrin Beatty, Minister of State (Treasury Board), to act with the Speaker of the House of Commons as commissioners for the purposes and under the provisions of chapter H-9 of the Revised Statutes of Canada entitled: An act respecting the House of Commons.

* * *

STANDING COMMITTEES

Right Hon. Joe Clark (Prime Minister) moved:

That a committee be appointed to prepare and report, in accordance with Standing Order 65, lists of members to compose the standing and standing joint committees of this House; that the committee be composed of Messrs. Baker (Nepean-Carleton), Kempling, Friesen, MacEachen, Lefebvre and Knowles, and that the provisions of Standing Order 65 (1) be suspended in relation to the number of members on the said committee.

[*Translation*]

Mr. Fabien Roy (Beauce): Mr. Speaker, I notice that you referred to Standing Order 65, which states:

65.(1) At the commencement of the first session of each Parliament, a striking committee, consisting of seven members, shall be appointed—

If I understand correctly, you have mentioned six members. However, this Standing Order does not stipulate at most seven members, but rather the following:

—consisting of seven members, shall be appointed, whose duty it shall be to prepare and report, within the first ten sitting days after its appointment, lists of members to compose the following standing committees of the House:

Mr. Speaker, I would like you to note that three members, that is the first three members named, belong to the government party. Two are members of the official opposition party and one of the New Democratic Party. There obviously remains one member to be appointed and since our party has always been certain that one of its members would sit on this committee, Mr. Speaker, with your consent, I would like to move the following amendment.

Some hon. Members: Janelle! Janelle!

An hon. Member: Order.

Mr. Roy (Beauce): Mr. Speaker, this is quite in order as it concerns a motion now before the House. The Standing Orders provide that a motion can be moved. Therefore, Mr. Speaker, I would move:

That the seventh member of that committee be the hon. member for Bellechasse (Mr. Lambert).

In making this suggestion, Mr. Speaker, I would like to remind hon. members that some of my new colleagues in this House are very prone to laughter. I would like to tell them this and remind them quite simply that we have—

Some hon. Members: Order.

Mr. Roy (Beauce): Mr. Speaker, I would like to give my reason for moving this amendment. I would also like to remind my colleagues in this House that we got a higher percentage of voters—I can see that it bothers some—than the total number of voters who went to the polls in Nova Scotia and the number of people who voted in New Brunswick. Our party got a higher number of votes than the total number of voters in six provinces of Canada.

Nevertheless, I think that in all fairness it is quite simply a matter of principle, of equity, that our party should have a member on that committee to be appointed as you suggested under the terms of Standing Order 65, which calls for a committee of seven members.

Mr. Speaker: Order. I have to have the written motion before determining whether or not it is in order.

Order. There is no reason not to accept the motion under our procedures. So I must rule the motion in order under our procedure.

I have here the amendment moved by the hon. member for Beauce (Mr. Roy) which is as follows:

Mr. Roy (Beauce), seconded by Mr. Lambert (Bellechasse), moved:

That the motion be amended by adding the name of Mr. Adrien Lambert (Bellechasse) as member of the striking committee under Standing Order 65.

● (1640)

[*English*]

The question, therefore, is on the amendment. The House has heard the amendment. Is it the pleasure of the House to adopt the said amendment?

Some hon. Members: No.

Hon. Allan J. MacEachen (Cape Breton Highlands-Canso): Mr. Speaker, the amendment which has been made to the main motion may appear to be very routine and very simple on the surface, but it must be remembered that this is not a routine motion as indicated by the comments of the hon. member for Beauce (Mr. Roy) and his arguments in support of including a member of the Social Credit group as part of the striking committee.

The motion by the Prime Minister (Mr. Clark) says something very clearly about the political composition of the House of Commons, and particularly about the rights which each element of that composition may enjoy. I do not believe it was an accident or an oversight that the Prime Minister did not include in his motion a member of the Social Credit group.

Here, of course, I want to say that the member proposed to be added in the person of the hon. member for Bellechasse (Mr. Lambert) is a friend of all of us and has participated very effectively in the debates of the House. But we are not at the present time dealing with the status of the hon. member for Bellechasse; we are dealing with what status the members of the Social Credit group, now numbering five, will enjoy in the Thirty-first Parliament of Canada.

It is obvious that if there had been included in the motion a member of the Social Credit group, that would carry with it the implication that in the House of Commons, if it did approve that motion, that group would enjoy a status, particularly the leader of that group, equivalent in standing to that of the Leader of the Opposition (Mr.Trudeau) and the Leader of the New Democratic Party.

We do not, of course, accept the proposition that a spokesman of the Social Credit group should enjoy the same privileges and rights traditionally accorded the Leader of the Opposition and the Leader of the New Democratic Party. It is not a question of denying members of the Social Credit party their rights as members of Parliament. Each of us would fight very energetically to maintain the rights which each member of the House of Commons enjoys as a member, namely, to participate in debates, to ask questions and so on. All members will enjoy those rights. We have reservations as to whether, with the acceptance of this motion, a spokesman, for example, for the Social Credit group would have the same opportunity following ministerial statements on motions as would the Leader of the Opposition and the Leader of the New Democratic Party.

It is a fact that the matter came before the House in February, 1966, on a point of order raised by the then hon. member for Cumberland who questioned the appropriateness of members of the Ralliement Créditiste and the Social Credit party being permitted by the Speaker to comment on ministerial statements. The Speaker at that time made a ruling which has been in existence since then.

I should, however, underline the fact that the House itself has never had an opportunity to give an expression of opinion on a matter of this kind. This motion, and particularly the amendment, gives the House and each member the opportunity to express an opinion on the appropriateness of a group of five members, in this case the Social Credit group, having the full status of other parties in respect of (a) the question period and (b) statements on motions in response to ministerial statements. We believe that we cannot extend that unqualified right in the present circumstances, and that is why we agree with the Prime Minister in not including a member of the Social Credit group as a member of the striking committee. To do so would be to carry with it the implications I have already described.

For those reasons, Mr. Speaker, and in an effort to provide the sense of the House, and certainly the sense of this group, we propose to vote against the amendment and to vote for the main motion proposed by the Prime Minister.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I say on behalf of the New Democratic Party that we regard this amendment as unnecessary, to put it in technical terms. I want also to say that we regret that it has been presented, and I shall indicate what I mean by that in a moment.

First, when I say that we regard the amendment as unnecessary, I would point out that the striking committee itself really has a very routine job. Sometimes in a whole Parliament it meets only two or three times. What it does is receive the lists from the various parties as to the persons to be put on the standing committees, and then in the name of the striking committee that report is presented to the House and adopted and the memberships are confirmed.

It is not a matter of great importance to be on the striking committee but, as has been indicated by the hon. member for Cape Breton Highlands-Canso (Mr. MacEachen), there is a principle involved that we have to consider.

The other reason I give for saying it is not necessary to have every group of members in this House represented on the committee is that on former occasions there have been times when various parties, either the Social Credit party or my party, were not on the committee. A number of years ago, for example, when our two parties were about the same size, in

fact for quite a number of years, we had a member on the striking committee one year and they had a member the next, and the member who was there saw to it that the other party got its representation on committees. It is not very important to be there, and hon. members of the Social Credit group can rest assured that they will get just as many committee positions without being represented there as they would by being represented. In fact, they might even get more as we might feel we have to show some generosity.

Therefore, this is not an issue, it seems to me, that should engage the House for any length of time, and certainly should not engage the House for the time it would take to have a division on this motion. But, as the hon. member for Cape Breton Highlands-Canso has pointed out, for the House to take a decision on this motion, whether it is a voice vote or a recorded division, would seem to involve the issue as to whether five members constitute a party for the purpose of a number of things.

● (1650)

It is my view, and I have stated it at the meetings of representatives of all the parties which have been held, that there are several such issues and that most of them should really be decided by Mr. Speaker. Mr. Speaker was helpful in resolving the question of where the various parties should sit in the House, and I think that it was appropriate that he gave his advice on that issue. The next important issue will be time allotted in the question period, and it is important to opposition parties that they know whether a third opposition party has the kind of status that entitles it to lead off questions, that entitles it to questions every day even though it has only five members. In my view it is something that ought to be decided by you, sir.

If we take a vote today, and the consensus seems to be that this motion will be defeated, then you, sir, will have the decision of the House that on the first occasion when the issue was raised it was felt that we should not give to five members the status of a party.

As the House leader for the official opposition pointed out, we are here to defend each other's rights as individuals to speak, to ask questions and to take part in debate. But there are certain special advantages which go with party status which are at issue. We have provision in the statute on pay allotted to members of the House which indicates that it takes 12 members to get extra pay for the leader of any small party. There is no debate about that. The Social Credit party does not have 12 members and, therefore, its leader does not get the extra pay. That is all that section says. While it has come to be thought that 12 members were required for party status, we over-stepped it when the party had only 11 members last time. Now they are down to five. What happens when it gets down to four, three or two? Can a party that has used a name in an election come here and claim all the advantages that go with party status regardless of how small it is?

Frankly, sir, I am raising these questions without feeling that it is my right to give the answers. I believe that the Chair should give the answers, especially on such things as rights in the question period, statements on motions and so on. On the question of funds for research, that is up to the commissioners of internal economy. I would think that the part of wisdom would be, in so far as my friends across the way are concerned, not to ask for a vote in this House today, because if we must vote the House will be put in the position of saying no on the first formal occasion that presented itself with regard to five members being treated as though they were a party.

Therefore, Mr. Speaker, I have to join, on behalf of my colleagues, with the House leader for the official opposition in saying that if this question is to be put to a vote we shall oppose the amendment, but that we shall support the motion presented by the Prime Minister (Mr. Clark), which was what we had agreed upon at a meeting of House leaders. The rights of my honourable friends as individual members we shall defend, but party status is something else. That is our position.

[*Translation*]

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, first I would like to make a correction. When you read the motion in amendment, you indicated it was seconded by the hon. member for Bellechasse, although it is stated on the sheet the motion is seconded by the hon. member for Rimouski (Mr. Allard). I would like this to be recorded accordingly in *Hansard*. It would be somewhat awkward for a member to propose himself.

Mr. Speaker: Order, please. The hon. member for Bellechasse (Mr. Lambert) is quite right. It is indeed specified that the motion is seconded by the hon. member for Rimouski (Mr. Allard).

Mr. Lambert (Bellechasse): Mr. Speaker, I listened very closely to the two speakers who spoke before me. The hon. member for Winnipeg North Centre (Mr. Knowles) stated at the very beginning of his remarks this was a committee of little significance and the House should not be asked to decide on such a trifle. This is a committee that meets only two or three times in the course of a session. But if indeed the issue is of so little significance, it follows in my view that we should not be refused representation on that committee. This is simple logic. A member on that striking committee, we always had one in the past and we did not fare any worse.

I understand the hon. member for Winnipeg North Centre. He is a personal friend, and he always takes care in this House to defend the rights of hon. members, whoever they may be. Indeed I remember that at one time he supported one of my motions so that my party or myself could discharge our duties.

On the issue of my party's status, I grudgingly acknowledge the fact that we are a minority party. But looking at the representation in this House, every party is a minority party. Therefore we are no exception to the rule. It depends on the number of persons. We are all minority parties.

Moreover, it is quite true that the status of a party as far as the allowances payable to the leader of a party are concerned—and the House itself passed the legislation and decided that to be entitled to a special allowance, the leader should have at least 11 members in his group excluding himself; that is, 12. However, I feel that it has nothing to do with our duties in the House as a recognized, registered national party.

It is in such capacity, Mr. Speaker, that we are asking to be allowed to name a representative to that committee. It would not hurt anyone, because we all agree that the matter is unimportant. We would then continue to work and bring our contribution to that committee and, strictly speaking, I do not think that it would hurt anyone.

Now, Mr. Speaker, if we consider that the motion is a basic one which could affect the status of our party, I think that we are going beyond the scope of the proposed amendment. In my opinion, the question should not even be raised. It is a mere technical matter and of course when we disagree, the question is then put. Such is democracy. This is why an election is held, because we do not share the same views.

When the members of this House disagree, they ask, of course, that the question be put. If we are not allowed to have a representative on that striking committee, the matter will be settled. As for other issues which could arise later, they will be dealt with in due course.

Mr. Speaker, I leave it to you to decide whether the motion is really in order and if we should deal with it right now or if you would rather wait to make a decision. We leave it to your discretion.

[*English*]

Hon. Walter Baker (President of the Privy Council and Minister of National Revenue): Mr. Speaker, I do not intend to prolong the discussion in the House, but I do say that there is here an important matter of principle at stake. The original motion was framed with that in mind. The hon. member for Cape Breton Highlands-Canso (Mr. MacEachen) and the hon. member for Winnipeg North Centre (Mr. Knowles) have set out, I believe, the principles quite clearly. They do not need to be repeated. In that sense it is clear, as the government House leader, that I ought to indicate to the House that, based on the principle that is involved, we do not intend to support the amendment.

Mr. Speaker: The question is on the amendment to the main motion. All those in favour of the amendment, please say yea.

• (1700)

Some hon. Members: Yea.

Mr. Speaker: All those opposed, please say nay.

Some hon. Members: Nay.

Mr. Speaker: In my opinion, the nays have it.

And more than five members having risen:

[Mr. Lambert (Bellechasse).]

Mr. Speaker: Call in the members.

The House divided on the amendment (Mr. Roy (Beauce)), which was negatived on the following division:

• (1710)

(Division No. 1)

YEAS

Messrs.

Allard
Caouette
Gauthier (Roberval)
Lambert (Bellechasse)
Peters
Roy (Beauce)—6.

NAYS

Messrs.

Alexander
Andre (Calgary Centre)
Appolloni (Mrs.)
Atkey
Axworthy
Baker (Nepean-Carleton)
Beattie (Hamilton Mountain)
Beatty (Wellington-Dufferin-Simcoe)
Bégin (Miss)
Benjamin
Berger
Binks
Blaikie
Blais
Blaker
Blenkarn
Bockstael
Bosley
Bradley
Breau
Brisco
Broadbent
Bujold
Bussières
Caccia
Cameron
Campbell (Sarnia)
Chenier
Chrétien
Clark (Yellowhead)
Clarke (Vancouver Quadra)
Comtois
Cook
Cooper
Corbett
Corbin
Corriveau
Cossitt
Cousineau
Crombie
Crosbie (St. John's West)
Crosby (Halifax West)
Crouse
Cyr
Darling
Daudlin
Dawson
De Bané
de Corneille
de Jong
Demers
Deniger
Desmarais
Dick
Dinsdale
Dion (Portneuf)
Dionne (Chicoutimi)
Dionne (Northumberland-Miramichi)
Domm
Duclos
Dupont
Duquet
Elliott
Ellis
Elzinga
Epp
Evans
Faour
Fennell
Ferguson
Fish
Fleming
Flis
Forrestall
Foster
Fox
Fraleigh
Fraser
Fretz
Friesen
Froese
Fulton
Gamble
Gass
Gauthier (Ottawa-Vanier)
Gendron
Gilchrist
Gourd
Grafftey
Graham
Gray
Greenaway
Guay
Guilbault
Gurbin
Gustafson
Haliburton
Halliday
Hamilton (Qu'Appelle-Moose Mountain)
Hamilton (Swift Current-Maple Creek)
Hargrave
Harquail
Hawkes
Hees
Herbert
Hervieux-Payette (Mrs.)
Higson
Hnatyshyn
Hogan
Holmes
Hopkins
Howie
Huntington
Isabelle
Ittinuar
Jarvis (Willowdale)
Jarvis (Perth)
Jewett (Miss)
Johnston
Jupp
Kaplan
Kempling
Kilgour
Killens (Mrs.)
King
Knowles
Korchinski
Kushner
Lachance
Lajoie
Lalonde
Lambert (Edmonton West)
Lane
Lapierre
Lapointe
La Salle
Lawrence
LeBlanc
Leduc
Lefebvre
Lessard
Lewis
Loiselle
Lumley
MacDonald (Egmont)
MacDonald (Miss) (Kingston and the Islands)
MacDonald (Cardigan)
MacEachen
MacKay
MacLaren
MacLellan
Malépart
Malone
Maltais
Marceau
Massé
Mayer
Mazankowski
McCain
McCauley
McCrossan
McCuish
McDermid
McGrath
McKenzie
McKinley
McKinnon
McKnight
McLean
McMillan
McRae
Miller
Mitchell (Mrs.)
Munro (Esquimalt-Saanich)
Munro (Hamilton East)
Murphy
Murta
Neil
Nicholson (Miss)
Nickerson

Messrs.

Nielsen	Ritchie (York East)	Taylor (Cowichan—Malahat—The Islands)
Nowlan	Robinson (Burnaby)	Taylor (Bow River)
Nylander	Robinson (Etobicoke-Lakeshore)	Tessier
Oberle	Roche	Thacker
Ogle	Rodriguez	Thomson
Olivier	Rompkey	Tousignant
Ostiguy	Rose	Towers
Ouellet	Rossi	Trudeau
Paproski	Sargeant	Turner
Parent	Sauvé (Mrs.)	Vankoughnet
Patterson	Savard	Veillette
Pelletier	Schellenberger	Waddell
Penner	Scott (Hamilton-Wentworth)	Wakim
Pepin	Scott (Victoria-Haliburton)	Whelan
Phillips	Siddon	Whittaker
Pinard	Speyer	Wightman
Portelance	Stevens	Wilson
Prud'homme	Stewart	Wise
Rae	Stollery	Woolliams
Reid (St. Catharines)	Stratas (Mrs.)	Yanakis
Reimer	Symes	Yurko—247.
Richardson (Humboldt-Lake Centre)	Tardif	
Richardson (Beaches)		
Ritchie (Dauphin)		

● (1720)

[*Translation*]

Mr. Speaker: I declare the amendment lost.

[*English*]

The question is on the motion. The House has heard the terms of the motion. Is it the pleasure of the House to adopt the said motion?

Some hon. Members: Agreed.

Some hon. Members: On division.

Motion agreed to.

* * *

[*Translation*]

HOUSE OF COMMONS

APPOINTMENT OF CHAIRMAN OF COMMITTEES OF THE WHOLE

Right Hon. Joe Clark (Prime Minister): Mr. Speaker, I move, seconded by the right hon. Leader of the Opposition (Mr. Trudeau):

That Gérald Laniel, Esquire, member for the electoral district of Beauharnois-Salaberry, be appointed Chairman of Committees of the Whole House.

Motion agreed to.

[*English*]

APPOINTMENT OF DEPUTY CHAIRMAN OF COMMITTEES OF THE WHOLE

Right Hon. Joe Clark (Prime Minister): Mr. Speaker, I move, seconded by the President of the Privy Council (Mr. Baker):

That Fred McCain, Esquire, member for the electoral district of Carleton-Charlotte, be appointed Deputy Chairman of Committees of the Whole House.

Motion agreed to.

APPOINTMENT OF ASSISTANT DEPUTY CHAIRMAN OF COMMITTEES OF THE WHOLE

Right Hon. Joe Clark (Prime Minister): Mr. Speaker, I move, seconded by the President of the Privy Council (Mr. Baker):

That William C. Scott, Esquire, member for the electoral district of Victoria-Haliburton, be appointed Assistant Deputy Chairman of Committees of the Whole House.

Motion agreed to.

* * *

BUSINESS OF SUPPLY

Hon. Sinclair Stevens (President of the Treasury Board): Mr. Speaker, I move, in accordance with Standing Order 58:

That this House at its next sitting consider the business of supply.

Motion agreed to.

* * *

SPEECH FROM THE THRONE

ADDRESS IN REPLY, MOVED BY MR. GIRVE FRETZ AND SECONDED BY MR. WILBUR MacDONALD (CARDIGAN)

The House proceeded to the consideration of the speech delivered by His Excellency the Governor General.

Mr. Girve Fretz (Erie): Mr. Speaker, before I begin I would like to take the time to thank the Prime Minister (Mr. Clark) and his cabinet for the confidence they have placed in me. It is a singular honour and one that is most appreciated, not only by myself but by the constituents of my riding. To have one's maiden speech move the Address in Reply is a privilege that I will remember and treasure all my days.

I would also like to congratulate you, Mr. Speaker, on your re-election to that position which you so ably held in the past and which, I am sure, you will continue to fill with distinction. I wish you every success in your duties and envy you not at all.

Before I go on, it is appropriate to pause and remember a person who is not here, the late John George Diefenbaker. Mr. Diefenbaker, as he himself said, was always a "House of Commons man". He devoted his life and efforts on behalf of the Canadian people to this great institution of Parliament, and we are saddened and diminished by his loss. Those of us who are new members will especially miss the wisdom and counsel he so freely gave. Mr. Diefenbaker's final hours were spent preparing himself for this session of Parliament, a session he was particularly looking forward to as our party had been given the mandate to govern by the people of Canada. We shall take up that mandate and govern in the way that Mr. Diefenbaker would have wished, with concern for the rights of

the individual Canadian. The emphasis of government will return to the recognition and reaffirmation of the fact that individual rights are the cornerstone of our democracy.

In my opening remarks, Mr. Speaker, I made mention of the riding of Erie, the constituency I am pleased and honoured to represent here today. In the tradition of maiden speeches, it is my pleasant task to acquaint the members of the House with Erie riding.

As is obvious from the name, we are situated on one of the greatest of the Great Lakes, Lake Erie. Our eastern boundary is defined by the Niagara River which has its beginnings here, as does much of the history of early Canada. Many battles of the war of 1812 took place on the soil of what is now Erie riding. Our early settlers had their numbers swelled by United Empire Loyalists and my own forebears came to this region in 1800.

Not only has the area been blessed with tremendous beauty and historical significance, but we are justly famous for our fresh produce, abundant orchards, and flavourful vineyards. Our fertile soil and temperate climate make the Niagara region one of the best grape growing regions in the world, and form the basis of Canada's wine industry. I am sure that yesterday as we celebrated Thanksgiving many of us had turkey and chicken from the riding of Erie.

We also share the Niagara River with the United States and have one of the gateways between that great country and ours. Over 150 years of friendship with the United States are epitomized by the bridge that links our two nations, the Peace Bridge. Being on an international boundary has also been a great advantage in teaching our citizens that great Canadian pastime—smuggling.

● (1730)

Proximity to our American neighbours and the lush beauty of our region have made the Niagara peninsula and Erie riding a natural gathering place for many hundreds of thousands of tourists each year. Tourism plays a major role in the economy of Erie as, in fact, it does in all Canada. The announcement by the Prime Minister of a national tourism strategy is indeed a most welcome proposal.

One of the prominent man-made features of Erie is the Welland Canal, which is 27 miles long, an integral part of the St. Lawrence Seaway and an important facet of our regional economy. Studies by the Niagara regional chamber of commerce have shown that the economic impact of the Welland Canal and the Canadian Great Lakes shipping industry is growing steadily with more than $180 million flowing into the Niagara region annually. The St. Lawrence Seaway Authority alone provides more than 650 jobs while over 3,000 local residents find employment on the ships themselves. The operation of the canal, movement of cargo and construction and repair of ships remain the dominant part of the industry's effect on my riding, yet numerous smaller companies depend on ships and shipping for their existence. These suppliers and contractors provide services essential to the maintenance and operation of the 170 Canadian flag vessels which regularly use the Welland Canal. It is in this context that I was most pleased to learn of the Prime Minister's intention to set up a seaway advisory council to maintain and improve the viability of this industry which is so important to our region and to the whole country.

The people of Erie riding reflect in both their ethnic make-up and their geographical distribution a common bond with the rest of Canada. The urban areas of Erie are close to the American border while the agricultural and less populated areas are to the north. Aside from this physical similarity to Canada as a whole, the people of Erie through their background and heritage echo the history of our great land. Representatives of our two founding nations dwell here, as do representatives of other nations from all around the world. These people have seen the promise that is Canada and have moved here to realize that promise. Whatever reasons have impelled them to come to Canada, leaving their native lands, whether flight from adversity or a longing for freedom or a sense of adventure, these new Canadians have flocked in their thousands over the years to find that dream, to slake their spirit of adventure, to live in freedom. And they have made Canada, including Erie riding, what it is today, a vibrant, forward-looking land that has taken the strands of diverse experience and culture and woven them into a new, stronger entity, a land and people who are more than the sum of their parts, a land and people who have prospered by recognizing and capitalizing upon their differences. Erie is the living proof that diversity is an asset and I am sure its people join with me in applauding the Prime Minister on his appreciation of that fact. Our multicultural heritage is one of Canada's greatest resources.

In Erie, the people reflect traditional values which were perhaps overlooked by the previous administration. They believe that initiative should be encouraged and rewarded, that a good day's work deserves fair compensation, that individuals should take responsibility for their own lives and that government should impose as little as possible upon the governed. What is good for the individual is good for the country. We can regain our independence. We can depend upon ourselves. We will cease to turn to Big Daddy to solve our problems with the big dollar which inevitably leads to the big deficit. It is a truism to say that one best appreciates something one has worked for—that if the object of desire is given on a silver platter, it is not valued as highly. There is a vast, untapped resource in Canada, with more good ideas than any army of well-paid bureaucrats could produce. It stands to reason that 22 million people will have more ideas and be better in tune with their own needs than self-appointed experts in Ottawa.

The volunteer sector is the perfect expression of a nation's responsibility to itself. Witness the groundswell of support and sympathy for the Indo-Chinese refugees; people organized themselves, set up their own committees, found their own answers and are responding on a one to one level with each other and with those they have been moved to sponsor. Surely this is a more human and more humane way of dealing with each other—to remove the faceless interference from above

and to relate face to face. The Prime Minister's announced intention to set up a select committee to study volunteerism in Canada is therefore welcome.

It is my belief that one of the major challenges to be faced by the new government will be to get our economy moving again. Canada's potential is limitless. We have the people, we have the resources. What we need is the will. We need to restore our confidence in ourselves. These are qualities the present government will foster. Our government will be an example for Canadians to follow. It will not be a case of substituting "Do as I say" for "Do as I do". A promise was made to privatize certain Crown corporations. That promise will be kept and those corporations will be returned to the private sector where the profit motive is not an alien principle.

The greatest wish of most Canadians is to own their own homes. The promise was made that aid would be forthcoming so that for many this dream could become reality. That promise, too, has been kept.

The promise was made that no longer would civil servants or cabinet ministers be able to hide behind a web of secrecy; no longer could those in positions of influence escape responsibility for their actions and decisions. A freedom of information law is to be enacted as promised with an outside arbiter to decide disputed matters. This will make Parliament more accountable to the people and less a system of divine right of cabinet. Parliament will be strengthened and thus improved. The imperial cabinet will become a thing of the past and our government, by its solicitous attitude toward those who are disadvantaged, will also be an example to the people of Canada. In spite of our determination to improve our economy and to cut back government expenditure, we shall not practice restraint on the backs of those who are truly in need and who, by reason of disability, of age or traditional barriers, have been kept from realizing their full potential and denied the opportunity to benefit from the riches of Canada. We shall not forget or neglect these people.

● (1740)

Those of us who are strong can only be diminished if we do not give proper regard to those in our society who are less strong. For we have not forgotten that we are Progressive Conservatives, and our attitude to social programs and to those who will benefit from social programs will be enlightened and compassionate.

I have already said that indeed it is an honour to move the address in reply. It is also an honour and a privilege to be a member of a team which will have a positive impact on Canada.

I therefore move, seconded by the hon. member for Cardigan (Mr. MacDonald), that the following Address be presented to His Excellency the Governor General of Canada:

To His Excellency the Right Honourable Edward Richard Schreyer, Chancellor and Principal Companion of the Order of Canada, Chancellor and Commander of the Order of Military Merit, upon whom has been conferred the Canadian Forces' Decoration, Governor General and Commander-in-Chief of Canada.

May it please Your Excellency:

We, Her Majesty's most loyal and dutiful subjects, the House of Commons of Canada, in Parliament assembled, beg leave to offer our humble thanks to Your Excellency for the gracious speech which Your Excellency has addressed to both Houses of Parliament.

Some hon. Members: Hear, hear!

Mr. Wilbur MacDonald (Cardigan): Mr. Speaker, it is indeed an honour to be here on this occasion and to be afforded the opportunity to second the motion for the address in reply. I wish to thank the Prime Minister (Mr. Clark) and his cabinet for their courtesy in asking me to have this share in the opening of the Thirty-first Parliament. It is certainly an historic occasion for me, for my family and for the people of my constituency of Cardigan.

As we approach the dawn of the next decade this Parliament is confronted with challenging economic and social problems. The Speech from the Throne has indicated that this House will be asked to seek solutions to a wide variety of these. As I listened to the Speech from the Throne I could not help but realize that many subjects, such as fisheries, energy, transportation and regional economic expansion, are important to Canada as a whole but especially important to the constituency of Cardigan.

In area, Cardigan takes in the eastern part of Prince Edward Island, and all but one of its boundaries border on the sea. My constituents include farmers, fishermen, small business people, housewives, labourers, professional people, young and old alike, all hardworking Canadians with strong Christian values and a no-nonsense approach to their jobs.

As a farmer I share this no-nonsense approach to my job in Parliament. One of my tasks and, I suggest, one of the problems confronting this Parliament, will be to end the exodus of young rural Canadians from family farms. The family farm must remain the cornerstone of our agricultural industry in Canada. In this country and in my riding there are men and women willing to work long hours and a full week on their farms. All they ask is a fair return for their labour, fair prices for their produce and a chance to have their children follow in their footsteps.

However, if we continue to import food which our farmers could be producing economically and if we continue to let our small family farms slip needlessly into corporate hands, we will be undermining one of Canada's greatest strengths, its agricultural industry. We have the land. We now have the farmers. Let us see that they get fair prices for their products and a chance to pass their land on to their children. If this is done, we should never have a food crisis in this country, and we should be able to provide food to parts of the world which now have hungry and malnourished populations.

Another subject of special concern to my constituents is the need to create a fisheries policy which will permit fishermen to reap the full benefits of Canada's recently declared 200-mile limit. The key to this policy is intelligent management of the fishery resource. I believe that we in Prince Edward Island have a stake in the expansion of this important industry, and I am pleased that this Parliament will be working to create a

fisheries policy which will maintain Canada's position as the number one fishing country in the world. I look forward with great confidence to expansion of the fisheries industry and more year-round employment for our processors and fishermen.

I am also pleased that this House will be attempting to create a favourable business climate in Canada. This is important to all industries in Canada, but it is especially important to small business in this country. In my riding of Cardigan small businessmen include not just farmers and fishermen but also restaurant owners, tourism operators, small shop proprietors, and the list goes on. Not only are small businessmen the backbone of our economy but they also represent and embody the spirit of free enterprise which makes Canada great. It is important that this Parliament formulate policy which will permit businessmen to plan and to expand their operations.

Another important concern of small businessmen in my riding and, I am sure, in other rural parts of Canada is the need for improved transportation systems. If the potato, fishery and tourist industries of Prince Edward Island are to remain viable, our railway and ferry systems must be upgraded. I need not remind hon. members of this House that our railway system was originally planned by the Fathers of Confederation as a tool to assure equal development of Canada's regions. This development is not yet fully realized in Atlantic Canada. The railway is the most efficient means of transporting goods from our province and within our country, and it needs our attention.

We look to the development of alternate energy not only as a means of creating energy but also as a rejuvenation of the forestry industry in Prince Edward Island. An increase in harvesting of our forests, followed by an intensive reforestation program, will result in increased employment and a revitalization of the whole industry.

Finally, the subject of energy is especially important to my riding. My constituents are almost totally dependent on oil for energy and have the highest electricity rates in Canada. It is not important just that we find new sources of oil but equally important that we develop reusable sources of energy which will carry us into the next century. Efficient energy systems are the key to our economic well-being in the decade ahead, as they are to all Canadians. We in Prince Edward Island have the potential for many forms of alternate energy such as wind, solar and wood power. We all recognize that there is no simple solution to energy problems and that this has caused a great deal of concern to all Canadians. I believe that part of the solution lies in the alternate energy field.

We new members of this House, members of the new generation of members of Parliament, have each come as individual representatives of our ridings to this historic chamber to help bring leadership to this nation. We are all proud to be here, determined to continue the development of this country and determined to face the future with confidence. I sense that there is also a determination to keep this nation united and strong. I am sure that is shared by all in this chamber.

I sense also a determination to restructure some of the proceedings of this Parliament. We are not here for glory or honour alone. Neither are we here to waste our time or the time of this Parliament. We come to work with those who have been here before us so that together this Thirty-first Parliament can move forward, providing solutions to the problems which confront us, and as it moves into history we can all be justifiably proud that we were part of it.

I believe that individual Canadians everywhere look to this Parliament for leadership and a sense of direction so that together we can formulate policies to improve the economic, social and spiritual well-being of our citizens as we move forward into the next decade.

• (1750)

I wish to congratulate you, Mr. Speaker, on again being elected Speaker of the House. Your impartiality and guidance are well known to everyone. I wish to thank you for your kindness and patience, as well as to thank hon. members.

Therefore, it gives me great pleasure to second the Address in Reply to the Speech from the Throne moved by the hon. member for Erie (Mr. Fretz).

Mr. Speaker: The House has heard the motion moved by the hon. member for Erie (Mr. Fretz) and seconded by the hon. member for Cardigan (Mr. MacDonald). Is it the pleasure of the House to adopt the said motion?

[*Translation*]

Right Hon. P. E. Trudeau (Leader of the Opposition): Mr. Speaker, I move that the debate be now adjourned.

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

Some hon. Members: Agreed.

Motion agreed to.

[*English*]

Hon. Walter Baker (President of the Privy Council and Minister of National Revenue): Mr. Speaker, I move that this House do now adjourn.

Mr. Speaker: The House has heard the motion moved by the hon. member for Nepean-Carleton (Mr. Baker). Is it the pleasure of the House to adopt the said motion?

Some hon. Members: Agreed.

Motion agreed to.

Mr. Speaker: Accordingly, this House stands adjourned until tomorrow at 2 p.m., pursuant to Standing Order 2(2).

The House adjourned at 5.50 p.m.

HOUSE OF COMMONS

Wednesday, October 10, 1979

The House met at 2 p.m.

• (1405)

ROUTINE PROCEEDINGS

[*English*]

THE CANADIAN ECONOMY

REQUESTED COMMITTEE STUDY OF INTEREST RATE POLICY—MOTION UNDER S.O. 43

Hon. Herb Gray (Windsor West): Mr. Speaker, I rise under the provisions of Standing Order 43 on a matter of pressing and urgent necessity.

In view of the fact that the record increase in interest rates carried out yesterday by the Bank of Canada, apparently with the agreement of the government, will have adverse effects on employment, business, especially small business, and consumers as well as the economy generally, I move, seconded by the hon. member for Saint-Maurice (Mr. Chrétien):

That this House immediately order its Standing Committee on Finance, Trade and Economic Affairs to be set up and that that committee undertake an immediate review of the interest rate policy of this government and of the Bank of Canada, and that for this purpose the governor of the bank and the Minister of Finance appear before it to explain their actions and what they will be doing to solve the problems which the governor of the bank himself said interest rates are now causing for individuals and to business.

Mr. Speaker: The House has heard the terms of the motion. Hon. members know that motions pursuant to Standing Order 43 can be put to the House only with the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Mr. Speaker: The House has heard the terms of the motion moved by the hon. member for Windsor West (Mr. Gray), seconded by the hon. member for Saint-Maurice (Mr. Chrétien). Is it the pleasure of the House to adopt the said motion?

Some hon. Members: Agreed.

Motion agreed to.

• (1410)

OFFICIAL LANGUAGES

FRENCH LANGUAGE SCHOOL AT PENETANGUISHENE, ONT.—MOTION UNDER S.O. 43

Hon. J.-J. Blais (Nipissing): Mr. Speaker, I rise on a matter of urgent and pressing necessity pursuant to Standing Order 43, and I trust the precedent established by the government will be followed.

In view of the recent Davis decision in Ontario refusing the establishment of a French language school in Penetanguishene, noting the impact that that decision is bound to have on both linguistic groups in Quebec in the face of the debate leading up to the Quebec referendum, and since this House, recognizing the historical importance of minority language rights to the viability of this nation, has voted moneys for the provinces to foster second language education, I move, seconded by the hon. member for Saint-Henri-Westmount (Mr. Johnston):

That this House urge the Ontario government to reconsider and reverse its decision to refuse a French language secondary school for the population of Penetanguishene.

Mr. Speaker: Pursuant to Standing Order 43, such a motion can be presented to the House for debate only with the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

LABOUR CONDITIONS

HIGH UNEMPLOYMENT RATE IN SYDNEY, N.S.—MOTION UNDER S.O. 43

Mr. Andy Hogan (Cape Breton-East Richmond): Mr. Speaker, I rise on a matter of urgent and pressing necessity under the provisions of Standing Order 43.

On October 3, 1977, the then minister responsible for the federal government decentralization program announced that a combined 378 full-time jobs plus 56 part-time jobs would be placed in the very high unemployment area of Sydney. The cabinet of the new government rescinded this healthy idea. In view of the fact this decision for Cape Breton shows tremendous insensitivity to diversifying a very narrow employment base, and in view of the fact that I fought long and hard for such action, I move, seconded by the hon. member for Sault Ste. Marie (Mr. Symes):

S.O. 43

That this government be denounced for turning its back on a very high unemployment area by the punishing decision not to relocate these jobs to the Sydney area.

Mr. Speaker: I have some misgivings about the rather parochial nature of the motion, but nevertheless on this day I opt in favour of the hon. member. I may not be as generous in later sessions. The House has heard the terms of the motion. It can be presented to the House for debate only with the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

TRANSPORT

NEGOTIATIONS TO SETTLE MONTREAL GRAIN HANDLERS' STRIKE—MOTION UNDER S.O. 43

Mr. Ed. Lumley (Stormont-Dundas): Mr. Speaker, I rise under the provisions of Standing Order 43 on a matter of urgent and pressing necessity.

In view of the fact there has been a grain handlers' strike in the port of Montreal for over four months, which seriously affects not only farmers and consumers in the province of Quebec but also the grain producers in western Canada, and considering the Minister of Labour (Mr. Alexander) personally intervened in the grain handlers' strike on the west coast within a few days after assuming office, I move seconded by my colleague the hon. member for Shefford (Mr. Lapierre):

That the Minister of Transport and/or the Minister of Labour intercede directly and immediately in the port of Montreal negotiations, bringing the two sides together in an effort to reach a positive solution.

Mr. Speaker: The introduction of such a motion for debate, pursuant to the provisions of Standing Order 43, requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

[*Translation*]

HUMAN RIGHTS

PROPOSED ESTABLISHMENT OF COMMITTEE TO INFORM PUBLIC OF ABUSE OF WOMEN BY MEDIA—MOTION UNDER S.O. 43

Hon. Jeanne Sauvé (Laval-des-Rapides): Mr. Speaker, under the provisions of Standing Order 43, I ask for the unanimous consent of the House to move a motion of urgent and pressing necessity dealing with the decision of the Minister of Communications (Mr. MacDonald) to abolish the committee on sexist stereotypes in the media and on his decision to integrate it in a far less representative way in a study group of the CRTC. Far from me the idea of objecting if the CRTC is asked to consider the urgency of such a problem, but I am concerned that the minister has deemed it advisable to entrust the CRTC with the task of passing some value judgments under the circumstances. Standards alone could be considered, but when he announced the creation of the study group the minister suggested that it could look at the opportunity of legislating to bring an end to the exploitation of women on television.

I therefore move, seconded by the member for Westmorland-Kent (Mr. LeBlanc):

That an independent committee to set up to make the people sensitive to abuses in the representation of the role of women on television and that the CRTC and the government refrain from any censure procedure to solve that urgent problem.

Mr. Speaker: Order. The House has heard the motion of the hon. member. The presentation of such a motion for debate, pursuant to Standing Order 43, would require unanimous consent. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

• (1415)

[*English*]

FREEDOM OF INFORMATION

REQUEST FOR TABLING OF "PATRONAGE BOOK OF APPOINTMENTS"—MOTION UNDER S.O. 43

Mr. Mark Rose (Mission-Port Moody): Mr. Speaker, I rise on a matter of urgent and pressing necessity under the provisions of Standing Order 43.

In view of the government's welcomed initiatives concerning freedom of information providing greater public access to government information, I move, seconded by the hon. member for Yorkton-Melville (Mr. Nystrom):

That this House instructs the government to table in Parliament the patronage book of appointments put together by the Prime Minister's special assistant, Mrs. Jean Pigott.

* * *

HOUSE OF COMMONS

PRESENCE IN GALLERY OF PRESIDENT OF THE BUNDESRAT OF THE FEDERAL REPUBLIC OF GERMANY

Mr. Speaker: Order, please. Before beginning the question period, may I ask hon. members to join with me in signalling the presence in our gallery of a distinguished visitor in the person of Dietrich Stobbe, President of the Bundesrat of the Federal Republic of Germany.

Some hon. Members: Hear, hear!

ORAL QUESTION PERIOD

[*English*]

ENERGY

POLICY IN RESPECT OF PRICING

Right Hon. P. E. Trudeau (Leader of the Opposition): Mr. Speaker, I have a question for the Prime Minister arising out of a commitment in the Speech from the Throne to make Canada self-sufficient in energy by 1990, a goal that we find commendable.

We intend to co-operate in some of the measures in respect of consumption and the reduction of consumption indicated in the Speech from the Throne. However, in the more immediate future, can the Prime Minister tell us if any arrangements have been made in terms of pricing petroleum in Canada? We know that the Prime Minister has had meetings with various premiers, and for the purpose of planning we would like to know if there are any announcements to be made in the near future.

Right Hon. Joe Clark (Prime Minister): Mr. Speaker, we have carried on extensive conversations with all the premiers with an eye to the development of a general energy package, and they naturally included conversations regarding price. There is not at this moment any agreement which I can reveal to the House, and I have no expectation of making an announcement of such an agreement in the next few days.

Mr. Trudeau: Mr. Speaker, I know that this is a particularly difficult task since we ourselves in the past have had to seek pricing agreements in Canada and it was not always possible to get the agreement of every province. Therefore, I would not want to press the Prime Minister for an immediate answer. Can he let the country know if it is likely that the agreement put together by our government last winter, which was to be operative till July 1 next, will be left in place, or will some new agreement be brought in before July 1?

Mr. Clark: Mr. Speaker, that is another matter that is under consideration in the discussions we are having with the provinces. I would hope that if there is to be a change in the agreement that is now in place, or if there is to be a new agreement based upon the agreement initiated by the former government, that will be announced before the first ministers' meeting in early December.

● (1420)

Mr. Trudeau: Mr. Speaker, the right hon. Prime Minister mentions early December. We have been given to understand that there would be a budget in the course of the first part of the session. Should one assume that the oil pricing agreement will be reached before the budget is brought down, or will the hon. Minister of Finance be basing his budget predictions and concluding the very important import compensation funds on the agreement which was brought forth by the Liberal government last winter?

Mr. Clark: Mr. Speaker, we would prefer to have an energy agreement in place before the budget. However, if that is not possible in the matter of weeks, it is entirely likely that a budget will be brought down before the first ministers meet in early December, and consequently before there is a new agreement on energy.

* * *

THE CANADIAN ECONOMY

POLICY ON INTEREST RATES

Mr. Edward Broadbent (Oshawa): Mr. Speaker, my question is to the Prime Minister. Given the government's approval yesterday of a third hike in interest rates over the summer period, could the Prime Minister explain to the House how his government's interest rate policy differs from the policy of the preceding government?

Right Hon. Joe Clark (Prime Minister): Mr. Speaker, as the hon. member will know, the degree to which interest rate increases in Canada have followed those in the United States has slackened since the election on May 22. We are dealing with a very, very difficult situation here, as the hon. member knows. That is why members of my party were so pleased to be able to accept the recommendation made by the economic spokesman of the official opposition to have the question of interest rates referred as quickly as possible—we would hope, this week or early next week—to the relevant standing committee where there can be not only an opportunity for the governor of the Bank of Canada and the Minister of Finance to express their views, but also an opportunity for other members of this House and members of the public to express their views as to the appropriate policy for a country in our circumstances at this time.

Mr. Broadbent: Mr. Speaker, the Prime Minister knows that no such committee has been formed as yet and that this matter is of profound importance in terms of its impact on the people of Canada. Just prior to the election the Prime Minister, in his role as Leader of the Opposition, stated:

> —there is nothing less sensible than the government's determination to increase interest rates to record levels. That idea . . . has led to the most expensive monetary policy in this country's history.

I would agree entirely with those sentiments. I have not changed my mind.

Will the Prime Minister tell the House what has changed in the country, in the interim, if high interest rates were so disadvantageous to consumers, to people who wish to buy a mortgage, and to virtually everybody in the country, before the election but now that the election has taken place they are no longer disadvantageous?

Mr. Clark: Mr. Speaker, high interest rates are welcomed by no one. They are no more welcome or, indeed, satisfactory to this government now than they were to us prior to May 22. We do live in an international circumstance which limits the flexibility of the Government of Canada.

Some hon. Members: Oh, oh!

Mr. Clark: This government has demonstrated a greater independence from the rate of increase in the United States than was the case prior to the last election. We do believe, and I repeat it to the Leader of the New Democratic Party, that it would be useful for all aspects of this question to be reviewed by a standing committee of the House of Commons. The Leader of the New Democratic Party knows that the striking committee will be meeting tomorrow. We expect it will be possible for that committee to be struck before the end of this week. We would certainly be prepared to have that reference go as quickly as possible to that committee.

● (1425)

Mr. Broadbent: A final supplementary question, Mr. Speaker. When the present Prime Minister was leader of the opposition, he used to castigate the Liberals for passing off serious problems to committees. I suggest he should practice now what he was preaching then.

Some hon. Members: Hear, hear!

Mr. Broadbent: Considering that his loquacious colleague from Newfoundland, the Minister of Finance, said—and he is quoted in today's papers—that "interest rate increases no longer seem to have the effect"—

Some hon. Members: Order.

Mr. Speaker: Order, please. With respect, the hon. member is engaging in a preamble that I think is lengthy in terms of his third question. Will he please put a question.

Mr. Broadbent: Mr. Speaker, I will come right to the point. Since the Minister of Finance said this policy is now disastrous—he admitted it yesterday—will the Prime Minister now implement a policy in accord with what he was preaching before he formed the government, namely, reduce interest rates instead of boosting them?

Mr. Clark: Mr. Speaker, as the Leader of the New Democratic Party will know, we have already this day implemented one of the major undertakings we made in the election campaign, which was to accord much greater respect to the committees of this House so that we can draw upon the advice of all members of this House and, indeed, of the public, in dealing with very complex problems.

The members of the New Democratic Party will have the same opportunity as members of other parties in this House to contribute in a practical way to solutions to the dilemma that faces Canada. We look forward to receiving in that committee and in other forums the specific proposals that members of that party may well have, as the committee will receive specific proposals and testimony by the Minister of Finance.

[Mr. Clark.]

ENERGY

POSITION OF CHAIRMAN OF TASK FORCE ON PETRO-CANADA

Mr. Gary F. McCauley (Moncton): Mr. Speaker, my question is for the Minister of Energy, Mines and Resources, with respect to Petro-Canada. Can the minister confirm that the chairman of the task force on Petro-Canada, Mr. Don McDougall, although on leave as president of Labatt's is still receiving full salary from that company, and that that company is owned by Brascan which has indicated an interest in buying Petro-Canada?

Some hon. Members: Oh, oh!

An hon. Member: Already?

Some hon. Members: Resign.

Hon. Ray Hnatyshyn (Minister of Energy, Mines and Resources): Mr. Speaker, I cannot confirm the facts with respect to the income received by the chairman of the task force, but I can tell the hon. member that I am not aware of any interest formally expressed with respect to the acquisition of PetroCan by the company referred to by the hon. member.

Mr. McCauley: A supplementary question, Mr. Speaker. Can we count on an investigation and some answers to that question?

Mr. Hnatyshyn: I will be glad to look into the matter, Mr. Speaker.

OIL—GOVERNMENT POLICY ON PRICING

Mr. Arthur Phillips (Vancouver Centre): Mr. Speaker, I, too, have a question for the Minister of Energy, Mines and Resources. I should like to ask him if it is true that, regardless of any agreements between the federal government and the provinces, the federal government favours a price increase of $5 to $6 a barrel in the price of oil in 1980, which would cost the average consumer perhaps $100 more per year to drive his car and $120 more per year to heat his house.

Hon. Ray Hnatyshyn (Minister of Energy, Mines and Resources): Mr. Speaker, I think the Prime Minister has indicated exactly the status of the negotiations. We have been on record with respect to the question of an increase that we think is necessary in the price of oil, but the matter of the precise extent—

An hon. Member: What do you think?

Mr. Hnatyshyn: I am trying to explain this to the hon. member, who has lots to learn about energy policy.

An hon. Member: Arrogant.

Mr. Hnatyshyn: I want to tell this House that we are in the process of deep consultation with the provinces, a practice that the hon. member for Outremont, in his former capacity as federal-provincial minister, will recall is very essential. We

intend to pursue those consultations, which are of a very serious nature, to a very serious extent.

Mr. Phillips: A supplementary question, Mr. Speaker. I was really asking if the minister had these plans for 1980, and has his department, for example, examined the regional impact of any such substantial increase in the price of oil?

Mr. Hnatyshyn: Mr. Speaker, the answer to the first part of the question is that we are not putting forward that particular price increase regime. The answer to the second part is yes.

Hon. Marc Lalonde (Outremont): Mr. Speaker, my question is also to the Minister of Energy, Mines and Resources, who a little while ago announced he would release by the end of September an inspirational and dramatic energy blueprint for the 1980s, to quote his words. We are in October, and there is no sign of that blueprint.

● (1430)

My question to the minister is: Are we to believe press reports to the effect that no blueprint is in sight, and that inspiration and drama have gone the same way as so many other Tory promises, that is to say, in those famous trashcans to which the late Right Hon. member for Prince Albert used to refer?

Some hon. Members: Oh, oh!

Mr. Hnatyshyn: Mr. Speaker, I want to tell the hon. member that I intend to work as hard as possible in order to make progress with respect to our objective of energy self-sufficiency. I do not take the task lightly.

Mr. Chrétien: Ready for 1990?

PRICE OF OIL—REQUEST FOR MEASURES TO ASSIST INDUSTRY AND PRODUCERS

Mr. Cyril Symes (Sault Ste. Marie): Mr. Speaker, my question is for the Prime Minister. Given the reports that the government wants to increase domestic oil prices by $4 to $6 a barrel by the end of next year, and that such a move would result in 2 per cent to 4 per cent additional inflation, another 100,000 unemployed and about 1 per cent less economic growth, at a time when the economy is already not healthy, will the Prime Minister postpone such an increase, review the whole matter and ensure that proper compensatory measures to assist industry and consumers are put in place first before saddling the nation with the double-digit inflation that these prices will bring?

Right Hon. Joe Clark (Prime Minister): Mr. Speaker, naturally, any part of any energy package that we negotiate with the provinces will include measures to deal with the serious impact that energy price increases might have, particularly in some parts of the country with lower income Canadians. It is clearly part of the policy and determination of this government that we will not continue with policies that will leave the people of Canada exposed to a situation where we are forced forever to rely upon unstable foreign sources of oil.

Some hon. Members: Hear, hear!

Mr. Symes: Mr. Speaker, in the meantime, I would take it that we are blindly pursuing a path of escalating prices and economic disaster without proper measures.

Since resolving the energy price question first before any budget is imperative, surely if the budget is to have any meaning in terms of these aids to industry and consumers that the Prime Minister is so concerned about, and in view of the most recent rebuff the Prime Minister had from the Premier of Alberta concerning energy price increases, is he prepared to act unilaterally to implement a new domestic oil price prior to the November budget?

Mr. Clark: Mr. Speaker, certainly not prior to the November budget. The hon. member will know that there is more to budgets than energy policy.

Some hon. Members: Oh, oh!

* * *

[*Translation*]

FEDERAL-PROVINCIAL RELATIONS

CONTRIBUTIONS OF CROWN CORPORATIONS TO PRO-CANADA

Mr. Fabien Roy (Beauce): Mr. Speaker, my question is directed to the right hon. Prime Minister. In the Speech from the Throne, it was announced yesterday:

To make federalism work, it is essential to change the attitudes of the past—

More specifically, again I quote:

—and the federal government must set the example. Accordingly, it is a primary goal of my government to bring about a new era in federal-provincial relations.

We were advised throughout the year that big Crown corporations made generous contributions to Pro-Canada with the blessing of the former government. I should like to ask the Prime Minister if that attitude will be maintained or whether the government intends to alter it.

Mr. LeBlanc (Westmorland-Kent): We can see he will think about it.

Right Hon. Joe Clark (Prime Minister): Mr. Speaker, I had to check with my colleague the Minister of Supply and Services. Indeed I do so not merely with regard to policies, but also concerning the French vocabulary.

Mr. Speaker, we are now in the process of reconsidering the practice followed by the former government with regard to the matter the hon. member has brought up.

Mr. Roy (Beauce): Mr. Speaker, is the Prime Minister also aware that a number of Crown corporations, of which Canadian National and the Canadian Development Corporation are

two, are directly involved in the committee that canvasses for donations? Is he aware of that, and does he intend to announce, in coming days, his decision to put an end to the political game, I repeat, the political game of partisanship which seems to inspire the Crown corporations?

Mr. Clark: Mr. Speaker, that is why we are now reviewing the arrangement.

[*English*]

ALLEGED GOUGING OF PUBLIC BY OIL MULTINATIONALS

Mr. John Evans (Ottawa Centre): Mr. Speaker, in light of the very questionable pricing practices and the literal gouging, to the tune of more than $100 million, of Nova Scotia citizens by Imperial Oil, an Exxon affiliate, as evidenced by a civil trial in Halifax and reported recently by the *New York Times*, can the minister tell us if he intends to launch a full investigation of the pricing practices of oil multinationals, particularly Imperial Oil, and if not, why not?

Some hon. Members: Hear hear!

Hon. Ray Hnatyshyn (Minister of Energy, Mines and Resources): Mr. Speaker, the question of profits of multinationals and other oil companies, for that matter, is under constant review and surveillance by the department. If the hon. member has any specific information on which to substantiate the allegations which he has made, I would be glad to receive them.

Mr. Chrétien: Read the papers.

Mr. Evans: Mr. Speaker, does the minister not recognize that the existence of a national oil company like Petro-Canada, belonging to all Canadians, would prevent the spread of such practices and would keep the Canadian government and those large multinationals honest in Canada?

Some hon. Members: Hear, hear!

Mr. Speaker: Order, please. I am sure when the hon. member re-examines his question he will recognize an argumentative tone in it.

* * *

INTERNATIONAL TRADE

SALE OF CANDU REACTORS TO ARGENTINA

Hon. Jean-Luc Pepin (Ottawa-Carleton): Mr. Speaker, my question is for the Minister of State for International Trade. If there was any uncertainty as to the system of safeguards that the previous government had offered the government of Argentina—as seemed to be said by the Minister of Industry, Trade and Commerce sitting in the other place, and I could quote him on that subject—why did the Minister of International Trade wait four months before going to Argentina to rectify that possible discrepancy?

[Mr. Roy (Beauce).]

Some hon. Members: Hear, hear!

Hon. Michael Wilson (Minister of State for International Trade): Mr. Speaker, the question of safeguards was clearly understood by the Argentine government in this recent negotiation. They were precisely the same safeguards as were applied by the former government, and it was made quite clear to them that these safeguards would apply in the contract under negotiation; there is no doubt about that.

As far as any delay by myself going to Argentina, there were a number of matters under review. These were taken into account in the process of reaching a decision to support it, and we went to Argentina as soon as those matters were complete.

Mr. Pepin: Mr. Speaker, I understand that the safeguards offered by the previous government are not the cause, in any way, shape or form, of the sale not being made in Argentina.

Mr. Wilson: Mr. Speaker, in the discussions I had with people in Argentina, as well as has been made clear in the report of the nuclear agency of Argentina, the factor of safeguards was a matter in the decision they reached recently on the Candu reactor sale.

The matter was made quite clear. Those, together with the fact that balance of the existing contract does run into some problems that have taken place over the last four or five years, were the two factors that led to the Argentine government taking the decision to develop alternative technology in Germany to provide a second source of supply for this important contract.

* * *

• (1440)

ROYAL CANADIAN MOUNTED POLICE

INVESTIGATION BY McDONALD COMMISSION—ACCESS TO DOCUMENTS

Mr. Tom Cossitt (Leeds-Grenville): Mr. Speaker, my question is for the Prime Minister and concerns the order in council passed by the former government just prior to leaving office, prohibiting the McDonald commission from examining minutes of the cabinet or cabinet committees during the ministry of the right hon. member for Mount Royal unless he gives permission to do so.

Will the Prime Minister and the government give serious consideration to amending, repealing or replacing this order in council and any other similar orders in council which would permit complete examination on all matters concerning the RCMP, particularly in the field of national security, by the McDonald commission and the Government of Canada?

Right Hon. Joe Clark (Prime Minister): Mr. Speaker, we have no intention of repealing that particular order in council. It was an order in council which, by my understanding, was perfectly in accord with precedents established previously rela-

tive to documents that had been in the possession of the government replaced at the polls.

There is an arrangement in place, as has been the case for some time now, in the event of a change of government where a senior official of the Public Service of Canada is custodian of documents and will refer back to the Prime Minister and the senior ministers of the former government with regard to the release of any such documents. I, personally, am satisfied that the former prime minister, the present Leader of the Opposition, will not act in any way as to deny access to the McDonald royal commission of documents to which that royal commission should have access.

* * *

INTERNATIONAL TRADE

LOST SALES OF CANDU REACTORS TO ARGENTINA AND JAPAN—EFFECT ON EMPLOYMENT

Hon. J.-J. Blais (Nipissing): Mr. Speaker, my question is related to that asked by the hon. member for Ottawa-Carleton. During the prolonged period pending the recall of Parliament, Canadians have been witnessing the potential loss of our exports. Mention was made of the loss of the Candu reactor sale to Argentina.

My question is directed to the Minister of State for International Trade: it is with reference to the $2.8 billion loss which has been estimated as a result of the loss of the Argentina and Japan sales and the 75,000 jobs that have been affected. What specific measures is the minister of state contemplating in order to assist an industry which is now recognized as being in the doldrums and may well in the future need additional financial assistance from this government?

Hon. Michael Wilson (Minister of State for International Trade): Mr. Speaker, I would like to correct the hon. member. The $2.8 billion figure is somewhat inaccurate. The total amount of exports at stake here as far as Canada is concerned was about $800 million. The balance was local costs in Argentina.

The Minister of Energy, Mines and Resources and I are taking the opportunity to assess the situation with regard to the loss of this contract, in order to decide where we go from here to develop new markets for what we believe is a very important Canadian resource, the Candu reactor system.

Mr. Blais: Mr. Speaker, in view of the hon. gentleman's reply I call to the attention of the House the fact that on May 4 of this year the former government entered into an arrangement, which was initialed, with the state of Mexico. Article 3 of that agreement provides for nuclear co-operation. It was envisaged that a potential Candu sale might be effected as a result.

Can the minister explain why, after five months, especially in view of the Argentina sale loss, AECL, which has been identified as our consultant pursuant to that agreement, has not received any instructions from this government to attend upon Mexico in order to comply with the terms of the agreement? Indeed, there has not been any approach by the minister or the government toward Mexico relating to implementing the terms of that agreement, much to our loss.

Mr. Wilson: Mr. Speaker, there are a number of countries that are potential markets for AECL and for the sale of a Candu reactor. One of them is Mexico. That will be one of the potential markets we will be discussing to see where we go from here. A great deal of time was taken this summer in approaching the Argentine market. That will now be behind us. We can look from here to Mexico and about five other countries which are very good potential markets.

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UNEMPLOYMENT INSURANCE

PROMULGATION OF REGULATIONS UNDER ACT

Mr. Fonse Faour (Humber-Port-Au-Port-St. Barbe): Mr. Speaker, I wish to ask the Minister of Employment and Immigration why, in view of the fact that his party opposed Bill C-14 last November—and opposed it quite strongly, I might add—he promulgated the regulations under that act making regressive changes in unemployment insurance, affecting many thousands of Canadians, including 62,000 Newfoundlanders, and taking some $34 million out of the Newfoundland economy this year.

Hon. Ron Atkey (Minister of Employment and Immigration): Mr. Speaker, the changes made as a result of Bill C-14 were a product of a previous Parliament. It fell on the governor in council in the early days of the new government to consider those changes, those that had not yet been implemented, and to proclaim them. The amendments were proclaimed to honour the legitimacy of the previous Parliament in its decision-making process. I can say to the hon. member, and he will have a full opportunity to participate in the debate perhaps later this year or early next year, that a full-scale review of unemployment insurance, including some of those changes, has now been set in motion, in fact four days after the new government took office.

That review will include a variety of subjects, including those that were the subject of debate in this chamber in the last Parliament. I am hopeful that that review, which involves extensive consultations with the provinces, labour, business, women's groups and other interested parties, will be brought to a conclusion toward the end of this year. A new bill, hopefully, will be introduced in the spring. The hon. member, along with all members of the House, will have full opportunity to make known his views on this important subject.

Mr. Faour: Mr. Speaker, I wish to remind the minister that he is now in the government and has the option of changing regulations such as these.

Further to what the minister mentioned about the review procedure that is taking place, can he explain why, in the

proposals contained in that review, there were many proposals to cut off from entitlement to unemployment insurance seasonal fishermen and other seasonal workers in places such as the Atlantic region, without at the same time in any way providing any discussion on alternatives? I think this is very important. Can he explain why this was done without discussing the alternatives?

Mr. Atkey: Mr. Speaker, I can tell the hon. member that the subjects of review are many. They include seasonal workers and about ten other items. There is no intention of conducting a review simply to cut off any individual group of employees in Canada. As was indicated in the throne speech yesterday, the intention of the review of the Unemployment Insurance Act is to provide greater equity and to remove disincentives to work. That is the framework, and it includes many alternatives which I will be pleased to debate with the hon. member at the appropriate time.

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[*Translation*]

SPORTS

GRANTS TO UNIVERSITY ATHLETES

Mr. Irénée Pelletier (Sherbrooke): Mr. Speaker, my question is directed to the new Minister of State for Fitness and Amateur Sport. I should like to take the opportunity to express my wish that he keep as fit as his predecessor.

[*English*]

Mr. Speaker, the minister announced a few weeks ago that universities in the maritimes and western provinces would see travel grants for their athletes competing in Canada during the academic year 1979-80 substantially reduced, from $450,000 to $190,000. The $450,000 was an amount previously agreed upon between the universities concerned and his department.

● (1450)

Could the minister inform the House whether he is ready to reconsider this drastic cut with the two university associations concerned, since their athletic program for the academic year was designed with the understanding that the federal government would give the amount already agreed upon?

Hon. Steven E. Paproski (Minister of State for Fitness and Amateur Sport and Multiculturalism): Mr. Speaker, I want to congratulate the hon. member for Sherbrooke. I do not think I will ever possess the same form as the previous minister.

The Canadian Interuniversity fiscal Union received $456,000 in the fiscal year 1978-79. That was not to be a perpetual grant. It was something which was looked at, and it was to be a once-around type of grant. We discussed it with the university directors. I decided to cut down. Hon. members are aware of the restraint program: let us call it belt-tightening.

An hon. Member: Whose?

[Mr. Faour.]

Mr. Paproski: We did cut it down to $190,000 after a considerable amount of discussion with some of the local athletic directors both from the Atlantic provinces and from the west. We decided to give them an extra $100,000, which brings it to $290,000.

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[*Translation*]

ENERGY

OIL PRODUCTS—REQUEST THAT GOVERNMENT SOLVE SUPPLY PROBLEMS OF INDEPENDENT DISTRIBUTORS

Mr. Pierre Bussières (Charlesbourg): Mr. Speaker, my question is directed to the Minister of Energy, Mines and Resources. We recall the fragile situation of the independent distributors of oil products in Quebec and we also know that the minister met the independent distributors of oil products in September. I should like to know, what are, precisely, the measures he intends to take to solve the problem of supply faced by the independent distributors of oil products, with a view to preventing bankruptcy of those independent distributors and ensuring that consumers in Quebec will have heating oil next winter.

[*English*]

Hon. Ray Hnatyshyn (Minister of Energy, Mines and Resources): Mr. Speaker, the hon. member is quite right in saying that there has been considerable pressure over a period of some months and over the course of the last few years with respect to the independents of Canada.

As soon as I took over this responsibility, I directed my attention to this particular, serious matter. In fact, in August of this year I wrote to all the refiners and terminal operators asking them to observe certain rules with respect to supply for independents not only in the province of Quebec but in what we might generally term eastern Canada. That particular telex asked them not to alter substantially their trade class mix, to continue to supply customers of record and not arbitrarily deny contract renewal.

On the other hand, the hon. member will appreciate the fact that the federal government cannot give ironclad guarantees that all independents will be able to stay in business. We are trying to encourage independents to enter into long-term or extended contracts so that they may, in fact, be able to be assured of supply during the course of next winter and subsequently.

[*Translation*]

PROPOSED ADOPTION OF LEGISLATION CONCERNING OIL REFINERS AND DISTRIBUTORS

Mr. Pierre Bussières (Charlesbourg): Mr. Speaker, it is well known that the requests for the supply of heating oil which were made by the minister to the big companies were fruitless. I should like to know whether the minister would be prepared

to introduce a bill in the House which would force refiners to sign contracts with all independent distributors in which they would indicate a certain supply, and at the same time would guarantee a certain price at the refinery for all the independent distributors, a price which would be competitive with the price offered to their own distributors.

[*English*]

Hon. Ray Hnatyshyn (Minister of Energy, Mines and Resources): Mr. Speaker, my department is keeping a very close watch on progress with respect to this matter. We have taken steps with respect to allocation of additional supplies and additional flexibility in the interprovincial pipeline. We have been successful in arranging for some additional supplies because of the increased capacity which will be available.

I want the hon. member to know I am seriously concerned about this matter and I am going to do all I can to get us through the next few months. Unfortunately, I inherited this problem when I took over this portfolio.

* * *

ROYAL CANADIAN MOUNTED POLICE

INTERIM REPORT OF McDONALD COMMISSION

Mr. J. P. Nowlan (Annapolis Valley-Hants): Mr. Speaker, my question is supplementary to the question put by the hon. member for Leeds-Grenville and it is to the Solicitor General. I wonder if the Solicitor General has had an opportunity to discuss with the chairman of the McDonald commission when we might expect an interim report of this ongoing commission.

Hon. Allan Lawrence (Solicitor General and Minister of Consumer and Corporate Affairs): Yes, Mr. Speaker, I have had the opportunity of a couple of occasions to speak to Mr. Justice McDonald. To be frank about it, there have been more answers than one. The answers I have received have not been entirely clarified. The problem simply is that the McDonald commission construes its terms of reference and mandate as being rather ongoing.

I hope to have a further conversation about this with the chairman of the commission as soon as possible—as a matter of fact, hopefully within the next seven days—and I will be very glad to report to the hon. member and perhaps to the members of this House at that time as a result of that discussion.

* * *

THE CANADIAN ECONOMY

ACTION TO SOLVE PROBLEM OF HIGH INTEREST RATES

Hon. Herb Gray (Windsor West): Mr. Speaker, I have a question for the Minister of Finance. I want to ask him how the government could present a throne speech yesterday indicating its commitment is to growth, confidence and jobs, while on the very same day it permitted interest rate increases by the Bank of Canada which even business spokesmen say weaken growth and confidence and hurt employment.

Does this contradiction not show that the new government does not know where it is going, especially since the governor of the Bank himself admitted that current interest rates are causing problems for individuals and for business? I want the minister to tell us now, because he has an obligation to answer in the House of Commons, what the new government is doing to solve these problems the minister has allowed to arise for individual workers and for business in Canada.

Mr. Speaker: Order.

Hon. John C. Crosbie (Minister of Finance): Mr. Speaker, the difference between our policy and that of the government of the hon. gentleman is that we have not slavishly followed U.S. interest rates. Quite frankly, hon. gentlemen opposite left us with a deficit this year of at least $7 billion, which is the present forecast, and that does not leave us much room to manoeuvre. There is a budgetary deficit of $11 billion. Despite these factors, we believe our policies in the longer term will get this country working again.

STEPS TO REDUCE INFLATION

Hon. Jean Chrétien (Saint-Maurice): Mr. Speaker, I would like to ask a question of the Minister of Finance. Can he explain to the House why he has discarded the policy enunciated by his Prime Minister during the campaign, that after the election, if he was elected, he would not rely any more on monetary policy but solve the problem of inflation through fiscal and budgetary policies?

Hon. John C. Crosbie (Minister of Finance): Mr. Speaker, our position is exactly that. It is not only monetary policy but also our fiscal and budgetary policies and our stopping the scandalous expansion of expenditures and the huge deficits of the hon. gentleman which will bring about a solution in the next year.

Mr. Chrétien: Mr. Speaker, can the minister explain to the House why last March he and his colleagues were calling for a budget, why so far they have not been able to find any new policy better than mine, and why they have carried on for 13 months with the same budget?

Some hon. Members: Oh, oh!

Mr. Crosbie: Mr. Speaker, I admire the hon. gentleman's spirit.

Some hon. Members: Oh, oh!

Mr. Speaker: Order. The hon. member for Winnipeg-Fort Garry.

Oral Questions

FINANCE

INTENTIONS RESPECTING PROPOSED MORTGAGE CREDIT PLAN

Mr. Lloyd Axworthy (Winnipeg-Fort Garry): Mr. Speaker, I also have a question for the Minister of Finance, who is enjoying his small deficits. In view of the fact that since his government came to power the carrying costs on a $60,000 mortgage have gone up by $1,500, which totally cancels out any benefits under his proposed mortgage credit plan, is the minister prepared to withdraw that plan and revise and amend it so that we will have a plan which will reduce mortgage interest rates so that Canadians can buy homes?

Some hon. Members: Hear, hear!

Hon. John C. Crosbie (Minister of Finance): Mr. Speaker, the hon. gentleman suggests a unique solution: mortgage interest rates have gone up, so take away the benefit that we are offering the people of Canada under the mortgage interest deduction plan and make it more difficult for them. No, we are certainly not going to withdraw that. We are carrying on, and there are 3,800,000 households in this country which are delighted with that plan.

Some hon. Members: Hear, hear!

Mr. Axworthy: Is the minister prepared to meet with his friends and associates in the residential construction industry who state that increased interest rates will result in a total depression in the construction industry, that they have total disregard for his mortgage credit plan, and therefore will he be prepared to withdraw it when his friends and associates tell him to?

● (1500)

Mr. Crosbie: Mr. Speaker, I am prepared to meet with any group at any time and commiserate with them at the dismal record of the last ten years which has brought them to this state and which has forced mortgage interest rates to go up and caused the bank rate to go up and caused the central bank rate to go up.

Some hon. Members: Oh, oh!

Some hon. Members: Hear, hear!

* * *

LABOUR RELATIONS

REQUEST MINISTER INTERVENE IN MONTREAL GRAIN HANDLERS' DISPUTE

Mr. John Rodriguez (Nickel Belt): Mr. Speaker, my question is for the Minister of Labour and it relates to the five months old grain handlers' dispute at the port of Montreal.

In view of the fact that the minister injected himself very quickly and expeditiously into the west coast grain handlers' dispute, bringing it to a successful conclusion, and in view of the fact that the present grain handlers' strike has been going on for five months and has the potential of creating problems for Quebec farmers this winter and for others, is the minister now prepared to insert himself directly into the dispute in an effort to resolve it as successfully as he did the west coast grain handlers' strike?

Hon. Lincoln M. Alexander (Minister of Labour): Mr. Speaker, I want to give the hon. member credit for asking that question, because I am also concerned about the matter. But I want to point out to him that at this very moment the mediator, Mr. Rolland Doucet, is meeting with the parties involved in a private way and having meaningful discussions. Progress is being made. For me to say anything further at this particular time would be unproductive.

Some hon. Members: Oh, oh!

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NORTHERN AFFAIRS

PROVINCIAL STATUS FOR THE YUKON

Hon. Warren Allmand (Notre-Dame-de-Grâce): Mr. Speaker, I have a question for the Minister of Indian Affairs and Northern Development. Yesterday, the minister announced substantial changes in the administration of the Yukon which put it well on its way to provincial status and, I might say, has led to the resignation of the commissioner.

How does the minister reconcile that sort of unilateral administrative action with the statements that he and the Prime Minister made with respect to Parliament and the parliamentary system and also their promise to consult with Yukoners through a referendum, to consult with the other provinces on substantial constitutional changes and to consult with the Indians as well? I would ask him if he is now ready to withdraw his instructions of yesterday and refer the matter to a parliamentary committee until at least he carries out some of the promises that he has made on this important question.

Some hon. Members: Hear, hear!

Hon. Jake Epp (Minister of Indian Affairs and Northern Development): Mr. Speaker, I want to indicate to the hon. member that it is the position of this government that responsibility must, and should, lie with those who are elected. The elected people are the legislative council of the Yukon territory which has been given the responsibility. I have given instructions to the commissioner to follow the mandate of this government, that is, to give those responsibilities to the elected people that we were able to give under the Yukon Act.

I have consulted with the Council of Yukon Indians. We have said that we will sit down for further consultations on the constitutional amendment with the Yukon territorial government, the Indians of the Yukon and the interested parties. But what I have to reiterate to the hon. member is that the elected people of the Yukon and those who elected them want to have responsibility in the Yukon, and that is what we have done.

Some hon. Members: Hear, hear!

Mr. Allmand: Mr. Speaker, in the press release that the minister issued yesterday he said that the commissioner must from now on follow the instructions and the advice of the Executive Council of the Yukon. At the same time, he said he would keep for himself the responsibilities that he has under the Indian Act for the administration of the Yukon.

How does he reconcile that? Does that mean that the commissioner no longer has the right of veto, but that he reserves that right to veto the decisions of the so-called elected representatives in the Yukon, and how does he reconcile this with the position of the Yukon Indians who are opposed to any movement to provincial status while their land claims are not even near to settlement?

Mr. Epp: I have to tell the hon. member that he is wrong in his allegation. First of all, I did not tell the former commissioner that she was bound by the decision of the executive committee. I said, as the Yukon Act determines, that she was bound by the decision of the legislative council: they are the elected people of the Yukon. What we have also said, and the hon. member should be aware of this, is that in terms of the land claims the commissioner was not involved in the ongoing negotiations on land claims.

This government has stated clearly its recognition of land claims and the desirability of the early settlement of the land claims. That will go forward as well.

ROUTINE PROCEEDINGS

[*English*]

THE ADMINISTRATION

TABLING OF ORDERS IN COUNCIL LISTING ACTING PRIME MINISTERS, ACTING MINISTERS AND PARLIAMENTARY SECRETARIES

Hon. Walter Baker (President of the Privy Council and Minister of National Revenue): Mr. Speaker, under the provisions of Standing Order 41(2) I wish to table in both official languages copies of the order in council listing acting prime ministers, the acting ministers and the order in council listing parliamentary secretaries, Nos. PC 1979-1641 and PC 1979-2716.

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[*Translation*]

SPEECH FROM THE THRONE

CONTINUATION OF DEBATE ON ADDRESS IN REPLY

The House resumed, from Tuesday, October 9, consideration of the motion of Mr. Fretz for an address to His Excellency the Governor General in reply to his speech at the opening of the session.

Right Hon. P. E. Trudeau (Leader of the Opposition): Mr. Speaker, I would like, at the outset, to offer my best wishes to His Excellency the Governor General, who presided for the first time over the official opening of Parliament.

Since Mr. and Mrs. Schreyer have moved into Rideau Hall with their children they have not ceased to impress Canadians of all ethnic origins by the enthusiasm they display in carrying out their noble duties. In the course of their travels to the various regions of our country, they have rejuvenated our national pride and have reminded us of the values which form the very basis of our strength and our greatness. On behalf of the official opposition, I wish them health and happiness in their service to Canada.

[*English*]

I wish to commend the mover and seconder of the Address in Reply to the Speech from the Throne for the impressive way in which they have launched their parliamentary careers. The hon. member for Erie (Mr. Fretz) spoke movingly of the multicultural richness of the Niagara peninsula, and the hon. member for Cardigan (Mr. MacDonald) spoke with the conviction of the farmer that he is when he stressed the importance of preserving the family farm. Both men demonstrated they have much to contribute to Parliament. I was moved when the hon. member for Cardigan said that as a member of a new generation of parliamentarians he intended to bring his best efforts to serve his country. I am reminded that on all sides of the House we have new members who have been elected to the various parties, who show that the parliamentary system and the federal form of government in Canada is very vigorous indeed and that it can grow men and women of such value, prepared to give their best in this place in the service of the country.

Some hon. Members: Hear, hear!

Mr. Trudeau: While I am in a kindly mood, Mr. Speaker, may I take this opportunity to welcome to the House in his new role the man who now bears the title of the Right Honourable the Prime Minister (Mr. Clark).

Some hon. Members: Hear, hear!

Mr. Trudeau: Although I am still able to restrain my enthusiasm over the electoral success he has had as the leader of his party, I have no hesitation in joining other Canadians in wishing him well as the new Prime Minister of our country. If in the future he should sometimes doubt the sincerity of my support, let him remember that even the friendliest surgeon must frequently use the knife.

• (1510)

As one who knows something about both the satisfactions and the frustrations of the office he now holds, I may be permitted a few words of advice. I would advise him that he will seldom be as powerful as people think he is to right what is wrong in Canada, nor seldom be as personally responsible as his admirers tell him he is for what is right about Canada. So

the secret of serenity is to be tolerant of the criticism, however undeserved he may think it is, and to be skeptical about the praise which probably will be equally undeserved. If the burden of office should sometimes seem too heavy to bear, let him be assured we will do our part to see that both the burden and the office pass quickly from his hands.

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

Mr. Trudeau: I offer congratulations to those who have been chosen to serve as ministers of the Crown. For Canada's sake we wish them well. Along with all of us, Mr. Speaker will have to become accustomed to the idea that while all the ministers opposite are equal in splendour and dignity, some are more equal than others; and some of the ministers are not opposite at all, they are hiding down the hall in the Senate. One of them has become the hero of hopeless candidates. He has proven that the best way to win is to lose. So now we have a cabinet where some are inners and some are outers. To compound the confusion, some of the inners do not have senior portfolios while some of the outers do. Some of the inners and outers are members of the House. They are called the in-House group. I dare not say what the other group is called.

I understand the in-House outers will be given free newspaper subscriptions to keep them up to date on what is going on in cabinet. Down the hall we have two inners and one outer who are being encouraged to become proficient in the use of carrier pigeons. We even have a doghouse group comprising outers like the now Minister of State for Science and Technology (Mr. Grafftey) who originally found himself ceremoniously sworn in to absolutely nothing and then had his title abolished. Also we have an open-House group including inners like the Minister of Energy, Mines and Resources (Mr. Hnatyshyn) who, after years of advocating open government, has gone into hiding and demanded that his entire department be given an unlisted telephone number.

Looking over the cabinet I am reminded that I have been telling Canadians for some time in another context that we should all lower our expectations. I know some of the veteran members across the aisle, who have been secretly writing "honourable" in front of their names for years in keen anticipation of the great day, are more than a little chagrined at being excluded from the cabinet. I can only offer them in consolation the certain knowledge that in time being left out of this cabinet will be seen to be the greater honour.

Much more serious is the total exclusion from the inner policy-making cabinet of representatives from the three provinces of Nova Scotia, New Brunswick and Manitoba. Originally British Columbia was excluded as well, I am told, until a powerful lobby was mounted to persuade the Prime Minister that the Postmaster General and Minister of the Environment (Mr. Fraser) was more worthy than might immediately be apparent to the untrained eye. Also we have an inner cabinet where there is no minister as such from Alberta. Apparently the Prime Minister plans to speak in cabinet for Alberta and for Canada simultaneously, as though their interests were always identical. That offers small comfort to the majority of Canadians living in other provinces who do not believe that what is good for Alberta is automatically good for Canada. I think that has been established by the seeming inability of the Prime Minister to reach an agreement with the Premier of Alberta on a pricing policy for petroleum.

During the election campaign the Tories promised a new federalism for Canada. Who would have believed that they meant one in which no voice speaks for Nova Scotians in the inner council of government, no voice speaks for New Brunswickers and no voice speaks for Manitobans? Who would have believed that they meant a federalism in which the voice of British Columbia is barely tolerated as a reluctant afterthought and the voice of Alberta is presumed to be also the voice of Canada? To give voice to the voiceless, the members of Parliament of my party will go out of their way to ensure that before any government policy is translated into law, the Prime Minister and his inner cabinet will hear in this House from Liberal members the legitimate concerns of the people of Nova Scotia, the people of New Brunswick and the people of Manitoba.

Some hon. Members: Hear, hear!

Some hon. Members: What about Alberta?

Mr. Trudeau: Hon. members are worried about the members from Alberta. That is the point I was making: None of them are in the inner cabinet and that should worry them indeed.

[*Translation*]

I should like now to touch upon the manner in which, as members of the Liberal party, we intend to play the important role of representatives of the official opposition. There is no doubt that the people of Canada have given the Progressive Conservative Party a mandate to govern Canada and want us to give them the chance to administer our country without being exposed to political interference and chicanery. Not only do we accept and respect the decision of the people, but we will take seriously the responsibility with which we have been entrusted to co-operate constructively in the preparation of Canadian policies.

The Liberal party demonstrated very early following the election its strong desire to constitute a positive and constructive opposition, and I, for one, agreed to discuss with the Prime Minister current issues and the various personalities he would have to deal with at the summit in Tokyo and the Commonwealth conference in Lusaka.

I am happy to say that there was no tension or hostility in our discussions and that they reflected our mutual concern to put the national interest above any partisanship. I am also happy to note and to recognize publicly that the Prime Minister has scrupulously respected the confidential aspect of our discussions.

If any advice was of any use to him in Tokyo or Lusaka, I am happy about it and I am quite willing to repeat the experience. The national interest is the major concern of our party and we would take no pleasure in seeing our country badly represented at such vitally important international meetings.

Mr. Speaker, the government can continue to count on the co-operation of the official opposition for any of its initiatives which can improve the situation of Canada and Canadians. We do not believe in the senseless ritual which consists in voting against the government on every occasion and every issue. This type of irresponsible opposition that the Progressive Conservatives and the New Democrats have unfortunately practised in the past prevents Parliament from legislating and helps weaken its reputation among the people. Indeed, to vote against everything goes against the interests of the opposition parties as it erodes the influence that they can have on the people by keeping their negative votes for major issues which violate their basic political principles or which are in obvious conflict with the prime interests of the country.

On these last issues, on issues of this importance, we intend to give the government a fight such as this House has never seen before, with all the strength, the vigour and the determination that we can muster. On such major issues, we shall not hesitate to unite with other opposition parties to force the government to review its legislation under penalty of defeat in the House of Commons.

The Prime Minister said that he intended to govern as if he had a parliamentary majority. Those are courageous words from a leader whose government can be defeated any day and on any question by the combined forces of the opposition parties, a leader who failed to convince the people to give him a majority, a leader whose candidates won half a million votes fewer than the Liberal candidates.

Those are courageous words from a leader who cowardly delayed his inescapable meeting with Parliament longer than any other prime minister in our history. Indeed, almost five months have passed since the election, almost five months during which the Canadian people waited for the government to organize itself and find the courage to submit its measures to Parliament.

In the extreme, such an improper delay could be forgiven if the government had put this time to good use. But instead, we saw a government which, at best, appeared vague and confused about the orientation it wants to give the country, distrustful of all those it suspects of being enemies of the regime in the public service and flatly inconsistent in its public statements.

● (1520)

[*English*]

Let me illustrate a few of the ways in which the government has frittered away the goodwill which the public extends to any government in the early months of its mandate.

As one of his first acts in office, after pledging to bring government closer to the will of the people the Prime Minister appointed to the top economic policy-making position in cabinet a man who, after serving six months in Parliament, was strongly repudiated by the voters of Ottawa Centre. Senator de Cotret's continued presence in such a key cabinet position is a lingering insult to the voters who rejected him, an insult to the spirit of democracy and an insult to the House of Commons.

Some hon. Members: Hear, hear!

Mr. Trudeau: Sensing the unacceptability of that decision, the Prime Minister indicated that the senator should seek election to this House when the opportunity arose. Those, I believe, were his words. The senator, on the other hand, has shown no enthusiasm at all for subjecting himself to yet another repudiation by the electorate. I suggest to the Prime Minister that he should give Senator de Cotret a chance, or perhaps an ultimatum; either he becomes a candidate in one of the vacant ridings of Prince Albert or Burin-St. George's in the November 19 byelections, or he vacate his seat in cabinet.

Some hon. Members: Hear, hear!

Mr. Trudeau: I want to make it clear that I do not direct the same criticism to members of the cabinet from Quebec. It is important that every province have representatives in cabinet, and if they cannot be elected I have no strong objection toward their being appointed. But the Conservatives elected more than 50 members from Ontario. It is astonishing that the Prime Minister found it necessary to pass over practically all of them and give a cabinet seat to an Ontario candidate who was defeated.

Equally astonishing is the fact that the senator occupies one of the Ontario seats in the inner cabinet while metropolitan Toronto, which elected some 12 Tory members, has no representative in that central policy-making group.

Some hon. Members: Shame, shame!

[*Translation*]

Mr. Trudeau: Here is another example of the government's ineptitude: the issue of the location of the Canadian embassy in Israel. During his first press conference after the election, the Prime Minister solemnly stated he would keep his electoral promise to move our embassy to Jerusalem. He said he would not tolerate senior civil servants of the government or anybody else for that matter telling him what to think. Like a man of honour, he was going to take action and deliver the goods.

The Prime Minister did not suspect then that nobody would suffer more from his policy than those whose votes he wanted to attract. The main priority of the Jewish community of Canada is to protect their civil rights against any boycott threat from the Arab countries. Yet at this time, precisely due to the growing opposition aroused by this government's policy in this matter, the public is not as willing to support an

anti-boycott legislation as it was before and that legislation has been pushed back to the bottom of the government's list of priorities.

Through inexperience or naïveté, I do not know, the Prime Minister did not realize how very significant the move of our embassy was in all countries of the Middle East. He seemed to believe that what pleased the Conservative voters in Toronto would please the rest of the world. But once he was faced with a strong opposition from the rest of the world, he retreated with a rapidity worthy of an Olympic champion. The Minister of Employment and Immigration (Mr. Atkey) did not do much to make up for the foolish antics of the government. On the contrary, he thoughtlessly stated that the Arab world's barks were worse than its bites. Well, Mr. Speaker, those are the bites which now cause serious injuries to exporting companies and Canadian workers.

It is one thing to make formal statements on a matter of principle and to accept with lucidity the repercussions involved. It is another thing to defend obstinately a highly controversial position although it might have been conceived rapidly without taking into account all its possible repercussions. However, after it became obvious even to the Progressive Conservatives that their position on the move of our embassy was dangerous, that it would be harmful to the fragile peace talks in the Middle East and that it was jeopardizing the economic interests of our country, one would have expected that the government recognize its error by trying to save face as best as possible.

Nothing of that happened. On the contrary, we saw one of the most painful sights in the political annals of this country. To evade any personal embarrassment, the Prime Minister chose to humiliate his former leader. Like a scapegoat, Robert Stanfield was dispatched to the Middle East where he is dragging himself miserably from one capital to another, supposedly to win time for the Prime Minister when in fact he is only gathering contempt for a government which is inexorably lurching toward a reversal of position all the more humiliating that it will have been delayed so long.

Mr. Pepin: Another Suez!

An hon. Member: Spending millions for nothing.

Mr. Trudeau: The third example of the confusion of this government also has to do with foreign policy. The Secretary of State for External Affairs (Miss MacDonald) went before the United Nations Assembly and urgently appealed for greater generosity and better co-operation from all countries in the area of human rights and social justice. Several people, including us, think that secret and discreet diplomacy is more efficient than great speeches to ensure those rights. But we are not for that matter reproving the generous intentions of the minister. What we are reproving is the contradictory statements made by this government, because at the very moment the hon. lady was urging the other countries to have more compassion for the plight of the oppressed and presumably help them with their money, as without economic justice human rights have no meaning, the Minister of Finance (Mr. Crosbie) was warning the poorer nations at the Malta and Belgrade conferences not to come and beg for increased help from Canada whatever their needs. The Minister of State for the Canadian International Development Agency (Mr. Asselin) who is sitting in the other place with his carrier pigeons said to the press of this country that the government intended to reduce the amounts to be spent on foreign aid.

The net result of all this, Mr. Speaker, is that Canada's solid and established reputation as an open, committed and generous ally of the Third World in the fight for greater economic and social justice has changed overnight to one of hypocrisy. Canada will support any initiative to further the cause of social justice and economic development in the Third World provided we are not asked to contribute a single penny. We will support any action that could prove useful provided somebody else foots the bill. That is the hypocritical message this government is sending abroad. Even the Secretary of State for External Affairs is going against her own urgings at the United Nations when she suggests that Canada should perhaps concentrate its help on developing countries which are making real economic progress and reduce its help to poorer countries. That is like being in favour of medical insurance for healthy people, Mr. Speaker, while leaving to private charity the task of looking after seriously ill people.

No wonder the poorer countries which had considered Canada to be one of their strongest and most dedicated allies are beginning to view us as not so reliable friends. Mr. Speaker, when the Progressive Conservative Party came to power, Canada had very few enemies throughout the world. Within a few short months, this government has managed to set against us Argentina, Pakistan, several African countries and every Near Eastern nation. Quite a success, Mr. Speaker, which does not lead us to expect much from this government.

This recital of confusion could go on and on, Mr. Speaker. How many times did we hear before the election that if the Progressive Conservatives were to take power, they would restore the supremacy of the House of Commons. Ever since the election, the Progressive Conservatives have taken every opportunity to reiterate their commitment to a more open and more effective Parliament. However, there was but one problem—they had no desire whatsoever to convene this Parliament, Mr. Speaker. And while the House was not sitting, they have transferred senior portfolios from the House of Commons to the Senate; they have set up what they called parliamentary committees, on which actually only Progressive Conservative members sit; they have disclosed to the Progressive Conservative caucus, long before they were published, the results of ministerial research on energy and transport; they have spent some $10 billion through mere Governor General's warrants

without being in any kind of a hurry to seek parliamentary approval; and finally, they have announced budgetary measures out of this House.

● (1530)

[*English*]

The new government starts from a position of considerable economic strength.

Some hon. Members: Oh, oh!

Mr. Crosbie: This is the funny party this week.

Mr. Trudeau: The members opposite will have to realize that the telegraph has been invented and that what the Minister of Finance (Mr. Crosbie) had to say in Great Britain a couple of weeks ago was heard in Canada and should be read by them.

Some hon. Members: Hear, hear!

Mr. Trudeau: Their finance minister, the one who they are seemingly smirking at now, told an audience in England three weeks ago:

The underlying state of the Canadian economy is strong and healthy.

Some hon. Members: Hear, hear!

Mr. Chrétien: Thank you, John.

Mr. Crosbie: Despite the excesses of the previous government.

Mr. Trudeau: Some of them will remember the words I once used, "a healthy economy in a difficult world".

Mr. Crosbie: "The land is strong".

Mr. Trudeau: Yes, the land is strong, but I am afraid that it is being seriously weakened and undermined by that government across the aisle.

Some hon. Members: Hear, hear!

Mr. Trudeau: At the time when the Conservative government came to power the economy had achieved a first quarter growth rate of 1.7 per cent, or 6.8 per cent on an annual basis. That is a real growth rate of 6.8 per cent. There were 10,286,000 Canadians employed in May, which is an increase of 366,000 over the previous year. Over the same 12 months the number of unemployed had been reduced by 74,000, indicating that our rate of job creation was higher than the rate at which new people were entering the labour force. The rate of unemployment in May was 7.7 per cent, down from 8.5 per cent one year earlier.

The consumer price index stood at a year over year increase of 9.3 per cent in May, down from a 12-month increase of 9.8 per cent in April. In the first quarter of 1979 industrial corporation sales were 17 per cent higher than in the same quarter a year earlier, and after tax profits had risen 57 per cent. The value of exports increased by $556 million in the first quarter, more than half a billion dollars, compared with the fourth quarter of 1978. Total farm cash receipts between January and May of this year were 20 per cent higher than a year earlier.

When the Liberal government left office Canada's textile, clothing and steel industries were, like many others, operating at full capacity. We led the industrialized world in the rate of job creation. Canada ranked first in the world among exporters of forest products, first in the export of fish and fish products, first in the export of minerals. Despite the continuing critical problems of inflation, unemployment and slow growth, which Canada shares, as the hon. members opposite are discovering, with every other industrialized country, we in the Liberal party are proud of the economic achievements which we have helped to secure for Canada.

Some hon. Members: Hear, hear!

Mr. Trudeau: As the new government assumes its responsibilities, it inherits the stewardship of an economy and country whose strengths are firm and deep. As I just quoted the Minister of Finance a moment ago, the underlying state of the Canadian economy is strong and healthy. In the exercise of that stewardship, it will be necessary for the government to focus its attention on those major policy areas which will also be our preoccupation on this side of the House—economic growth and stability, the price and supply of energy, the unity of our country and its people, the way Canada is governed and the way in which we meet our responsibilities in the world community. As it faces these priorities, the government has already given cause for serious doubts about the quality of its judgment, doubts which we intend to bring vigorously to the forefront of parliamentary debate.

I cannot give too many examples arising from the Speech from the Throne yesterday, but it seems to me it is worth underscoring a theme which is recurrent in several pages of the Speech from the Throne and which was recurrent today in the answers given by the Prime Minister and Minister of Energy, Mines and Resources, that there will be a new spirit of co-operation in Canada, a new federalism. We will re-establish, the Speech from the Throne says, "the spirit of partnership and renewal which are fundamental to our federation." I quote again as follows:

● (1540)

My ministers believe that the way to build a whole nation is to respect our individual parts—

Then it goes on further to say:

During the past four months, my ministers have made every effort to change the climate of federal/provincial relations which has prevailed in recent years.

Many, many years, Mr. Speaker. After all these words we have two examples. I quote the Governor General again as follows:

As a result of their efforts, there has been visible progress. An agreement on lotteries has been concluded and agreement in principle has been reached with certain coastal provinces concerning offshore mineral resources.

Are there any other examples? None. Later on is the speech you will see, Mr. Speaker, that they are going to bring in an amendment to the Immigration Act. In terms of those five months, however, and in terms of the new spirit of co-operation, they reached two agreements which undid agreements reached by the previous government. There had been an agreement on lotteries reached by the former minister of fitness and amateur sport, the minister from British Columbia. There had been an agreement with the ten provinces which gave some of the share of the lotteries to the federal government and some to the provincial governments. What is this new spirit? We tear up an agreement which is favourable to the provinces and federal government and replace it with an agreement which is favourable to the provinces.

An hon. Member: A give-away.

Mr. Trudeau: Yes, giving away some $50 million to $70 million per year. They are hoping to get some of that money back. The Minister of State for Fitness and Amateur Sport and Multiculturalism (Mr. Paproski) is smiling because he knows how little he will get back, if any. I know he will get a few tickets for the Olympics, Mr. Speaker, and I hope he will invite me to share them. As a matter of fact he already has, Mr. Speaker; I thank him for his graciousness.

Mr. Paproski: I will take you over the ski jump.

Mr. Trudeau: Mr. Speaker, I will go over the ski jump if he comes with me.

Some hon. Members: Hear, hear!

Mr. Trudeau: Then what about the agreement concerning offshore mineral resources? There had been an agreement there also, one that the federal government signed with the three maritime provinces. It was an agreement according to which practically all the revenues were given to the provinces—the net revenues—since the federal government was paying the "upfront" costs. There had been an agreement not to quarrel over jurisdictions. What is this new spirit of federalism, Mr. Speaker, this new nation-building, this new way of building our whole nation which is to respect our individual parts? It is to give it all to them, Mr. Speaker—tearing up the agreement they signed of their own will and giving them the whole works. As I said last year in the Speech from the Throne debate, these are great victories for the Prime Minister who then was bragging about Kingston where he had given, I think, five things that the provinces had asked of him. Now he has given a few more.

It is all very well to talk of co-operation, Mr. Speaker, in an area where the ten provinces together agree that they should get more from the federal government, as in lotteries, and one has to make the difficult assessment of who gets what, as on the price of energy. We have just heard from the Prime Minister and his government that they are giving it very earnest study and consideration, that they do not know if they are going to have any results in time for the budget and whether they are going to be able to bring in a new pricing agreement such as was requested or suggested by the caucus committee on energy, meaning some increase of $5 or $6 next year—we do not know, Mr. Speaker. But this is an area where co-operation really means something. We have not heard from the Prime Minister if it was Premier Lougheed who told him to go shake himself or if it was Premier Davis. We do not know what the results of these talks were, but we do know that in this spirit of co-operation it will be important for the Prime Minister to bring about some concrete results.

The question of the referendum is another area where the new era of co-operation has brought a great decision. The federal government has decided to give up this one tool it had to counter the separatist government of Quebec which will hold a referendum of its own. What is this new spirit of co-operation which says to the separatist government of Quebec, "If you don't like referendums we won't have any"? Some of the provinces do not like the federal government sending decentralized departments into their jurisdictions so the federal government announces it is going to bring to an end the federal program of decentralization which would ensure a federal presence across this country.

Some hon. Members: Hear, hear!

Mr. Trudeau: This would show the provinces in a visible way that there is a federal government, with a federal bureaucracy which is at their service and which is prepared to work for them in their cities, towns and villages. The government puts an end to this, Mr. Speaker. So there is a very, very obvious distinction between our approach to federal-provincial relations, which is to stand for all of Canada and which is to say, Mr. Speaker, that you do not save Canada if through compromise and abdication you have pleased the ten provincial premiers and you still have the word "Canada" written on the maps of the world. You save Canada if you have a government that can speak for Canada and can say that it is in the interests of the people of Canada that this be done.

Some hon. Members: Hear, hear!

Mr. Trudeau: The Speech from the Throne stated "that the way to build a whole nation is to respect our individual parts". Yes, Mr. Speaker, but there are some cases where you cannot please all the provinces on the pricing of energy. Then the way to build a whole nation is to realize that Canada is more than the sum of its parts; it is more than just ten provincial feudalities which are warring together; it is more than just a piece of geography. Canada exists if there is a national spirit and a national will.

During the election I recall that the Prime Minister talked a lot about Canada being a "community of communities". He never quite explained to us what he meant by that, but we see now what he meant, Mr. Speaker. A community of communities is a place in his mind where all the communities get the last word and the community of those communities, Canada, takes second place to the will of all the provincial premiers.

Some hon. Members: Hear, hear!

Mr. Trudeau: This is not a new tendency in Canada, Mr. Speaker. Six years after confederation the great parliamentarian and Liberal, Edward Blake, had this to say:

The future of Canada, I believe, depends very largely upon the cultivation of a national spirit . . . we must find some common ground on which to unite, some common aspiration to be shared, and I think it can be found alone in the cultivation of that national spirit to which I have referred.

What is this government doing for that national spirit when it gives up to the provinces very important areas of federal jurisdiction?

May I also quote Mr. Henri Bourassa, a Canadian nationalist well known on all sides of this House and who sat in this House with great distinction for 40 years, I believe. Seeing the spirit which developed at the time and which is very similar to the spirit developing now in Canada—and which we fought in this election campaign, Mr. Speaker—Mr. Bourassa warned as follows:

—there is Ontario patriotism, Quebec patriotism, or western patriotism, each based on the hope that it may swallow up the others, but there is no Canadian patriotism, and we can have no Canadian nation when we have no Canadian patriotism.

That is what we are asking of this government, Mr. Speaker—to create a spirit of Canada and to bring in policies which are not an abdication of its responsibilities. I think the Prime Minister is influenced by Mr. Jim Gillies whom we knew when he sat in this House. He was reported in *The Globe and Mail* of August 27 as having said that a traditional Conservative believes that no government is the best government in the most narrow of all senses.

I believe that is what we have in this government, Mr. Speaker. This is what the neo-conservatism is: it is a feeling that this government cannot govern. It think it is well justified in having doubts about itself, Mr. Speaker. It is a feeling that this government cannot govern so let us give it up to the provinces and they can govern. They can have the Crown corporations. They can have their corporations on energy. They can organize their economy and use the tool of the Crown corporation in order to serve the people of their province. This government believes that no government is the best government. It is really withering away, and withering away the spirit of Canada in the process. That is what we on this side will combat to the best of our abilities.

● (1550)

In the question period we heard the government—the Prime Minister, the Minister of Energy, Mines and Resources and the Minister of Finance explain lamely that an energy pricing agreement would soon be reached. Perhaps not this week or next, perhaps not this month or next, but hopefully next year, Mr. Speaker, because then the agreement put together by our government when it was in office will expire. Instead, what have we heard? We have heard hints of possible acceleration in the rate of price increases. As members on our side have pointed out, acceleration would lead almost inevitably to double digit inflation and an economic slowdown in the consuming provinces.

I need not remind this House that the problem of guaranteeing a sure supply of energy to Canadians at the price they can afford is the most urgent and critical economic issue facing this Parliament. Could anyone fail to be alarmed when they compare the growing energy crisis facing all countries and the fumbling backtracking and confusion that has accompanied the government's lack of energy policies since the election? Could anyone fail to be alarmed when we know that each fumbled energy opportunity exposes Canada to greater inflation? The government has shown no sign of being able to cope with this problem. Indeed, I would say their actions over the last four months have given Canadians a great deal to worry about. I speak of their jeopardizing our agreements with foreign suppliers, foolish antics over domestic pricing, a secret giveaway of federal powers to deal with offshore resources, and appalling fumbling over Petro-Canada.

In the last two years of our government, Mr. Speaker, we had managed to make arrangements with Venezuela and Mexico to ensure an interim supply of oil to eastern Canada. Those arrangements would lead to such countries using the proceeds of their sales to purchase Canadian exports worth billions of dollars. Now, what about those arrangements? Are they in jeopardy? Will they come through? Will the government be able to pull off what we had negotiated?

On the pricing issue, it was only when they came to office that those opposite saw federal-provincial relations were more than Sunday school picnics. Provincial premiers do not disagree with Ottawa or among themselves because of mere personality clashes. They disagree because their interests are different. The division over energy among those three great Tories, Mr. Lougheed, Mr. Davis and the great leader opposite, are deeper today than they were ten years ago. If the Prime Minister hopes to be a leader he will need more than secret meetings in Toronto, Calgary, and Montreal. He will need to take the tough actions which are in the interest of all Canadians, actions that will not be universally popular but which will ensure new sources of energy, energy at a fair price which does not cripple families who are worried over what price they will pay for their furnace oil this winter, and, in some regions, whether there will be enough oil for every family. The Prime Minister must consider those who drive to work and their worry whether gasoline will go up ten, twenty or thirty cents a gallon this winter.

The long summer of Tory platitudes from mountain retreats is over; the realities of fall and winter are upon us. Canadians want to know the score on the energy question. Where does the government stand? Our position was clear and it is clear. We subsidized the consumer. We allowed prices to increase only enough to keep new production coming on-stream. We were not loved by every premier but we were responsive to the needs of every Canadian. I do not mind the premiers loving the Prime Minister to death. I am worried if they love Canada to death, and I am worried that this government will not be able to reach tough agreements.

Our position on offshore jurisdiction is equally clear and responsive. I have never considered the offshore question a

fight over money. Indeed, our deal with the maritimes which was signed, sealed and delivered in this House in the Commonwealth Room was a better financial deal for the Atlantic provinces because we agreed to pay the costs to reach the production stage. But I tell you today, Mr. Speaker, that on this side we will fight vigorously, not against the producing provinces getting financial benefits, but against a diminution of the federal power to act on resource. Because only a strong national energy policy will lead Canada out of the crisis that is threatening the economies of the western world.

First, the federal government has a right and a responsibility to ensure that there is sufficient new exploration and production; second, to negotiate internationally for Canada's offshore rights; third, to settle interprovincial quarrels; fourth, to set a fair domestic and a fair export price; and fifth, to see that citizens in poorer provinces have access to adequate supplies at reasonable prices.

Ottawa's obligation to do these things is not only a constitutional duty that cannot be given away, it is what Canadians want when they elect a national Parliament. I say to this government: accept the responsibility that comes with office and stop running away from the job. But if you feel compelled to run away, if you must run away, run away from your insane policy on Petro-Canada.

This government has abandoned just about everything it stood for in the election. Why does it stick to the foolish stand it took on Petro-Canada? That is almost as ridiculous as the leader of the NDP travelling across Canada trying to make people believe that Petro-Canada was his brain-child. I am afraid he is going to repeat this statement again and again, so let me just remind him of a few facts. When we published our white paper on an energy policy for Canada in June, 1973, it set out the need for "a national petroleum company which would provide a vehicle by which the government could seek to obtain knowledge of the domestic and international petroleum industry." In September, 1973, the national Liberal policy convention adopted a motion calling for the government to establish such a corporation. In December, 1973, I announced in this House that a bill would be forthcoming that would create that national petroleum company. In May, 1974, we introduced Bill C-32 and the government was defeated by the combined forces of the Tories and the New Democrats.

What happened? We then obtained a majority. We no longer needed that party to get our legislation through as the new leader of the NDP seems to think. Did we say that is no longer our priority, that it was the brain-child—what a brain!—of the leader of the New Democratic Party? We did not, Mr. Speaker. In the first days of the thirtieth Parliament we introduced the new bill giving existence to Petro-Canada. It was given royal assent on July 30, 1975, after a long, hot summer of debate—43 hours of discussion, 14 committee meetings and a filibuster by two or three members opposite who now sit in the front benches. It was the government that we then headed which brought this bill to fruition at the end of a long, hot summer, and not with the help of the NDP.

• (1600)

Some hon. Members: Hear, hear!

Mr. Trudeau: To set the record straight, Mr. Speaker, let me just come back to the government and remind them that every Canadian knows these facts. Every nation which is seriously looking after the energy security of its citizens has a national oil company. Even Mrs. Thatcher changed the British Tories' pledge to privatize British National Oils.

The next fact: 91 per cent of our oil and gas is owned by eight multinationals. Petro-Canada is a company that is well-managed and successful. Petro-Canada has had huge success in the Arctic, in Nova Scotia, off Newfoundland and in the west. Petro-Canada is a company that is profitable and risk taking at the same time. Finally, Petro-Canada is a company that allows Canadians for the first time to know what is going on in this industry and to have some say in what is going on.

This government has taken every stand and no stand on Petro-Canada. It has announced at various times that it will sell it, save it, shield it, shave it, smother it and then, like every other problem they have, study it to death, all in the same month.

Some hon. Members: Hear, hear!

Mr. Trudeau: Let me say this in closing. The threatened status of Petro-Canada is a matter of major and mounting concern, not only to the official opposition, but to private individuals and groups which have petitioned the government to keep Canada's national oil company intact, in place and in action. The Canadian Association of Consumers, the Chamber of Commerce, the trade unions, the provinces, the major newspapers, the Canadian small business organizations, presidents of oil and gas companies, bankers and businessmen, all have told the government it should not proceed with its intention to remove Petro-Canada as an effective instrument of national policy.

Now the government has established a study group headed by one of the leading Tory fund raisers in Ontario to study Petro-Canada, a man who I understand is involved with a company that talked of buying Petro-Canada. If that is their way of examining the issue in a detached way, the minister is right in giving the undertaking that he did a little earlier in the House to look into the background of some of these people who are going to look at the future of Petro-Canada.

We in the Liberal party would be derelict in our duty to Canada and inconsistent with our own conviction if we did not fight the government with every means at our disposal over Petro-Canada. Whatever is done, our view is that Petro-Canada must remain one strong, healthy corporation that can act for Canada, that remains intact, that can be an instrument of national policy, that can take the necessary exploration risks, that can help protect all Canadians from the energy crisis.

I therefore move, seconded by the hon. member for Cape Breton Highlands-Canso (Mr. MacEachen), that the address be amended by adding the following words:

—and this House condemns the attempt of the government to undermine Petro-Canada and supports the maintenance and expansion of our national petroleum corporation, as the property of all Canadians, as the largest Canadian-owned corporation in the petroleum industry and as a major instrument of Canadian energy policy.

Right Hon. Joe Clark (Prime Minister): Mr. Speaker, it is an honour for me to stand and take part in this debate for the first time as Prime Minister of this country. I must say I am pleased to find that the former prime minister is adapting so well to a role which obviously very much fits a man of his talents and temperament.

On behalf of the government I want formally to express our appreciation to the Governor General and Mrs. Schreyer for the work they have done for Canada during their period of office. It has been a service that has been very energetic, one that has sought to bring the values and customs of that office to all corners of the country.

I also want to congratulate most sincerely the mover and seconder of the Address in Reply to the Speech from the Throne. That is always a difficult occasion for new members rising for the first time to make their maiden speech on the first sitting day of the House of Commons. I join in the words of the Leader of the Opposition (Mr. Trudeau) in expressing our congratulations to those two members who made very direct, businesslike speeches, speeches in the tradition of the regions from which they come and in the tradition that animates and moves most members, whether they have come newly or again to this House of Commons.

I want also, Mr. Speaker, after the great struggle in which we had to drag you from your seat yesterday, to congratulate you on your re-election by the House of Commons to preside over our proceedings. I am sure it will be a presidency and direction that will be as distinguished in the future as it has been in the past. We wish you well and wish all of us well as you preside over this central institution of the democracy of the land.

I must say to the former prime minister, the Leader of the Opposition, how much I appreciated his counsel and advice in the early days of my prime ministry, his willingness to meet with me, particularly in preparation for trips abroad, and his absolute co-operation in the work of transition from one government to another. It was very much appreciated. It was another signal contribution on his part to this country. I want to take this opportunity here to thank him formally and directly for that help at that time.

Some hon. Members: Hear, hear!

Mr. Clark: As I said earlier, he seems to be taking very well to his new role. It is an area in which I have certain experience. He will recognize as time goes on that there is a time to stop fighting the last election and to begin thinking about the future.

Some hon. Members: Hear, hear!

• (1610)

Mr. Clark: If he does not do that, there is the hon. member from Winnipeg and there are others who will ensure that the party does that for him.

In his remarks the Leader of the Opposition raised the rhetorical question as to which of the premiers of Canada told me to go shake myself. Well, we all know that they all told him to go shake himself.

Some hon. Members: Hear, hear!

Mr. Clark: He raised the concern—and it is not unnatural that he would—that we have changed the system of cabinet government in the country. We have changed it principally in two ways. First, we have made public what had previously been kept secret about the way cabinets govern in this country. There has always been an inner cabinet in Canada. The difference is that with this regime, which believes in open government, the composition of that inner cabinet is public, whereas under the regime of the former prime minister the composition of his inner cabinet had been private.

Again the Leader of the Opposition raised a question about the strength of the influence of the voices from New Brunswick, Manitoba, Nova Scotia and Alberta. What has happened is that distinct from the kind of government we had prior to May 22 this is a government in which voices from all of the regions of Canada count and in which influence is not reserved to a select elite accumulated around the Prime Minister, in the office of the Privy Council and in the Prime Minister's office. I should say to the Prime Minister—

Some hon. Members: Oh, oh!

Mr. Clark: I should say to the former prime minister. I wanted to raise his hopes because there is no question that none of the hon. members opposite are going to do so.

Some hon. Members: Hear, hear!

Mr. Clark: I want to say to the Leader of the Opposition that I am a Prime Minister from Alberta, and I am no less a Canadian for that. If he had recognized some time ago the fact about Albertans and, indeed, about citizens of other provinces, that we can be loyal to our provinces and loyal to our nation, he would not have encountered the difficulties he and his government did.

I want to extend my personal congratulations to all members of the House of Commons elected here. I have had the opportunity to extend those congratulations personally to several of them, but I want particularly to extend a welcome to those members of Parliament who are elected for the first time because, as they will find, they are members of a very special institution which is clearly unique in this land. This is the central institution of Canada. It is the one place where every corner of a vast country has the right to be represented and the power to be heard. The traditions of the institution change, but

our constant obligation here is to be the one place where the whole nation comes together, speaks frankly together and acts together.

In my view, this Parliament is not now as strong as it needs to be because too much power rests with the executive of Parliament and with the executives of political parties; too many limits are placed on the right of private members to know, to inquire, to propose and to be responsible for their own actions and for their own decisions. In particular, the historic right of Parliament to control the public purse was eroded by guillotine rules which meant that each year billions of dollars of public spending went unscrutinized and unchallenged. Parliamentary committees were denied the authority and the resources to have a positive influence on public policy. Members of this House of Commons, people sent here to represent their constituents and the interests of all of Canada, were denied information which should have been made public. As a result of that, great numbers of our fellow citizens have been turning away from Parliament and have ceased to regard this as the vital, national institution which it must be seen to be.

Parliament is the only institution we have which can rightly claim to represent this whole nation. This Parliament is in danger of losing its constituency, and one of the solemn obligations upon those of us who are fortunate enough to be members of the Thirty-first Parliament of Canada is that that is a trend which we must change and reverse. That will require change in some of our rules and some of our practices, but more has to change than just the rules of Parliament. There must be a change in the attitude toward the institution on the part of all members, not just those who are ministers of the Crown.

I am confident that that will occur because there are so many members here in all parties who came to this House of Commons—and I quote the words of the hon. member for Cardigan (Mr. MacDonald)—"to make Parliament work".

The government will be introducing proposals for rule changes and has already indicated changes in attitude which, in effect, will provide a latitude to private members of the House of Commons which can be used, if members choose, to obstruct all progress here. That will be one capacity. That will be one consequence which could flow from the latitude we intend to give to private members of the House of Commons. Or it can be used to make the House of Commons the vital centre of discussion and decision in this land.

I hope that this Parliament might be characterized by very open inquiry. Naturally, on some questions some members have their minds made up already. So do some parties, and I am not looking particularly at the hon. member for Oshawa (Mr. Broadbent). However, on many of the most important questions we face there are no easy answers, yet there is an obligation to act and, indeed, in many cases an urgent obligation to act. As a government we cheerfully accept the responsibility to put forward answers when we think we have them. What is more important is that we cheerfully accept the responsibility to initiate unfettered inquiry where that might yield better answers than the ones we propose or the ones we have. I give the commitment now as we start this session in the House of Commons that this government will welcome amendments to legislation from whatever part of the House they come if their proposers can persuade us of their merits.

I hope that attitude of openness will extend throughout this Parliament and to most major questions, and that this will be a Parliament where decisions are based on evidence and not on ideology. The government itself is proposing action which questions certain long-held assumptions concerning, for example, the notion that Crown corporations, once established, must stay in the public domain forever, or the attempt to keep public information secret, or concerning the nature of relations between the central and the provincial governments. We do not expect that everyone will agree, but we hope it will not become the habit of any party in this House to resist reform just because it is new.

[*Translation*]

There is an obvious fact about the forthcoming decade: it is that a substantial part of the old formulas has become worthless. We must reconsider our procedure to develop policies in several areas and it rests with Parliament to undertake openly such a task. The drafting of the following reports is almost completed and they will be submitted to the standing committees well before Christmas: to wit, the report of the Secretary of State for External Affairs (Miss MacDonald) on foreign policy; the report of the Secretary of State (Mr. MacDonald) on cultural policy; the report of the President of the Privy Council (Mr. Baker) on parliamentary reform; the report of the Minister of National Health and Welfare (Mr. Crombie) on pensions and that of the Minister of Fisheries and Oceans (Mr. McGrath) on fisheries. A joint committee will be set up next week to consider the matter of atomic energy. Moreover, we want to complement the proceedings of standing committees by setting up select committees that will deal with specific matters. The first select committees were announced in the Speech from the Throne and I add today that we intend to suggest that the hon. member for Brandon-Souris (Mr. Dinsdale) be appointed chairman of the select committee on the specific needs of the handicapped and disabled; the hon. member for Fraser Valley West (Mr. Wenman), chairman of the select committee on the voluntary sector; the hon. member for Mississauga North (Mr. Jupp), chairman of the select committee on foreign ownership, and the hon. member for Calgary South (Mr. Thomson), chairman of the select committee on measures necessary to prevent recurring cost overruns. We hope that those committees will be entirely set up and active next week and that they will submit their reports for the consideration of Parliament and government at the beginning of 1980.

● (1620)

[*English*]

If the House accepts the challenge that we are placing before it, I believe that we can make this again an instrument which is strong enough and respected enough to reflect the diversity of an exciting country. Instead of talking about the instruments of national action and national unity, we can become an instrument of national unity and of national action, and that is the purpose of the reforms that we propose.

Some hon. Members: Hear, hear!

Mr. Clark: The Leader of the Opposition made reference to the phrase I had used during the election campaign, a phrase concerning communities. That is a matter of great concern to me. The concept is of great concern to me because in recent years the sense of community in Canada, despite the best intentions of the hon. gentlemen opposite, has become unravelled. That was evidenced most dramatically by the election in Quebec of a government explicitly committed to dismembering the country.

But that erosion of common purpose has grown in other ways as well, such as in the decision of the Canadian Labour Congress that they could not trust government enough to continue in consultation; the mutual suspicion that has clouded relations between the federal and provincial governments; the growing gulf between Canadians working in the private sector and Canadians working in the public sector; a sense among private citizens that their government and their Parliament was ignoring their interests and their views. More was happening in recent years than just the development of interest groups and narrow movements which arise occasionally in every country. There was a pattern of things coming apart in Canada, of the centre being literally unable to hold, and the irony was that every assertion by the centre of its authority weakened that authority. The lesson is that this nation cannot be ordered together. This nation must be brought together, and the starting step must be to establish a basis of mutual trust, of goals that emerge from the community of Canada rather than being imposed upon the community of Canada.

Some hon. Members: Hear, hear!

Mr. Clark: As a new government we have believed that the way we should begin to knit the nation together was to establish a climate of calm and of co-operation. My ministers have travelled and consulted widely with the provinces, labour, business, co-operatives and a multitude of groups and individuals, sometimes concluding agreements, more often establishing the basis for future agreement. The fact is that the central government can lead the nation in resolving difficult problems only when the central government is seen again as a leader which itself respects the other partners of the Canadian confederation.

Some hon. Members: Hear, hear!

[*Translation*]

Mr. Clark: Mr. Speaker, it had been obvious for several years that continuous confrontation had become a rule, a kind of system for federal-provincial relations.

As a new government, we have set a first immediate objective: the easing of the climate of federal-provincial relations. This is what we did. Action has been taken in that perspective. I think, for instance, of the agreement signed as regards Loto Canada. An agreement in principle has also been reached between the new government and some coastal provinces concerning offshore mineral resources. In the same spirit, we have decided not to reintroduce in the Commons the bill on the referendum as proposed by the former government. This measure was perceived in Quebec as an act of aggression and it is precisely the kind of attitude that my government intends to change.

So, my government has the firm intention of altering the atmosphere of federal-provincial relations. Concrete measures have been taken in recent weeks and others will be in the future. We believe that it is possible to solve several problems without any constitutional amendment and without revising the constitutional tool we now have at our disposal.

This is not a one-way process. In some cases, the answers we will choose might imply a jurisdictional transfer from the federal government to the provinces, whereas in others it might be a transfer from provincial jurisdictions to the federal authority.

Of course, there are skeptics in this House. It is quite possible, however, with a will, with a determination to chase partners rather than conflicts, for a Canadian government to get co-operation, understanding and agreements.

During this parliament, the issue of federal-provincial relations will still lead to controversy and intense debate. It is my hope there will be indeed outspoken debates. It is my hope that every member in this House will share a determination to contribute fully and outspokenly, with deep conviction but without prejudice, because, Mr. Speaker, no party can hope to have all the wisdom needed, or all the answers. The government will listen to members on this side and members opposite who may have different perspectives and priorities. It is this government's view that all hon. members, wherever they sit in this House, want to have a strong Canada and maintain our confederation.

[*English*]

Mr. Olivier: Say that to René Lévesque.

Mr. Clark: Someone asked me to tell that to René Lévesque. In my judgment, it is the duty of all members of the House of Commons to tell that to René Lévesque.

Some hon. Members: Hear, hear!

Mr. Clark: And it is important for all of us in the House to end that personal preoccupation with René Lévesque. The message which we are interested in delivering is not to the premier of the province of Quebec; it is to the people of the province of Quebec.

Some hon. Members: Hear, hear!

Mr. Clark: We believe that there is a much wider range of opportunity for accomplishment with us as a government prepared to seek new approaches with the people of Canada than there was with the former government, which was determined to continue old quarrels with the Premier of Quebec.

Some hon. Members: Hear, hear!

Mr. Clark: If the hon. member for Ottawa-Carleton (Mr. Pepin) does not stop interjecting, I will quote sections of his report to him.

Some hon. Members: Oh, oh!

Mr. Clark: The results of the election in May left all of our parties deprived, in one way or another, of the balanced representation that might be considered ideal. That is a problem for our parties but it is a great opportunity for this Parliament. We can rise above narrow partisanship and help each other to achieve a better understanding of how our respective regions perceive, and are affected by, these national issues. I am not suggesting that any of the parties argue their own views less aggressively; only that in this Parliament, and especially on this subject, each of us should be more open to the views of the others.

Some hon. Members: Hear, hear!

• (1630)

Mr. Clark: That will not be easy. It will require of us in this House an act of mutual trust, just as the conduct of federal-provincial relations, in our view, required a new spirit of mutual trust between Ottawa and the provinces.

The test of our federalism and its strength is not in the undoubted power of the central government to have its way. Rather it is in the willingness of the partners to act together. The success of our federalism will lie in our ability to accommodate the different kinds of communities Canadians choose to live in. These communities have different economic potentials, different economic strategies, and they have different cultural and social goals.

Confederation gave to the provinces not only real powers—and in some cases exclusive powers—which could be exercised in those fields, but it assigned to the provinces the sources of revenue, the economic means to exercise those powers effectively. That was the spirit in which the forests, the mines, the natural resources of another day and the revenues therefrom were assigned to the provinces. That is the spirit in which in 1979 this government agreed that the provinces which have offshore resources should control their development. The extent to which all provinces have the economic means to exercise their powers will determine their ability to pursue their different cultural, social and economic goals. The greater their dependence on Ottawa for their revenues, the less likely they are to develop that diversity which is at the heart of the Canadian idea.

Some hon. Members: Hear, hear!

Mr. Clark: In these so-called constitutional debates the real question at issue was not the law of the country but the nature of the country.

Miss Bégin: It is the country.

Mr. Clark: Can we afford to have Canadians doing different things in different ways in different parts of the country? I ask that of the former minister: can we afford to have Canadians doing different things in different ways in different parts of the country? Not only do I think we can, I believe we must if we are to honour the spirit of this country. One thing which is beyond debate, to my knowledge, is that everyone in the House accepts the absolute necessity of a central government strong enough to guarantee basic standards of service, instruments of growth and national co-ordination, and indeed capable of initiating and expressing national policy.

When it comes to the national interest, the final responsibility and the ultimate authority lie with Parliament. If paramount national interests were endangered by federal-provincial conflict or federal-provincial stalemate, this government and Parliament could act. There is no question that we would have the support of Canadian people in so acting. But asserting that ultimate power in emergencies is quite different from insinuating that ultimate power every day. The nation is more than the central government. The need for a national transportation policy, to take one example, is of an order quite different from the need for a national lottery. The nation will survive the provinces running the national lottery.

Some hon. Members: Hear, hear!

Mr. Clark: Indeed the nation will be much stronger if the government in Newfoundland uses wealth from offshore resources to build its economy directly, rather than having part of the proceeds recycled back from Ottawa. One fundamental fact is that there is a limit to what Ottawa can do, because there is a limit to what Ottawa can know. Ottawa cannot know the local needs, natures, and requirements of different corners of this country as well as the properly constituted governments of those provinces.

The hon. Leader of the Opposition quoted Edward Blake and approved of him. I will quote Sir John A. Macdonald on a matter where—one of the few times—I think Sir John was wrong. Sir John A. Macdonald would have preferred a unitary government. That is what he wanted; that is what he dreamed about. That was the model he had in his mind, but Sir John A. Macdonald was a practical, pragmatic man. He wanted to make the nation work. He was more interested in having a nation which worked than having a nation which accorded to his theories. He recognized that the nation was not built the

way he wished it was, and successful national governments since have recognized the limits of federal power. That is not a matter of constitutional law. It is a matter of common sense, and it is an approach which must be applied to the economy and the culture of Canada as well as to our constitution.

[*Translation*]

Today, Canadians want to recover control of such matters as concern them in their homes, in their communities. The challenge which this government, and this Parliament, must primarily face, is that of rerouting our Canadian economy. For the better part of the last ten years, we have constantly been plagued with a low rate of economic growth, a high rate of unemployment and a high rate of inflation. And short-term forecasts promise much more of the same.

Canadians have a right to ask themselves why, in as rich a country as ours, we have not been able to fare better. There is no doubt that the international situation is to be blamed in part. Today, we are feeling the effects of a slowing down in the economic activity in the United States—but we cannot blame the whole wide world for our problems. Canada is surely not in bondage. The failures in our economic policies have their roots here, not in Washington, Zurich or Jedda.

We have an alternative. We may go on pretending that we cannot solve our own problems, and looking for scapegoats. That will surely result in the realization of pessimistic forecasts. Or we can take on the job, which is ours anyway, of building this country. The time has come to roll up our sleeves and build this country.

[*English*]

Our goals as a government are clear. The Canadian economy must begin growing again much more close to its potential. Job opportunities must be created for Canadians, especially for groups like young people, women in the Canadian economy, and native Canadians, among whom unemployment is especially high. We must reduce the inflation which continues to rob Canadians of their savings and the real value of their incomes. Simply continuing existing policies will not work. That is why we intend to change the economic direction of Canada in several ways.

First we intend to open up economic policy-making in Canada. Under our system government does not control the economy; it can only influence it. If that influence is to be effective, economic signals from the government must be public, understandable, and certain enough so that they can be relied upon. The best way to ensure that is to lift the shroud which has enveloped the making of economic policy. That is why we propose to encourage pre-budget hearings by a committee of this House, so that Canadians can understand the economic issues and options before the government. That is why we intend to make public with each budget four-year revenue and expenditure estimates. As we indicated today, that is why we are quite prepared to have a committee of parliament look into major economic questions such as the questions relating to interest rate policy.

Second, we intend to be much more specific in economic policy. We believe that management of the large economic levers of fiscal and monetary policy should be stable and consistent. We reject fine tuning as an effective economic option. Instead, we recognize our economy is not monolithic but consists of a multitude of parts, each with its own sectoral or regional requirements. We intend to be sensitive to those specific needs and to tailor policies to fit them.

That is the approach reflected in the Speech from the Throne in its emphasis on developing regional strengths such as tourism, shipbuilding, fisheries, grain transportation, and northern mining, and in its commitment to stimulate the housing industry through tax credits for mortgage interest and property taxes and to provide new incentives for small and medium-sized enterprises. Those programs will create jobs, jobs which are stable because they are founded on inherent economic strengths.

[*Translation*]

The same objective—creating specific programs to meet specific economic requirements—served as a basis for the implementation of our other job creation programs. I am sure all members welcome the fact that in September the rate of unemployment was down for the seventh time in as many months. But we all know that this improvement is not shared by all Canadians, the rate of unemployment for women is still 2 per cent higher than that for men, more than 12 per cent of Canadians under 25 are unemployed which is nearly double the national rate. Although no official statistics are available in the case of natives we know for a fact that the rate of unemployment in that group is much higher than in others.

We intend to grapple with those problems. I will present the House with an employment strategy for women based on the principle that women have an undeniable right to participate equally in all sectors of the economy. That strategy will include steps to reduce occupational segregation through better training programs and contractual clauses that will recognize the women's responsibilities concerning the children and will increase the opportunities made available precisely to them under economic expansion programs.

In addition, our programs will underline the significant part played by the government which will become a leader in this area with the introduction of specific employment policies.

Still in that vein, we intend to set up a youth employment secretariat to co-ordinate and plan programs making training and job opportunities available to young Canadians. We will be reviewing the job tax credit program to promote on the job training for young people who do not have all the necessary skills and we will be introducing a better program to encourage young Canadians to serve their communities.

● (1640)

[*English*]

Sir, in seeking to broaden economic opportunities available to native Canadians, the government supports the growing

desire among native people themselves to assume authority and responsibility for their own development.

The minister and I have recently had very useful conversations with representatives of the National Indian Brotherhood concerning, mainly, other matters, but certainly opening the door for discussion by which we can work together on important work opportunities for the native people of the land.

Finally, sir, I want to emphasize this government's determination to place much greater reliance on the private sector, and private sector broadly defined, whether in terms of business or in terms of volunteer agencies, to achieve our economic and social goals. In recent years, in many ways the federal government became a burden on our economy. Record deficits and virtually uncontrolled spending were sometimes explained as being intended to spur economic growth. They were nothing of the kind. They were a drag on the economy. We are implementing in this government a program of spending restraint, not because we believe it is one easy step from restraint to lower deficits and ultimately to a balanced budget. Our restraint program is intended to free resources to the private sector to encourage investment, to encourage business expansion and to encourage job creation, which we believe is the best way to generate the revenues which in turn will help us balance the budget of Canada. We intend to reduce the burden of government on the economy and offer practical incentives to individual Canadians to build a stake in our country.

I am confident that Canadians will respond to that kind of encouragement and incentive. As I have travelled this country in recent months I have sensed a growing confidence, almost an enthusiasm, among Canadians over the prospects for this country. We should be confident and we should be enthusiastic because there is literally no country in the world with a greater potential, with a greater capacity to build, and with a greater offer of liberty and opportunity to its citizens, than this country.

Some hon. Members: Hear, hear!

Mr. Clark: Sir, energy is just one example. Certainly we need a new agreement on pricing and more effective programs both to conserve energy and to increase its supply. My ministers and I, as the House knows, are discussing these questions now with the provinces, and I have every confidence we can reach an understanding that acknowledges our needs and acknowledges theirs.

But, the true significance of our energy situation is not what it requires in the short term. The true significance is what the energy situation in Canada offers our citizens in the long run. This country can be self-sufficient in energy within a decade. We can be free of the insecurity that is the price of dependence on supplies beyond our control. For many years we have talked about our energy potential in this country, about the billions of barrels of oil locked away in the tar sands, about our heavy oil deposits, our frontier potential, and our 500-year supply of coal. All we could do in those days was talk; we lacked the national need and we lacked the economic rationale to develop the resources we talked about.

The time for talk is over. Resources which used to be too expensive to develop are becoming almost cheap at their price for Canadians. To that extent OPEC has done us an economic favour. The economics now make sense to take advantage of our resource potential. Our national need is evident. What we require is a national will to make that happen.

During his remarks the Leader of the Opposition referred to a phrase he had used often during the election campaign, a phrase to which I took the deepest exception. He suggested that Canadians should learn to lower their expectations. We disagree on many things, but we disagree on nothing more fundamentally than that, because I believe this is a time for Canadians to raise their expectations, not to lower them.

Some hon. Members: Hear, hear!

Mr. Clark: We are a nation of immense potential; immense potential in our physical resources and immense potential in our human resources, in the great strength that comes to a country like this by the fact that all of us, coming from every corner that is represented here in this House of Commons, have in our heritage, in our past and as part of our being, a different sense of what this country can become, and a different identity that, woven together, can create a vibrant and strong national identity.

There used to be a time in this country when Canadians feared the regions and feared the different identities that might develop. There is nothing to fear in the regions of Canada. There is nothing to fear in the differences of Canada. Those regions, those differences, and those resources are the strengths of our country.

Our challenge as a Parliament is to try to give the leadership to restore that sense of calm and that sense of co-operation that can bring Canadians together to work toward the realization of the individual dreams of Canadians across this country.

What we have tried to do in the Speech from the Throne is set down a beginning agenda, steps we can take to reform this institution to make it the vital centre of the nation again, steps we can take to start Canadians along the road to feeling a part of their country and to building a stake in their country. That is the work we invite Parliament and the people of Canada to join in accomplishing.

Some hon. Members: Hear, hear!

● (1650)

Mr. Edward Broadbent (Oshawa): Mr. Speaker, I want to begin by joining the Prime Minister (Mr. Clark) and the Leader of the Opposition (Mr. Trudeau) in congratulating the mover and seconder, who both spoke so well yesterday, and I mean that completely. I agree with the Prime Minister that it is something which all of us who have been around this place for a few years must recall from time to time. It is a tough job to get up in this place for your first time. I, on behalf of my colleagues, want to congratulate those gentlemen most sincerely.

I would also like to congratulate the Leader of the Opposition in his new role. He is finding the same adept skill with the truth that he had as prime minister, and I am sure that that will persist, and I hope that he persists for many decades. I would also like to congratulate the Prime Minister on becoming the Prime Minister of this great country of ours, and I genuinely wish him well in the future.

Some hon. Members: Hear, hear!

[*Translation*]

Mr. Broadbent: Yesterday the Prime Minister announced in the Speech from the Throne his intention to introduce several measures this session. Some of these measures are good and we will support them. For instance, we are fully in favour of certain reforms which the new government intends to carry out to increase the powers of Parliament, as well as the freedom of information legislation it will introduce. For the time being, federal-provincial relations are certainly running a smoother course. No more confrontations with the provinces. We are fully in agreement with this new attitude.

[*English*]

So much for the good, Mr. Speaker.

Mr. Knowles: It didn't take very long.

Mr. Broadbent: Yesterday I had the pleasure of joining the Prime Minister and the leaders of the other parties in paying just tribute to a former prime minister, John Diefenbaker. On that occasion I said that one of the things which characterized Mr. Diefenbaker was his view of Canada that this was a land that was certainly much more than the sum of its regional parts. When I, later in the day, heard the Speech from the Throne, I must say that I got a very different vision indeed from the present government, from the present Prime Minister.

The Prime Minister said in the throne speech, and they are his words and the words of the cabinet, that they were given a mandate to change. I agree with that. I think that the people of Canada throughout the breadth of our land did indeed want a change. They gave the Conservative party an opportunity. Indeed, I suspect that there was good will from all Canadians, those who voted for the Prime Minister's party as well as those who voted for the Liberal party, for our party and the Creditiste party during the summer months. The question is how has that mandate been utilized? How has that mandate for change been recognized in reality during the four and a half months since the government took office?

We agree with all the good things there are in the Speech from the Throne, the removal of confrontation in our federal system and a genuine attention to the concerns of other regions in advance of decisions. I agree with the concern on a number of matters in which the Prime Minister has expressed his interest, but what has been lacking throughout the summer and in the throne speech yesterday has been a perspective of our great country, that it is something other than a mere collection of regions. If I had to contrast the Speech from the Throne and the attitude of the present Prime Minister with that of Mr. Diefenbaker's, whereas Mr. Diefenbaker said that we were more than the sum of our parts, the attitude that I am getting from this government is that we are somewhat less than the sum of our parts.

I suggest that if the government continues in this direction Canada will be in great trouble in terms of disunity, for opposite reasons to those which produced the kind of disunity that we had during the tenure of his predecessor. It is one thing to argue for new attitudes, and attitudes count in politics profoundly, but it is quite another thing to have a direction in policy that will clearly have as its implication the dismemberment of a nation, which is devoid of a broader national perspective designed to draw people together.

It is my serious concern, Mr. Speaker, as a Canadian, that the new Conservative government has reacted, indeed, overreacted, to what was done by its predecessor. In saying that, I would like to spend a few minutes discussing the Leader of the Opposition and his comments. I am sure that the members on the government side as well as in my party listened with a combination of disbelief and horror as the current Leader of the Opposition tried to leave the impression, as he has done for years, that he and he alone speaks for Canada. We have heard it all before, the talk about *déjà vu*.

Where was the Leader of the Opposition and the Liberal party when we lost our merchant marine off the east coast and west coast in recent history? Where were the Liberals in terms of a strategy in advance while the textile industry, shoe industry and the furniture industry in Quebec went, if not down the drain, down into serious trouble? Where were the Liberals, and where was the present Prime Minister, when Canadians on the prairies called for a speedy implementation of the Hall report that would have seen rail facilities, boxcars, and terminal ports provided for our western farmers? Where were the Liberals? Where were they in Cape Breton when serious capital investment in the steel industry there could have provided jobs instead of handouts? These are examples of what really produced disunity throughout our land, and it was the Liberal party, and only the Liberal party, that was in office.

If there has been one major source for the cause of problems which have occurred in our country, from British Columbia in the west to Newfoundland in the east, it has been connected with our natural resources. In all of my lifetime here, the party that sits at my right, with the exception of a few years, has stood by and, indeed, produced policies that saw us sell out our resources from region after region, instead of developing in this country a sound industrial nation based on those resources. That will come to be the most serious condemnation of the Liberal party in the history of our country. The present Leader of the Opposition cannot lecture the Prime Minister or anyone else on that subject.

Some hon. Members: Hear, hear!

Mr. Broadbent: The government has been given this mandate for leadership. There was no doubt from every survey that was taken during the campaign, not by our party or the other parties, but by the Gallup poll, that Canadians did have economic concerns, whether they were regional needs for jobs, unemployment in general, or inflation in general. That is what their concerns were all about, and they voted for a government which, instead of providing confrontation and sophistical arguments as we had for a number of years, would produce action on unemployment, inflation and energy.

The present Prime Minister campaigned, and I think campaigned correctly, on these issues. We differed in our solutions, but we had the same concerns as the present government. If his concerns were right in the campaign—as they were—what action has he taken in the last four and one-half months?

• (1700)

Before the election the Prime Minister, while he was in opposition, pointed out that wage increases were being outstripped by price increases and he called for action on inflation. Since the election, however, there has been no action on inflation—none at all. I remember very vividly that before the election the Prime Minister—

[*Translation*]

In a speech dealing with unemployment which he made in Quebec City, he assured Canadians living in the province of Quebec and elsewhere that he had a formula to strengthen the economy and create new jobs.

[*English*]

That was very early in the campaign, Mr. Speaker. He said it was important. I think he said also that under the former prime minister unemployment had increased by some 5 percentage points. That was before the election, however, and in the four and one-half months since there has not been an announcement of a single new job-creation measure.

I could go through the list till I come to interest rates, Mr. Speaker. It was the Conservative party that, through the "Happy Hacker", the President of the Treasury Board (Mr. Stevens), who unfortunately is not in the House at the moment, wanted to destroy every public enterprise in Canada. He was instrumental in getting the Governor of the Bank of Canada before a committee on interest rates, and quite correctly pointed out that many other countries do not jack up interest rates all the time but recognize that investment comes where there is a growing economy—countries such as Switzerland and others, where low interest rates are maintained. The Conservatives talked about damage done to ordinary Canadians—small businessmen and homeowners. Before the election they spoke about it with passion, but after the election they approved not one, not two, but three increases in the interest rate.

I have no trouble now in understanding what was once for me a contradiction in terms; that is the expression "Progressive Conservative." The message is clear: progressive before the election, and conservative after.

I agree with some of the things the Prime Minister said in his speech today, especially as they referred to women and the young people, but there was nothing in his speech and no awareness in the Speech from the Throne of the crisis in the economy in North America.

I learned from the *New York Times* last Sunday that the Americans are seriously worried about their economy. Economists in government and outside are alarmed that we may find ourselves in a situation analogous to that of 1929 or the early thirties. This concern was not reflected in the Speech from the Throne. There was no suggestion of serious structural problems because of the interconnection of our economy with that of the United States. There was no call for action.

I agree with the Prime Minister that the people of the provinces, including the premiers, must agree to some new, all-embracing industrial strategy. I am certainly aware that it is not easy to work out the details of such a strategy. There was no determination in the Speech from the Throne, however, nor in the Prime Minister's remarks today was there any awareness of the need to mobilize effective national government leadership on these crucially important economic matters.

I think I would have the agreement of members of all parties when I say that high among the concerns of all Canadians and people of the industrialized world is the matter of energy. In the west we have partly created the problem for ourselves through our lack of concern for conservation measures. There are a variety of reasons for this. I am not too interested in delving into the past but rather in dealing with the present and future. No single aspect of the economy so profoundly affects our people now, and will in the future, as does energy. In the Speech from the Throne there were maybe three lines dealing with energy and for me they were rather alarming in their implications. I shall come back to that.

Quite apart from the question of energy in general, the question of pricing and means of developing alternative sources and other related matters, what was alarming to most of us in this country during the summer was the decision by the government to abolish Petro-Canada. I regard that as the most seriously negative decision made by the Prime Minister. I regret to say, Mr. Speaker, that if he persists with this course of action future historians will indeed have seen a turning point with this new government, a negative turning point in a decisively important part of our economy.

Just as Petro-Canada approaches its maximum usefulness, just as we are beginning to develop measures of energy security, just as we begin to pry ourselves from the grip of the multinationalists who dominate the industry, the Prime Minister decides to break it up. In my view rarely, if ever, have Canadians witnessed such a triumph of dogmatism over intelligence.

Some hon. Members: Hear, hear!

Mr. Broadbent: Rarely have we seen such a betrayal of our long-range national interests.

I feel there are Conservatives who recognize and accept their public ownership tradition. I could list those in the Conservative party who have recognized the need for a public sector in this country to serve important functions. Not only is the present Prime Minister betraying what I regard as the general interest; he is betraying a particularly important, if minor, aspect of his own party's traditions.

I want to say something about Petro-Canada in detail. The Prime Minister tends to be very frank in private conversation as well as in public. When he talks about parliamentary reform he believes it; I have no doubt about that. I listened with care today when he said that he intended to consider amendments very seriously in the present Parliament, and if I understood the argument he implied that he would lend the government's support, and implement policy along those lines. In that context, therefore, I want to talk seriously about Petro-Canada because it concerns me. I am not interested in the paternity aspect. The Leader of the Opposition talked more about the paternity of the institution than about its importance. I would welcome a paternity suit by the Leader of the Opposition any day, and I have no doubt about who would win it. It is not paternity that is crucial here; what is crucial is the institution and what it does for our country. What has Petro-Canada done for all our regions during the past year?

First of all, it opened a research centre in Calgary which provided $10 million for Canadian men and women to work on a Canadian resource. That meant Canadian jobs. In the past year it spent $1.5 billion on the purchase of Pacific Petroleums Ltd. This means that Canadians from British Columbia and as far east as Thunder Bay can go to a Canadian-owned petroleum station and know that the money they spend there will stay in Canada. That is important, because in this way the company acquires capital that it can invest to explore for more oil in the north or off the Atlantic coast. It gives the company a cash flow. It is not simply jingoistic nationalism although I, for one, believe we need a little more of that. I believe it has an important economic function.

In the east, Petro-Canada is currently involved in 80 per cent of the drillings off the coast of Labrador. It was involved in the strike off the coast of Nova Scotia at Sable Island, and it was involved in the discovery made off Newfoundland about two weeks ago. These are some recent examples of what Petro-Canada has done for our people in different regions.

I want to make the point that just a few years ago, shortly after it was forced upon us by the minority government at Christmas, 1973, the corporation was established with some $500 million in assets. But it has taken that investment and used it to create jobs for Canadians in virtually every part of our land, to find energy resources, and to provide retail outlets for Canadians. Instead of being simply a $500 million loser that the President of the Treasury Board would like to get rid of, that $500 million has been taken and turned into $3.5 billion for the people of Canada. Petro-Canada is the great business success of the decade, and we should be expanding it.

● (1710)

I want to provide some arguments for maintaining this corporation as an integrated entity that will continue to serve Canadians. Any resource sector should be developed with two views in mind. First, one should try to maximize the number of Canadian jobs. We should not just export the resource, but develop a secondary industrial strategy based on the resource. Second, an end product should be produced, in this case energy. That is the first reason for maintaining Petro-Canada as it is. It should become part of a totally integrated developed energy sector, Canadian owned and Canadian controlled.

In pursuing the course the government has embarked upon in this area it is going to repeat something done 20 years ago by the last Conservative government, of similar proportions. Twenty years ago the last Conservative government announced that it would kill the Arrow project, this is an interesting parallel. Consider, sir, what was going on 20 years ago. The Arrow was a plane designed and produced by approximately 14,000 Canadians working in the Toronto area. Without question it was the best designed engine of its time. On its test flight it had the best record of any jet of its type anywhere in the world. But the Conservative government of the day decided it was too costly and the project was scrapped. The cost would have been $3.75 million per jet had they continued.

What are the consequences of that decision? First, we bought the Bomarc missile which turned out to be a military dud, quite apart from other considerations. Beyond that, we lost one of the most highly skilled and talented labour work forces in the world. As a result, these people went to the United States and worked on the space program. I am sure they are working now on a lot of the planes we purchase from the United States at five times the original cost of the Arrow.

The lessons to me are important, Mr. Speaker. Some people say that perhaps we could not have done it. At the same time, in 1959, Sweden had the Saab aircraft. As it turned out the Saab was not as good as the Arrow, for technical reasons. However, the Swedish government made a different decision. Up until recently the Swedish government has believed in an industrial strategy, and the current government maintains the same basic policies. Because the Swedish government decided to stay with the Saab aircraft and pursued the industry, that country is now exporting aircraft all over the world. A spin-off has resulted in the automotive industry also called Saab.

Twenty years ago Canada made a decision which resulted in the loss of technicians and of a tremendously exciting aircraft industry in terms of its potential. I say to you, Mr. Speaker, that we must not make a similar decision now. Just as we could have gone ahead with an imaginative aircraft industry then, we must keep Petro-Canada as the central, integrated, developed petroleum company now. The Prime Minister must not be allowed to snatch defeat from the jaws of victory with Petro-Canada.

Second, Petro-Canada can ensure that this country gets development when it is needed and at the price we want. In the early 1970s the multinationals went on an exploration strike. They said they were not making enough money. They were

unhappy with some provincial governments' royalties and were unhappy with the federal government's tax policies. Petro-Canada filled the bill. Petro-Canada moved into Atlantic Canada and into the Arctic. Important results have ensued.

By breaking up Petro-Canada, what the Prime Minister would be doing would be turning it back into the hands of the multinationals. We would return to a situation where we had to use our own money to pay exorbitant profits to develop our resources. My party and I say that surely the day for that kind of development is past.

The Prime Minister talked about tax incentives for the oil industry in his campaign speeches. If I understood him correctly, he made reference in the throne speech yesterday to the same reality. I say to the Prime Minister, please check the oil industry's profit figures. Under the Liberal administration, we had a tax rate that saw the oil industry, and I am speaking of the "Big 5", make $4 billion in profits between 1974 and 1978. During that time, the tax rate for the oil industry declined from 35 per cent to 21 per cent.

Mr. Woolliams: Is that in Canada?

Mr. Broadbent: Canadian profits, yes. I say to the hon. member from Alberta that he could probably confirm that rather quickly.

Shell, that poor enterprise, had a profit last year of $150 million. Shell did not pay one cent in taxes. Gulf Oil had fantastic profits, with a declining tax rate. We do not need to give the multinationals in the oil industry any more money. In the United States President Carter recognizes it; why at long last cannot the Government of Canada?

It is important to note in terms of the development intentions of the Prime Minister and his government, as I understand it, that he wants to duplicate, for example, with the Gold Lake project, exactly what is taking place in the Athabasca tar sands development.

I ask you, sir, and the people of Canada to think seriously about this. Taxes of every working Canadian were used, not to provide an investment, not to provide a loan, but to provide a handout to Shell and the others that were working in the Athabasca tar sands. More than $2 billion of Canadian money has been given to Shell and its partners. Talk about welfare and handouts. Some people may say that was necessary and that we will get taxes back later on when profits are made. As I stand here, and you sit there, Mr. Speaker, 99 per cent of Canadians do not know that Shell in that project will not have to pay one cent of tax on its profit, providing Shell buys more Canadian resources.

Think of the logic. We are giving them $2 billion to develop our resources. That is not equity, that is a gift I am talking about. When a profit is made from our resources, taxes do not have to be paid if this money is reinvested in Canada. We have to be the only people ever who have financed our own takeover.

If time permits, Mr. Speaker, I could say something about the leading multinational in the field, Imperial Oil. It is not a joking matter. Once again I refer not to social democratic sources but to the *New York Times*. I ask the Prime Minister to read in that paper how that corporation has behaved in recent years. It tried to get $100 million additional money out of the people of Nova Scotia having already rooked them, and I say that deliberately, because the evidence that was presented at the trial which took place in our land in 1975, and not given much play, was that Imperial Oil, the largest multinational in Canada, indulged in all kinds of nefarious practices, backdating orders, not passing on to Canadian consumers reduced prices they were getting from their parent firm, Exxon, and using a dummy corporation in Bermuda to save some $35 million in taxes that ought to have come to the people of Canada.

• (1720)

That is not mythology. That is not rhetoric. It is fact. It was a decision reached in the Canadian court and reiterated, interestingly enough, in the *New York Times*. Is that a good corporate citizen? Is that the kind of entity we want to turn our oil industry over to once again? I say not, and I know the majority of Canadians say not.

Some hon. Members: Hear, hear!

Mr. Broadbent: The third reason for maintaining Petro-Canada as an integrated firm is to enable it to negotiate for the people of Canada on a state to state basis. The Prime Minister knows that the government of Venezuela and the government of Mexico, among others, want that. They do not want to work through the multinationals. They want to deal directly with the people of Canada. We want that as well.

We saw last year Exxon attempting to redirect shipments of oil that were intended for our borders. We say that we, like other countries, need a large oil firm owned and controlled by the people of Canada which will deal directly with the oil producing countries and not work through the multinationals.

The final reason I want to give for not simply maintaining Petro-Canada but for extending its operations, is in the retail field. I mentioned earlier that Canadians living from Thunder Bay west can now purchase at the retail outlet level gas for their cars from a Canadian-owned and controlled subsidiary of Petro-Canada, Pacific Petroleums. We believe that principle should be extended. For once give us in the east what they have in the west. Ontarians would like that. Let someone in downtown Toronto, Moncton or St. John's have the right to a credit card with the words Petro-Canada and a little maple leaf on it, which he can use to buy his gas, knowing that all the profit would be reinvested in Canada.

Having made those points in defence of Petro-Canada, and indeed for extending its role, I want to conclude with this observation. It is my strongest conviction that the Conservative party is being dictated to by the purest doctrinaire ideology on the issue. It is as simple but as unfortunate as that. If intelligence prevails, if pragmatism in the national interest prevails, and indeed I suspect if the ordinary Conservative backbencher had his way, because the ordinary voter who

voted Conservative wants it, we would keep Petro-Canada doing exactly what it is doing in the national interest.

It is my view that the Prime Minister is marching to a non-existent drummer. He is the only guy whistling that tune. The Prime Minister laughs. Consider what other countries of the world are doing in petroleum.

The government of France controls two oil companies in that country. Their aim is to control 50 per cent to 60 per cent of the market in that country. In Italy, the state-owned petroleum company has 30 per cent of the market in that country. The government of Germany is involved in a massive way in a large integrated oil and gas firm that is involved in petrochemicals as well. In the United Kingdom, even with dear old Margaret Thatcher, just two weeks ago the Tories decided not to sell off their shares of the North Sea development, but to keep them. That was reported in *The Economist*. The Tories there recognized in that instance there is a national interest in public involvement.

The state oil company in Norway is playing a major role in North Sea oil development. In Mexico it is 100 per cent government owned, and in Venezuela 100 per cent government owned. There is the same pattern, the same question of government involvement, in Argentina, Brazil and Peru. Indeed, in the United States of America, the home of most of the multinationals, President Carter in his most recent energy address over television said it is time that country moved toward a public firm in the oil and gas field. I repeat, there is one person and one person alone in the world who is out of step in the energy field, and it is our Prime Minister.

Some hon. Members: Hear, hear!

Mr. Broadbent: We cannot accept the government's intention to break up Petro-Canada and have the private sector get the profit-making part while the public sector holds on to the debt-creating part. There is economic genius! We have a successful public enterprise and the Tory proposal is to give to the private sector the profitable part and keep for Canadians the debts. That does not make sense. Any businessman in the world, including those in Canada, agrees that it does not make sense.

I plead with the Prime Minister to pay attention to his own argument which he made earlier today. I listened with care. He said he will consider amendments and consider this issue seriously. I ask him not only to look at the long range future for Canada in terms of our very serious energy position, but to look around the world. Instead of breaking up Petro-Canada, keep this very remarkable Canadian success story. Encourage it to grow so that one day it will be the dominant firm in the industry.

I am not interested in the paternity suit issue raised by the Leader of the Opposition, although I would be prepared on another occasion to argue it in detail. I have no doubts about who would win.

I spent the last few weeks, as hon. members know, attempting to get an expression of concern from the people of Canada on this issue. I want to tell the Prime Minister that, as of noon today, there were 81,231 signatures in my office. They have been collected over a few weeks. We might have had more or we might have had less. I do not know the ultimate significance of that figure. However, I want the Prime Minister to know they are honest signatures, partly from lawyers, partly from farmers, and partly from members of his own party. These people are very serious about keeping this company. The Gallup poll which came out today showed that 75 per cent of Canadians, in a national survey, agree.

We take our obligation on this issue very seriously. That is why we are joining in a non-confidence vote against the government on this issue. We think it is of fundamental importance not only in the short run but in the long run of this country. Therefore I move, seconded by the hon. member for Winnipeg North Centre (Mr. Knowles):

That the amendment be amended by changing the period at the end thereof to a comma, and by adding immediately thereafter the following words:

"and this House calls in particular for the corporation to be designated as the sole importer of offshore oil, and for the corporation to open retail outlets to serve the people of Canada from coast to coast."

• (1730)

Mr. Speaker: The question is upon the amendment to the amendment. The hon. member for South Shore (Mr. Crouse).

Mr. Crouse: Mr. Speaker—

[*Translation*]

Mr. Speaker: The hon. member for Bellechasse (Mr. Lambert) on a point of order.

Mr. Lambert (Bellechasse): Mr. Speaker, I think we are about to live an historical moment in the history of our country. In my point of order, I would like to seek the understanding of all members. For many years now it has been the custom in our institution, during the throne speech debate, to allow the leaders of all political groups in the House to make their speeches right after the speeches from the movers. I do not understand why, a moment ago, the Chair failed to recognize the hon. member for Beauce (Mr. Roy) who is sitting for the first time in this parliament, a man who was elected in his riding with a sweeping majority and who therefore represents sensible people, Canadians who trust he will work in the House along with all other hon. members and all political groups towards the healthy administration of the country. Yesterday I considered, and I still consider today, that it was our privilege to introduce an amendment to a motion moved by the right hon. Prime Minister (Mr. Clark). I understand that it is an amendment to a motion and that the House voted on this amendment. I do not see how it could have changed the tradition of the House. So why does that happen on the second day?

Yesterday we talked about achieving some sort of harmony in the House. All members who took the floor yesterday did allude to that. Personally, I am in favour of harmony but it cannot be achieved unless all Canadians and all members of

the House show some good will. Harmony is a sign of prosperity, division a sign of misfortune. It is always unfortunate to be divided, and all Canadians are watching us today. They are watching television. The broadcasting of the debates is certainly an advantage. It helps Canadians understand our speeches without having to resort to other media. Sometimes the facts were distorted, sometimes not. But, Mr. Speaker, the House was mainly interested in respecting its tradition instead of going by the standing orders. We tried to be reasonable. Decisions were rendered which were wise. Often the Chair availed itself of decisions rendered by previous Speakers.

Today, however, with all due respect to the Chair, I should like to recall a decision which Speaker Lamoureux rendered in this House some 13 years ago, more specifically on February 18, 1966, in a situation similar to this one and where Speaker Lamoureux stated in part:

Order, please. Perhaps this might be a good moment for the Chair to unburden itself of a very weighty opinion prepared following the discussion in the house on Tuesday, February 15, when hon. members were invited to argue the point of order raised by the hon. member for Cumberland.

The Chair undertook to give a decision after considering the arguments submitted. I can assure hon. members that I have studied most carefully the several views expressed by those who participated in the discussion on the point of order.

As hon. members know, it has been the practice for some years that when a minister of the Crown makes an announcement or a statement of government policy on motions, a spokesman for each of the parties in opposition of the government may comment briefly.

● (1740)

Beauchesne refers to this practice in citation 91 of his fourth edition. On February 1, 1954, Mr. Speaker Beaudoin stated that it was the practice of the house, when a minister makes a statement, to allow one spokesman for each opposition party to make observations, and he referred to a ruling in that regard made by his predecessor, Mr. Speaker Macdonald, on June 4, 1951.

That confirms what I was saying earlier.

Last year, that practice was incorporated in our standing orders and now constitutes provisional Standing Order 15(2) which says in essence:

On motions listed in section (2) of this Standing Order, a minister of the Crown may make an announcement or statement on government policy. That kind of announcement or statement should be limited to the fact that it is thought necessary to bring it to the attention of the House. It should not be designed to bring about a debate at that stage. A spokesman for each of the parties in opposition may make brief comments subject to the same restriction.

Closer to us, in 1963, an amendment was made to the Senate and House of Commons Act which reads as follows:

It was to pay a supplementary allowance to party leaders, but that is not the point. It was suggested that provisional Standing Order 15(2) should not be interpreted in the light of the 1963 amendment to the Senate and House of Commons Act and that the Speaker should use that amendment as a guideline for the procedure to be followed on the matter of comments on minister's statements, and all the more, at the time of the debate on the Address in Reply to the Speech from the Throne. However, we must not forget the following principle of parliamentary procedure as provided in citation 8(3) of the fourth edition of Beauchesne.

[Mr. Lambert (Bellechasse).]

(3) "In the interpretation of the rules or standing orders the House is generally guided, not so much by the literal construction of the orders themselves as by the consideration of what has been the practice of the House with respect to them."

We must not forget that after the 1963 amendments to the Senate and House of Commons Act, the House agreed to Standing Order 2, and the same year that this standing order was approved, the House decided, and I would like hon. members to listen to the decision of Speaker Lamoureux. The House allowed the hon. member for Red Deer to comment on the statements of ministers even though at that time his party had fewer members than the number provided in the amendment to the Senate and House of Commons Act. The Speaker said that in view of the precedents, he could not see how he could conclude that Standing Order 15(2) should be interpreted according to the amendment to the said act.

Moreover, the Speaker did not believe that it would be reasonable to conclude that independent members are covered by Standing Order 15(2). He did not believe either that the hon. member for Kenora-Rainy River, who had taken part in the debate, should be considered as such. But as long—and this is what the Chair wanted to draw to the attention of the House—as long as the House does not amend the Standing Order concerning statements by ministers to define better the right to comment on such statements, the Speaker believed that he should follow the practice established during the last session and state that the standing orders authorize the Leader of the Official Opposition and the spokesmen for the New Democratic Party, the Ralliement Créditiste and the Social Credit Party of Canada to comment on statements by ministers.

At the time of that decision, there was a division in the party and the Ralliement Créditiste had nine members. The Social Credit Party of Canada, led by Mr. Thompson, member of Parliament for Red Deer, counted five members.

The Speaker decided, however, to recognize that group of five, pursuant to the Standing Orders, and to give them the same privileges, the same right as to those who had nine, fifteen or a hundred members. I should not like to be racist, but the Speaker who recognized those legitimate rights to an English-speaking group was a Francophone. Today the roles have changed. In order to avoid useless frictions, let us think seriously that we are members from the province of Quebec, but Quebec is part of Canada and I want it to remain so. That is why we shall need harmony and—

An hon. Member: You are not the only one.

Mr. Lambert (Bellechasse): Indeed not, but I am an individual among others, just as you yourself are only an individual among others.

An hon. Member: We were elected.

An hon. Member: I was not elected as an independent, but as a Social Crediter.

Mr. Lambert (Bellechasse): The hon. member has just given me an opening. All members of the House have been elected on May 22 by means of a ballot cast by the electors. They had the choice between candidates from various parties, and after the candidate's name appeared the name of his party. This is done under an act of Parliament, and the electoral act is the same for all political parties and for all Canadians. So, with all due respect, I ask that this Parliament show that we really want harmony.

As I said at the beginning of my remarks, today is a memorable day, and if the hon. member for Beauce (Mr. Roy) is to be denied the right to take part in the debate as has always been done in the past at this stage, well, it will be a blunder, a most unfortunate blunder at a time when efforts are being made across Canada to maintain harmony in this country, to work at its further development in order that our children may inherit a good country to live in. We should not get out of our way to irk and make things easier for those who are committed to its destruction.

This is a very serious situation and it will be interpreted according to decision made today. I respectfully ask all my colleagues in this House, I ask the Chair, on the basis of the points I made, on the basis of the decision and the tradition in Parliament, that the hon. member for Beauce be allowed to express his views pursuant to past tradition. In so doing, we can rest assured of one thing, which is that Parliament will come out stronger from this mix-up, and every Canadian will perceive us as responsible people.

Mr. Speaker: The hon. member for Bellechasse (Mr. Lambert) raised a point of order, and of course he has been heard by the Chair this afternoon.

I totally agree with him about precedent. I weighed carefully the specific precedents he very aptly used in support of his position in this House this afternoon. However, the difficulty I find is not simply that of considering precedent on this occasion. A vote was taken yesterday in the House; a formal decision issued from the House, and there has been not only a decision on a procedural motion, but also a specific statement by the President of the Privy Council, a specific statement by the House leader of the New Democratic Party, and finally a specific statement in yesterday's *Hansard,* the wording of which I have before me: specific statements on the motion concerning the present position of the Social Credit Party of Canada in the House. So, whatever the precedents, I must always accept the decision made by the House. I think it would be contrary to its decision and would definitely reverse the consensus reached yesterday.

It is for that reason that I did not give the floor, this afternoon, during the question period, to the hon. member for Beauce immediately after the Leader of the New Democratic Party had spoken but later. I wanted to demonstrate clearly that it was still the privilege and the right of every member of this House to take part in the debate. And it is not just a matter of privilege but the right of the hon. member for Beauce or the hon. member for Bellechasse to take part in discussions during the debate on the Address in Reply to the Speech from the Throne.

It is the right of every member. Of course, there are some numerical restrictions. But it is the right of every member to take part in the debate. So, tomorrow, perhaps after some other members have spoken, I think that the hon. member for Beauce will have the right, as any other member, to participate in the debate. That is why this afternoon I gave the floor to the hon. member for Beauce during the question period, as a member of the House like any other member, but not as a party leader.

As far as the consensus reached in this House yesterday is concerned, I could not reverse it and give the Social Credit Party of Canada a status in the House which it has been denied by a formal decision and not only on a matter of procedure but by a decision which is phrased as follows, and I quote the President of Privy Council:

● (1750)

[*English*]

Mr. Speaker, I do not intend to prolong the discussion in the House, but I do say that there is here an important matter of principle at stake. The original motion was framed with that in mind. The hon. member for Cape Breton Highlands-Canso (Mr. MacEachen) and the hon. member for Winnipeg North Centre (Mr. Knowles) have set out, I believe, the principles quite clearly. They do not need to be repeated. In that sense it is clear as the government House leader that I ought to indicate to the House that, based on the principle that is involved, we do not intend to support the amendment.

I should like to repeat the representations made by two other members. In the words of the hon. member for Winnipeg North Centre, he said the following:

If we take a vote today, and the consensus seems to be that this motion will be defeated, then you, sir, will have the decision of the House that on the first occasion when the issue was raised it was felt that we should not give to five members the status of a party.

In the language of the opposition House leader, he said:

It is obvious that if there had been included in the motion a member of the Social Credit group, that would carry with it the implication that in the House of Commons, if it did approve that motion, that group would enjoy a status, particularly the leader of that group, equivalent in standing to that of the Leader of the Opposition (Mr. Trudeau) and the Leader of the New Democratic Party.

We do not, of course, accept the proposition—

The declarations were very specific. My difficulty is not with the precedents quoted by the hon. member. My difficulty is that on those declarations I cannot regard that decision as any other kind of decision. I can speculate, together with the other hon. members who participated in the discussion, that had a vote not been taken yesterday possibly the precedents the hon. member was arguing today would have left me in a position to accept his argument today. I do not know. But I am faced with a *fait accompli* and a decision of the House.

Therefore I have to indicate that the decision is no longer mine. The decision was that of the House, and it was clearly taken yesterday. Therefore while I have every intention—

Some hon. Members: Oh, oh!

Mr. Speaker: Order. While I have every intention of recognizing—

[*Translation*]

—the hon. member for Beauce maybe tomorrow, it is now, I think, the turn of a government member since the Leader of the Opposition (Mr. Trudeau) spoke first, then the Prime Minister (Mr. Clark) and finally the Leader of the New Democratic Party (Mr. Broadbent), an opposition member. A government member will now have the floor. That is why I recognized the hon. member for South Shore (Mr. Crouse).

Mr. Roy (Beauce): Mr. Speaker, I rise on a point of order. I would like to raise a question of privilege since I am the one concerned.

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

Mr. Roy (Beauce): Mr. Speaker, I was the mover of yesterday's motion and I do not want to discuss again the decision of the House. The motion that was moved yesterday did not seek in any way the acknowledgement of our party. There was no such intention in it and maybe it should be read again in the House. The motion dealt exclusively with the standing orders governing the proceedings of the House, which have been accepted by members who have sat in this House long before me and to which there should be no exception except by unanimous consent. This tradition prevails not only in this Parliament but in all parliaments of British tradition. We are ruled not only by the standing orders but by tradition as well.

Mr. Speaker, I am surprised that the hon. member for Winnipeg North Centre (Mr. Knowles) who stands as the conscience of this Parliament—at least that is the reputation he has—since he is an expert on parliamentary procedure, did not remind all my colleagues that in 1958, at which time there was a Progressive Conservative government with 208 hon. members—it then held the majority—there were only eight CCF members, there was a CCF member on yesterday's famous committee, and the House accepted the suggestion unanimously. Mr. Hazen Argue was the chairman of the committee, the first to be appointed by Mr. John Diefenbaker.

Mr. Speaker, I thought there was room for gentlemanliness in this Parliament. I examined the precedents in this House. I would be the first party leader ever to sit in this House to whom would be denied the right to speak, to reply to the Speech from the Throne, after the spokesmen for the other parties. Mr. Speaker, as precedents govern future relations between parliamentarians, the precedent which may be created today runs the risk of suggesting a line of conduct to be followed by those who will sit after you in the Speaker's chair. The matter is extremely serious. In 1963-64, Robert Thompson, leader of a five-member party, was allowed to speak. Why? Because our Standing Orders, Mr. Speaker—and I shall close on these words—because the standing orders which govern the business of the House of Commons do not define the status of the parties that are recognized or otherwise. There is absolutely nothing in our rules on that question. The only thing that governs those rulings is tradition, precedents. I have always been told that parliamentary tradition was something sacred to our Anglophone fellow-citizens. That is what I have always heard.

So, I am surprised to realize that today, despite the mandate given to us by our electors, there should be some kind of complicity between both sides of the House in attempting to have us sit as independents. With all due deference to our political adversaries, and anyone else, Mr. Speaker, we will not sit as independents. We were elected as members of the Social Credit Party of Canada. I took on the responsibility of leading that party and I intend to assume it fully. That is why I am asking you, Mr. Speaker, to postpone your ruling for tonight. Sleep on it, as the old saying goes. There are three minutes left before six, so it is too late for me to make my speech tonight. If it is permissible to think aloud even in this House, I think that if the idea was to prevent us from taking the floor tonight it has been successful indeed.

So, Mr. Speaker, I am asking you sincerely, taking into account the seriousness of the issue at stake and what I said yesterday and repeat again today, namely the fact that more ballots have been cast for us than for all members in six provinces, why is it that they enjoy a different status at this moment of our history when more and more people ponder on the future of this country? Mr. Speaker, I cannot emphasize enough the significance of the decision you must take and how heavy the consequences. That is why, Mr. Speaker, with all due respect I urge you to give it serious consideration and let us know tomorrow morning the decision you will have reached in your wisdom.

[*English*]

Mr. Peters: Mr. Speaker, I was concerned yesterday and I am concerned today with the decision made in a very roundabout manner concerning the matter of the status of the Social Credit party. I think I can safely say, probably being on the extreme left and they being on the extreme right, that there is no philosophical reason for my defence. Over the years I have looked at the changes made in the party structure here, most of them having been done in a roundabout manner.

Yesterday we had a motion which affected Standing Order 65, one very specific position. A decision was made which meant the Social Credit has no right to have a member on the striking committee. That was the decision. I object to us expanding that to making the decision Social Credit is no longer a party of this House but its members are now

Independents. If we want to make that decision, let the hon. House leader (Mr. Baker) make the motion. I am bothered with the fact that it may happen to me some day.

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

Mr. Peters: We were here when there were 208 Tories and only eight members of the CCF. We had some difficulty in establishing our position, not as the opposition, but as the Official Opposition. The Liberals of that day knew that the government would defeat itself and they very smartly just waited. We in the CCF were not that smart and we were too small a group to have that luxury, so we fought very hard for the position as a political party and a role in the opposition. That was not an unfortunate role and we now have 31 members—

• (1800)

Some hon. Members: Oh, oh!

An hon. Member: Where are they?

Mr. Peters: I must have been thinking of some of the byelections that are coming along.

I sincerely believe that the members of this House do not want to make a decision that will deprive a number of members of the opportunity and rights of being a political party under whose banner they campaigned and were elected.

We, as members of this House, may decide who sits on a committee. We may make that decision from time to time, and the circumstances may vary. It may be that we do not want a member of the Social Credit party to respond or reply to motions. If that is the case, let us say so.

Ever since that list was delivered to you, Mr. Speaker, by all political parties, it has been of concern to me, because it has elevated political parties and members thereof to positions to which they were not elected. I think we have arrived at a stage where there are political parties when it suits the majority, and individuals when it does not suit that majority. I suggest we would be very unfair to take from the Social Credit members that right to belong to a political party, under whose banner they were elected as members, by the process of a majority without the benefit of a motion and without the benefit of any real discussion or debate. I think we should not do that under the guise of having made a decision on another matter.

I have sometimes made statements in speeches that I was happy afterward to have rejected. Just because one makes statements during an argument does not necessarily make those statements right. I suggest with all due respect that the decision made yesterday was a decision regarding membership of a Social Credit member on the striking committee, and that is all. That decision was not taken in respect of a party, it was taken in respect of an individual.

Mr. Speaker: Order, please. The hon. member for Beauce (Mr. Roy) has left a question of privilege with me and has asked that I consider it overnight. I would simply reiterate what I have said. I will consider his question of privilege carefully overnight. I have already decided on the point of order raised by the hon. member for Bellechasse (Mr. Lambert).

My difficulty lies in the fact that a decision has been taken by the House. It seems to me that the hon. member for Timiskaming (Mr. Peters) would have me brush aside the validity of the House and come to some other conclusion in the face of the clear position I quoted this afternoon. That decision was more than a simple reflection of the matter involved in the motion concerning the membership of the committee. That was a decision clearly taken by the House and I cannot ignore its very clear content.

Let me also say this. Indeed, the House has ways of dealing with these situations. Let me leave an example. Had the hon. member for Beauce been the only member standing 30 minutes ago, he would have been recognized and it would not have been clear whether he was being recognized as a party leader or not. These are devices the House knows well, and can use.

The House, by consent, can do a number of things to oblige or accommodate members at different times. If the House wishes to do something, it has a perfect right within its power to do so. However, I am a servant of the House and the House made a clear decision yesterday. In my opinion I no longer have any choice in the matter. The House may have another choice and may do some other things, but, in the absence of any clear direction by the House on the subject, I have to be bound by yesterday's decision, which, in my opinion, stands directly between me and the precedents the hon. member cited this afternoon.

However, I did say I will give the member's question of privilege consideration overnight and I will do so.

It being six o'clock, this House stands adjourned until eleven o'clock tomorrow morning.

At 6.04 p.m. the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Thursday, October 11, 1979

The House met at 11 a.m.

• (1105)

ROUTINE PROCEEDINGS

[*Translation*]

FISHERIES

COMMITTEE STUDY OF CODFISH QUOTAS IN GULF OF ST. LAWRENCE—MOTION UNDER S.O. 43

Mr. Herb Breau (Gloucester): Mr. Speaker, under the provisions of Standing Order 43 I ask for the unanimous consent of the House to introduce a motion dealing with an important matter of urgent necessity.

In view of the unfortunate decision of the Minister of Fisheries and Oceans (Mr. McGrath) to increase codfish quotas in the 4T and 4VN areas of the Gulf of St. Lawrence and to allow boats of 100 feet and over to fish 6,000 metric tons of cod, which will have disastrous consequences for inshore fishermen and those who depend on the fisheries of the Gulf for their survival, I move, seconded by the hon. member for Gaspé (Mr. Cyr):

That the committee on fisheries and forestry be set up at once and that the House refer the matter to the committee so that the minister may explain his decision which favours the companies at the expense of the independent fishermen and that the fishermen of the Gulf may show to the committee the effects of that irresponsible decision.

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

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

[*English*]

HEALTH AND WELFARE

REQUEST FOR TABLING OF TERMS OF REFERENCE OF ROYAL COMMISSION—MOTION UNDER S.O. 43

Hon. Monique Bégin (Saint-Léonard-Anjou): Mr. Speaker, I rise on a matter of urgent necessity pursuant to Standing Order 43. Since Canadians, particularly those 2.7 million living under the poverty level, are worried and concerned by the many contradictory statements recently made by ministers on cuts and selectivity in pensions, family allowances, Unemployment Insurance Commission and social services, I move, seconded by the hon. member for Westmorland-Kent (Mr. LeBlanc):

That the House requests the Prime Minister to table without delay the terms of reference and the members of his planned royal commission which is purported to reduce federal payments under medicare and CAP, in order that Canadians in this vulnerable sector of our community may have their very real fears allayed.

Mr. Speaker: Presentation of such a motion for debate pursuant to Standing Order 43 can be done only with the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

• (1110)

VETERANS AFFAIRS

CALL FOR LEGISLATION TO PROVIDE PRORATA PENSIONS FOR CERTAIN WIDOWS—MOTION UNDER S.O. 43

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I present this motion under Standing Order 43 believing that it expresses the opinion of every member of this House. Therefore, I move, seconded by the hon. member for Mission-Port Moody (Mr. Rose):

That this House welcomes the assurance that legislation respecting veterans will be introduced at this session, and calls on the Minister of Veterans Affairs to introduce forthwith an amendment to the Pension Act to provide prorata pensions for widows where the rate of the veteran's disability pension was below 48 per cent, it being understood that such a measure would be dealt with very quickly by this House.

Mr. Speaker: The presentation of such a motion for debate at this time would require unanimous consent. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

[*Translation*]

SOCIAL SECURITY

ADVISABILITY OF LOWERING ELIGIBILITY AGE FOR OLD AGE PENSION—MOTION UNDER S.O. 43

Mr. Eudore Allard (Rimouski): Mr. Speaker, I rise under the provisions of Standing Order 43 and ask for the unanimous consent of the House to discuss a motion relating to a matter of urgent and pressing necessity.

In view of the very large number of young Canadians between ages 16 to 24 who are jobless, and in view of the fact that a great many people between ages 60 and 65 have acute survival problems due to the lack of purchasing power, I move, seconded by the hon. member for Bellechasse (Mr. Lambert):

That the House require the Minister of National Health and Welfare to take all the necessary steps to introduce in the House this fall a bill lowering eligibility age for the old age security pension to 60 in order to allow workers of that age to leave their jobs, a situation which would have the effect of reducing the unemployment rate that prevails in the main regions of Canada.

Mr. Speaker: Order. The House has heard the hon. member's motion. Pursuant to the provisions of Standing Order 43, this motion can be put to debate only with the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

[*English*]

FISHERIES

FUNDING FOR SMALL CRAFT HARBOURS—MOTION UNDER S.O. 43

Mr. William Rompkey (Grand Falls-White Bay-Labrador): Mr. Speaker, I rise under the provisions of Standing Order 43. On the basis of the Prime Minister's statement on CBC "Newsmagazine" recently that the government should stimulate certain sections of the economy, on the basis of public statements by the Minister of Fisheries and Oceans (Mr. McGrath) that heavy emphasis should be laid on the inshore fishery, and in view of the fact that fishermen cannot get any money to replace sadly-used vessels on the Atlantic coast particularly, I move, seconded by the hon. member for York West (Mr. Fleming):

That this House calls on the government to immediately ensure adequate funding for small craft harbours, including those Canada Works projects which require support from federal fisheries.

Mr. Speaker: The introduction of such a motion for debate would require the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

[Mr. Speaker.]

[*Translation*]

INDUSTRY

REQUEST THAT INTERESTS OF SHAREHOLDERS BE SAFEGUARDED IN EVENT OF SALE OF CANADAIR AND DE HAVILLAND—MOTION UNDER S.O. 43

Mr. Marcel Roy (Laval): Mr. Speaker, I rise under Standing Order 43 to ask for the unanimous consent of the House to draw its attention to the fact that following the announcement made by the government that it would sell Canadair and de Havilland, the shareholders of these profitable companies, who are Canadians, are anxious and want to be informed prior to any other transaction, to ensure that the objectives of the former government are maintained. I therefore move, seconded by the hon. member for Hamilton East (Mr. Munro):

That the House consider that the government, in view of the record success of Canadair and de Havilland in the aeronautic field, must ensure, prior to selling these companies, that the objectives set out by the former government, namely Canadian control, technological development and job creation, are maintained and that such transaction, if it is deemed necessary, serve the interests of the present shareholders, who are the Canadian taxpayers.

Mr. Speaker: Order, please. The House has heard the terms of the motion put by the hon. member. Under Standing Order 43, such a motion requires unanimous consent. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

● (1115)

[*English*]

CULTURAL AFFAIRS

CONSIDERATION OF BUDGETARY COMMITMENTS—MOTION UNDER S.O. 43

Mr. Jim Fleming (York West): Mr. Speaker, I rise under the terms of Standing Order 43 on a matter of urgent and pressing necessity.

Considering that the new Secretary of State (Mr. MacDonald) now proposes further studies into the federal government's role in the cultural field, and considering that this action follows the Secretary of State's criticisms, while in opposition, of the previous administration for alleged policy inaction and restraint, I move, seconded by the hon. member for Argenteuil (Mr. Gourd):

That this House urges the new government to demonstrate the sincerity of the views of its Secretary of State by bringing into the House for consideration as quickly as possible the six budgetary cultural commitments made by the new Secretary of State to this House on November 24, 1978.

Mr. Speaker: Such a motion can be presented for debate at this time, pursuant to Standing Order 43, only with the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

INDIAN AFFAIRS

FUNDING OF NATIVE PROJECTS—MOTION UNDER S.O. 43

Mr. Ted Miller (Nanaimo-Alberni): Mr. Speaker, I rise under the provisions of Standing Order 43 on a matter of an urgent and pressing nature to this House.

In view of the serious nature of Indian health care in Canada and the stated concern of the Minister of National Health and Welfare (Mr. Crombie) to this situation, and because of the contradictory position of the Minister of Indian Affairs and Northern Development (Mr. Epp), who has implemented a freeze on unexpended funds for capital projects, including those for safety and health, which affect hundreds of current projects which should be currently under construction, I move, seconded by the hon. member for Churchill (Mr. Murphy):

That the House instruct the minister to immediately lift the freeze on capital funds for native projects.

Mr. Speaker: The introduction of such a motion for debate, pursuant to Standing Order 43, can be done at this time only with the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

ORAL QUESTION PERIOD

[*English*]

THE CANADIAN ECONOMY

POLICY ON INTEREST RATES—SUPPORT FOR GOVERNOR OF BANK OF CANADA

Right Hon. P. E. Trudeau (Leader of the Opposition): Mr. Speaker, my question arises from the public comments made by the distinguished member for Qu'Appelle-Moose Mountain to the effect that the Conservative caucus was in revolt against the increase in interest rates. I believe his words were that the caucus are not a bunch of sheep.

It is important that the country knows from the Prime Minister, for economic stability reasons, that his government is in complete support of Governor Bouey and his policies.

Right Hon. Joe Clark (Prime Minister): Mr. Speaker, I am certainly prepared to give that assurance to the House of Commons, and also to give the assurance that one of the changes that occurred after the election of May 22 is that the caucus of the government party is no longer a caucus of sheep.

Some hon. Members: Hear, hear!

Mr. Trudeau: Mr. Speaker, I expect we will witness this spectacle very often, of the caucus applauding itself for its great virtues. I am more interested in the virtue of the government, and I really want to know if there has been any question or any discussion of the resignation by the governor of the bank made to the Prime Minister or to the Minister of Finance.

Mr. Clark: Mr. Speaker, there has been no discussion with myself, with the Minister of Finance or any other minister of the government of the possibility of the resignation of the governor of the Bank of Canada. We do not expect any such indication, and we certainly would not welcome any indication by the governor of the Bank of Canada that he might be contemplating any action.

INTEREST RATES—POLICY FOLLOWED BY GOVERNOR OF BANK OF CANADA

Hon. Herb Gray (Windsor West): Mr. Speaker, I have a question for the Minister of Finance. Is it correct, as stated, apparently, by the hon. member for Qu'Appelle-Moose Mountain on "Canada A.M." this morning that the governor of the Bank of Canada is not following Conservative policy in what he is doing with interest rates? Is it the intention of this government to simply make the governor of the Bank of Canada an arm of Tory economic policy, whatever it might be?

Hon. John C. Crosbie (Minister of Finance): Mr. Speaker, with reference to the question by the hon. gentleman, the governor of the Bank of Canada is not following Conservative policy, nor following Liberal policy: he is following the policy of the Bank of Canada, which is an independent—

An hon. Member: That is not what you said this morning.

Mr. Crosbie: When you get more members, you can sit on this side of the House.

● (1120)

Mr. Speaker, if I can answer a serious question in a serious fashion without the caterwauling from the left, the governor of the Bank of Canada is setting his own policy. The Bank of Canada has an independence given to it under legislation passed by this House. I agree with the steps the governor of the Bank of Canada has taken, because in my view there are no alternatives to those steps due to the economic condition we have been left in by the previous government.

Mr. Gray: Mr. Speaker, a supplementary question to the Minister of Finance. Do his words mean that even though on the surface he talks of support, when he refers to the governor of the Bank of Canada following his own policy, it means the Minister of Finance does not really agree with what the

governor is doing and would prefer to see him do something else?

Mr. Crosbie: Mr. Speaker, I think the hon. gentleman should consult with my predecessor as minister of finance, who explained the relationship between the government and the governor of the Bank of Canada some months ago.

The position is that the governor of the Bank of Canada consults the Minister of Finance. He consults me weekly. When something comes up that requires action by the Bank of Canada, he informs me of what action he believes he should take. We can then discuss what action I think he should take. I can agree, or discuss it. I might even question it. Then he makes his own decision on what action he is going to take.

In connection with the three recent interest rate increases, I have concurred with the governor of the Bank of Canada in his decision. There has been no conflict between us. We have consulted, and we have not always slavishly followed the increases as the last minister of finance did on at least seven occasions in the last year and one-half.

Mr. Trudeau: Three in five months!

INTEREST RATES—GOVERNMENT DIRECTION OVER GOVERNOR OF BANK OF CANADA

Mr. Edward Broadbent (Oshawa): Mr. Speaker, I have a question for the Minister of Finance. He has just said that he and the governor of the Bank of Canada have reached agreement on three occasions to raise interest rates. Just before the election, he and his Prime Minister, then the leader of the opposition, were denouncing interest rate increases time after time. Since we have now had the greatest collapse in stock market prices in the Toronto Stock Exchange—

An hon. Member: How would you know?

Mr. Broadbent: —since 1929, and since small businessmen are paying up to 17 per cent to borrow money, and everything indicates that we are heading into a depression, I should like to ask the minister if he knows that he has the authority under the Bank Act to direct the governor of the Bank of Canada to adopt a different policy, perhaps in line with the kind his party argued for before the election.

Hon. John C. Crosbie (Minister of Finance): Mr. Speaker, the Leader of the New Democratic Party is following his usual procedure of shedding crocodile tears about what happens on the Toronto Stock Exchange. What happened on the Toronto Stock Exchange was that there was a lot of speculation, particularly in oil and gas shares, and people are taking their profits now.

With respect to the policy of the Bank of Canada, I want to try to explain this to the Leader of the New Democratic Party. What was objected to by us with respect to the previous government's performance was their economic performance that resulted in their being put in a position where the Bank of Canada had to approve interest rates caused by the fact that they had allowed our economy to degenerate with a huge deficit, with the balance of payments and the like. Our criticism was of the economic action of the government which had caused these interest rate increases, not the interest rate increases themselves. They are only a symptom of what had been permitted to happen by the last government.

[*Translation*]

Mr. LeBlanc (Westmorland-Kent): You have been the government for the past six months!

[*English*]

RESPONSIBILITY FOR MONETARY POLICY

Mr. Edward Broadbent (Oshawa): Mr. Speaker, I have a final supplementary question to the Prime Minister who, in that position, was doing just the opposite of what the Minister of Finance has alleged. I quoted the Prime Minister yesterday and made it very clear that as leader of the opposition he was opposed to the policy of increasing interest rates because of its damaging effects on the people of Canada.

There was no question about that before the election. Since he has the legal authority, as Prime Minister, to direct monetary policy, I should like to ask him who is determining monetary policy in Canada—the governor of the Bank of Canada, or he as Prime Minister? If he believes there should be a change in interest rate policy, why does he not use his authority and leadership to bring it about?

• (1125)

Right Hon. Joe Clark (Prime Minister): Mr. Speaker, the Minister of Finance has explained to the Leader of the New Democratic Party and to the House the relationship, which the Leader of the New Democratic Party should have known, between the government and the governor of the Bank of Canada. The Minister of Finance has also indicated that what we took exception to prior to the election, and what we take exception to now, is the state of the Canadian economy created by years of ineffective leadership by the government which the people of Canada replaced.

Naturally, we do not like high interest rates. What we are working toward now, as I indicated yesterday in my speech in this House and as other colleagues of mine have indicated frequently in this House and in the country, is an improvement in the economic situation in Canada which will allow the governor of the Bank of Canada to recommend policies of lower interest rates, which this government will certainly support when that recommendation is made.

Mr. Broadbent: Mr. Speaker, I have a final supplementary question. The Prime Minister said in this House in February: "There is nothing less sensible than the government's"—please note—"determination to increase interest rates to record levels."

Considering that his Minister of Finance has just acknowledged—he is, I think, in the government; I think he is there—that he agreed with the interest rate increase three times this

summer, and therefore he has implicitly acknowledged it is government responsibility, I ask the minister if he will exercise his authority under section 14(2) of the Bank Act and issue a directive to the governor of the Bank of Canada to roll back the most recent increase to avoid the kinds of evils in the economy which the Prime Minister himself alluded to last spring.

Mr. Clark: Mr. Speaker, the answer to this specific question is no. In reference to the rather lengthy preamble, our determination is to create economic conditions in this country which will allow interest rates to come down.

Some hon. Members: Hear, hear!

Mr. Chrétien: Why don't you bring in a budget?

POLICY ON INTEREST RATES—SUPPORT FOR GOVERNOR OF BANK OF CANADA

Mr. Ed Lumley (Stormont-Dundas): Mr. Speaker, my question is for the Minister of Finance. With all due respect, in response to the question posed by my colleague, the hon. member for Windsor West, the minister did not adequately respond.

Will the Minister of Finance confirm his unequivocal support for the governor of the Bank of Canada and assure this House that he will remain in his job, or are we witnessing another Coyne affair which took the Diefenbaker government three years to fall out with the governor of the Bank of Canada, and this government five months?

Hon. John C. Crosbie (Minister of Finance): Mr. Speaker, let me put it beyond any doubt. Mr. Bouey has my full support. He has had my full support since June 5, and he will continue to have my full support. I think he is doing an excellent job. He is a very capable man who is doing his best in very difficult circumstances.

There is no question that he has been asked to take any action against his will or to take any action that he does not want to take, nor will he ever receive any threats or have anything to fear from this government. That is all I can say to put the hon. member's mind at rest.

The governor is taking the action that our economic conditions dictate, that our perilous position with reference to our trade balance dictates by its own inflationary tendencies.

Mr. Lumley: Mr. Speaker, I ask the Minister of Finance, is it going to be the same kind of support as that given to Bill Hood, former deputy minister of finance and a very responsible senior public official? Would the Minister of Finance confirm that after Mr. Hood's dismissal he had a meeting with his senior officials, at which time he outlined his support for Mr. Hood, and that the decision was imposed by the Prime Minister's office?

Mr. Chrétien: Shame.

Some hon. Members: Oh, oh!

Mr. Crosbie: Mr. Speaker, I do not see how this is a supplementary; but I do not want to "Hoodwink" the hon. gentleman, either!

Some hon. Members: Oh, oh!

Mr. Crosbie: The former deputy minister of finance, Mr. Hood, has my full support as a very capable—

Some hon. Members: Oh, oh!

An hon. Member: That is going to be dangerous.

Mr. MacEachen: Your support is the kiss of death.

● (1130)

Mr. Crosbie: He is a very fine public servant, and I am glad to see that he has good friends in hon. members opposite who will drag his name up in public with these kinds of questions. I do not think they have done him any good.

* * *

ENERGY

POSITION OF CHAIRMAN OF TASK FORCE ON PETRO-CANADA

Mr. Gary F. McCauley (Moncton): Mr. Speaker, I have a question for the Minister of Energy, Mines and Resources regarding the question I asked him yesterday which, I will remind the House, had to do with the chairman of the task force on Petro-Canada, Mr. McDougall. Although he is on leave of absence as president of Labatt's, he is still receiving full salary from that company. That company is owned by Brascan, which has indicated an interest in buying Petro-Canada. Has the minister been able to find an answer to that question?

Hon. Ray Hnatyshyn (Minister of Energy, Mines and Resources): Mr. Speaker, the answer to the question is that the chairman of the task force, Mr. McDougall, is on leave of absence from Labatt Limited. It is not his intention to return to that company at the end of the leave of absence. He will, in fact, be terminating his relationship with that company.

Mr. McCauley: Whether he is on leave of absence, going back or not, is he still on salary?

Mr. Hnatyshyn: Mr. Speaker, I indicated yesterday that he is on salary.

Some hon. Members: No.

Mr. Hnatyshyn: He is on a leave of absence with pay. He is in the process of terminating his employment and will, in fact, be terminating his employment. However, as I indicated yesterday, the premise of the hon. member's question is completely unfounded in the sense that Brascan has indicated in public statements that it has no interest with respect to the acquisition of either Petro-Canada as a whole or any assets thereof, so that the question the hon. member puts is simply not relevant.

Mr. McCauley: Mr. Speaker, I do not think the minister's answer is fair to Mr. McDougall. The government has put Mr. McDougall in a very unfavourable position with regard to conflict of interest, and I feel—

Some hon. Members: Order.

Mr. Speaker: Order, please. Does the hon. member have a supplementary question?

Mr. McCauley: The minister should answer the question regarding conflict of interest.

Mr. Speaker: Order, please. The hon. member for Davenport.

* * *

ENVIRONMENTAL AFFAIRS

GOVERNMENT POLICY ON ACID RAIN POLLUTANTS

Mr. Chas. L. Caccia (Davenport): Mr. Speaker, my question is addressed to the Minister of the Environment and it has to do with contradictory statements attributed to him on acid rain pollutants. On the one hand the minister seems to prefer to delay action on this very serious matter, waiting for the United States to develop controls, and on the other hand he says that "our appeals for more U.S. controls will likely fall on deaf ears if we do not begin to clean up our own act," as he stated here in Ottawa on September 25.

Can the minister explain to this House and to the country what is the actual policy of the Government of Canada in dealing with this very serious danger to our environment?

Hon. John A. Fraser (Postmaster General and Minister of the Environment): Mr. Speaker, I want to thank the hon. member for raising this question because, as I have said before, the elimination of the acid rain problem is the number one priority of the Department of the Environment and this government in environmental matters.

The policy of the government is to negotiate with the United States an agreement somewhat along the lines of the Great Lakes water quality agreement, in order to achieve at the same time joint control of emission sources on both sides of the border. To this end discussions have been going on between the Government of Canada, my department, the Department of External Affairs, the appropriate departments in the provinces and officials of the American Environmental Protection Agency. As the hon. member knows, I met with Mr. Costle on August 8 and came back with confirmation that the United States is prepared to work toward such an agreement.

With respect to our own situation in Canada, we are working very closely with the provinces to have in place shortly recommendations as to the action which should be taken in Canada to bring before our American counterparts. The strategy is to move equally with the United States, and we are working very hard to bring about an international agreement because it is impossible to solve the problem without international action.

Mr. Caccia: Mr. Speaker, could the minister inform this House whether this agreement is being negotiated, and what are the specific steps the Government of Canada is asking the governments of Ontario and Quebec to take in the meantime?

Mr. Fraser: Mr. Speaker, the Government of Canada is not saying to the provinces that they ought to impose controls which are much stricter than controls presently existing in the United States. We are asking the provinces to work with us to work out, in an agreement with the United States, equal standards and identification of emission controls so that the two countries can form such an agreement and work equally on both sides of the border.

* * *

PUBLIC SERVICE

PROPOSED REDUCTIONS IN PERSONNEL—STATUS OF WOMEN

Miss Pauline Jewett (New Westminster-Coquitlam): Mr. Speaker, my question is directed to the President of the Treasury Board.

An hon. Member: Sink with Sinc!

Miss Jewett: My question concerns the commitment of the government to reduce the size of the federal public service and its commitment not to have these reductions disproportionately affect women, in keeping with its election promise to promote the status of women in the public service.

Would the minister tell the House what guidelines have been sent to the departments and agencies to ensure that women do not disproportionately bear the burden of these reductions and, if the guidelines have been set, would the minister please table them?

Hon. Sinclair Stevens (President of the Treasury Board): Mr. Speaker, I thank the hon. member for her first question in the House. This will be my first answer in my present responsibility.

The answer to the question the hon. member has put has indeed been communicated. The status of women in the public service has been something about which we have been clear. We do not want to see the status of women lessened in any way as a result of the reduction in the number of federal public servants which we anticipate will take place over the next three or 3½ years. I can assure the hon. member that we intend to monitor the situation continually to see that such a lessening of women's participation in the public service will not occur.

Miss Jewett: Mr. Speaker, clearly there are no guidelines. The minister has avoided any reference at all to the guidelines which were basically promised by the Progressive Conservative Party. Specifically, last month 12 of 14 of the employees laid off by the Agricultural Stabilization Board were women. Two

were women in their fifties with families to support. They have little hope of finding new jobs.

Would the President of the Treasury Board tell the House what immediate plans he has to protect these women and what plans he has to avoid repetition of such discriminatory practices?

Mr. Stevens: Mr. Speaker, the hon. member says that clearly there are no guidelines. I indicated that the guideline is no lessening of the number of women working in the public service as a result of reductions.

An hon. Member: That is a wish.

Mr. Stevens: With reference to the hon. member's specific point, I will be very pleased to look specifically into the situation to which the hon. member has referred, and I will report back to her in a private letter.

[*Translation*]

PROPOSED REDUCTIONS IN PERSONNEL—EFFECT ON FRANCOPHONES

Hon. Jean Chrétien (Saint-Maurice): Mr. Speaker, I would like to ask the President of the Treasury Board if he has established guidelines regarding the consequences of the reduction in the number of Francophones in the civil service who, according to reports we have received, will be more affected than any other group in the civil service as a result of the initiatives taken by the president.

[*English*]

Hon. Sinclair Stevens (President of the Treasury Board): Mr. Speaker, may I take this opportunity to congratulate the former minister on his new critic's role in this House.

With reference to his question, he will be pleased to hear that the proportion of Francophones in the Canadian public service has actually gone up marginally on a percentage basis. We have indicated that we do not wish to see any deterioration in that ratio, that is, the number of Francophones in the public service compared with the total number in the public service.

[*Translation*]

INQUIRY WHETHER PROGRAM WILL BE ESTABLISHED TO PROVIDE JOBS TO PERSONNEL LAID OFF

Mr. Jean-Robert Gauthier (Ottawa-Vanier): Mr. Speaker, my question is directed to the President of the Treasury Board. Is the minister not aware of the serious consequences of a policy of attrition on the groups just mentioned by the member for Saint-Maurice? Francophones and women have a high employment termination rate, 27 per cent for women and 21 per cent for Francophones. Has the minister devised a development and training program for these persons who might find themselves on a very competitive labour market, who are now pursuing a career in the public service and could be laid off as a result of the arbitrary decisions he has taken and of his attrition policies as he calls them and which are just out of this world?

• (1140)

[*English*]

Hon. Sinclair Stevens (President of the Treasury Board): Again, may I congratulate the hon. member on his role as Treasury Board public service critic. I must say, however, that although he has been a critic for several months he has obviously not understood our attrition program.

The anxieties to which he refers are, in fact, unreal. Over the coming period we anticipate that for every three persons leaving the public service two will he hired, and I believe the hon. member will find that the problems to which he refers will not materialize.

[*Translation*]

Mr. Gauthier (Ottawa-Vanier): The minister did not answer the question. I would like to know if there will be a program for the development and improvement of public servants? There should be a full development program that would allow public servants either to embrace a new career or to get a new job within the public service. That is the question. Is there a global program for the development and the improvement of the staff?

Some hon. Members: There is nothing.

[*English*]

Mr. Stevens: In his supplementary question I suppose the hon. member has underlined the fact that he did not read the material we put out. We have indicated that we do facilitate the re-employment of any person who may have to leave the public service as a result of program changes or that type of thing.

There is no doubt that the kind of circumstances to which the hon. member refers have been anticipated and we intend to ensure that those who are presently public servants will not be laid off simply as a result of any reduction or attrition in the public service.

* * *

[*Translation*]

PENSIONS

INQUIRY WHETHER LEGISLATION WILL BE AMENDED

Mr. Gaston Isabelle (Hull): Mr. Speaker, my question is to the President of the Treasury Board. Knowing the great sympathy of the minister for public service employees and also the uncertainty that is created by some of his initiatives, would he tell the House if it is his intention to amend the Pension Act in order to assure retired public servants that their pensions will be geared to the cost of living?

[*English*]

Hon. Sinclair Stevens (President of the Treasury Board): The anxieties to which the hon. member refers are, in fact, only in his mind. He has referred to legislation which was before the previous Parliament, Bill C-12. I can tell him we have reviewed that legislation. We found it inadequate and we intend to introduce in this House a much more appropriate bill in substitution for it, one which will take into account the rather frightening "unfunding" which took place under the previous government with respect to the superannuation accounts held on behalf of the public servants of Canada.

[*Translation*]

INQUIRY WHETHER NEW BILL WILL PROVIDE FOR INDEXING

Mr. Gaston Isabelle (Hull): My question is again directed to the President of the Treasury Board. Could he tell the House if there will be a clause in the new bill which is going to be tabled, in order to assure retired public servants that they will get a pension indexed to the cost of living?

[*English*]

Hon. Sinclair Stevens (President of the Treasury Board): I have already indicated that the bill which was brought before the Thirtieth Parliament is now under review. We intend to bring in a more satisfactory bill, at which time the hon. member will see that we have more appropriately provided for the indexing of public service pensions than perhaps he is now anticipating.

* * *

TRANSPORT

CTC APPROACH TO CANAVIA TRANSIT APPLICATION

Mr. Robin Richardson (Beaches): Mr. Speaker, my question is addressed to the Minister of Transport. I refer to an article in *The Globe and Mail* in which Mr. John P. T. Gilmore, the president of Canavia Transit Inc., a somewhat mysterious Montreal-based company which refuses to disclose its directors and financial backers, and a company which has filed an application before the Canadian Transport Commission to use the Toronto Island airport for a STOL commuter service, alleges that the hon. gentleman, as Minister of Transport, has given a clear directive—

Some hon. Members: Order.

Mr. Speaker: Order. The hon. member should put his question.

Mr. Richardson (Beaches): I should like to ask the minister whether he has given approval to the CTC to proceed with the application of Canavia Transit, whether he has given support to that application and whether the government has taken a decision on the use of Toronto Island for STOL service.

[Mr. Isabelle.]

Hon. Don Mazankowski (Minister of Transport): As the hon. member knows, I am sure, Canavia is free to make an application. I indicated this in my letter, and the interpretation which Mr. Gilmore has placed upon my letter is inaccurate.

* * *

ENERGY

PROTECTION FOR CONSUMERS IF ENERGY PRICES INCREASED

Mr. Robert Daudlin (Essex-Kent): Mr. Speaker, my question is for the Minister of Energy, Mines and Resources. Given that it is the reported intent of this government to move immediately and quickly toward world energy prices, and that the entire agricultural sector of Canada will be unduly affected by such abrupt and unconsidered movement; given, further, that producers of foodstuffs, as well as consumers in the country, will be affected and are virtually unable to shield themselves from the impact of such action, may I ask whether the minister has consulted with his colleague, the Minister of Agriculture, to ascertain the impact on food production and food prices of such a move, and whether he has set in motion some mechanism for shielding both agricultural producers and consumers of this country from the kind of action contemplated?

Hon. Ray Hnatyshyn (Minister of Energy, Mines and Resources): Members of this cabinet, unlike their predecessors, are always in consultation with each other with respect to matters of national concern. I can assure the hon. member that these factors with respect to the implications of price increases are very much in my mind, that there is full discussion with respect to a comprehensive energy policy, and that our approaches to the subject take seriously into account the aspect the hon. member has raised.

Mr. Daudlin: I am more than happy to hear that the minister is consulting with his colleague. I wonder whether I might ask his colleague, the Minister of Agriculture, whether he would be prepared to entertain an alternative to allowing the price increases to go ahead and to suggest to the minister of energy that the energy-related cost increases should be exempted, and that the farmers of this country should not be required to pay them either through the fuel going into their tractors or the nitrate fertilizers derived from natural gas, thus protecting not only food producers of this country but consumers as well.

Hon. John Wise (Minister of Agriculture): I thank the hon. member for his question. I might say it is not the kind of question I had expected to receive off the bat. But I do appreciate his recommendation because it does concern a serious problem affecting the food sector in its totality.

When my hon. friend, the minister of energy, tells the House we are consulting, he means just that; and we expect to continue to consult on a regular basis to bring forth solutions to this very serious problem.

[*Translation*]

LABOUR RELATIONS

LAUZON SHIPYARDS—INQUIRY WHETHER PRIME MINISTER WILL MEET REQUEST OF UNION PRESIDENT

Mr. Raynald Guay (Lévis): Mr. Speaker, my question is directed to the Prime Minister. In the first place, I am pleased to see that shipyards are mentioned in the Speech from the Throne as they were of course in the last Speech from the Throne of our party. Now considering that concern or those pious wishes stated in the Speech from the Throne, I would like to ask the Prime Minister why he has not yet replied to a first telegram sent in August and a second one dated September 19 signed by the president of the Lauzon shipyards representing 3,000 workers. I am also asking him when he will answer the request made by the president of shipyards' workers that a meeting be arranged with the senior members of the cabinet to discuss the short-term rather than the long-term future of the shipyards where there have been so many dismissals throughout the country?

Right Hon. Joe Clark (Prime Minister): Mr. Speaker, I will answer that question next week.

* * *

● (1150)

[*English*]

COMMUNICATIONS

REASON FOR RESIGNATION OF CRTC CHAIRMAN

Hon. Jeanne Sauvé (Laval-des-Rapides): Mr. Speaker, my question is for the Minister of Communications. As the chairmanship of CRTC is a term appointment for seven years—and rightly so, since that function requires total independence from the government of the day—I should like to know from the minister why the government decided to tamper with this rule and found out all of a sudden that Mr. Camu was indispensable as deputy minister of another department before he had finished his term. He had served only two years of a seven-year term, and I am wondering why this function was tampered with and why Mr. Camu was offered another job.

Hon. David MacDonald (Secretary of State and Minister of Communications): Mr. Speaker, I think the minister—

Some hon. Members: Oh, oh!

Mr. MacDonald (Egmont): —the hon. member is poorly informed. It will take a day or two to get used to the new relationships.

The hon. member, who is the former minister of the department, is not well informed. As I understand it, that is not what has occurred at all. We were most anxious for Mr. Camu to remain in his present position but—as the former minister, the hon. member, knows—Mr. Camu has chosen employment outside the public service. We regret that very much, but we wish him well in his new work.

Mrs. Sauvé: I am quite aware that he has taken a job in the private sector, but I would like the minister to check if he had been offered another job in a government department before he decided to go to the private sector; and I should like to know from the minister whether we can now expect to see the very competent vice chairman, Mr. Dalfen, promoted to the position of chairman or whether we will be treated to another patronage appointment.

Some hon. Members: Oh, oh!

Mr. MacDonald (Egmont): I know that the former minister is well aware of what patronage appointments are all about.

Some hon. Members: Hear, hear!

Mr. MacDonald (Egmont): I want to assure her that I have discussed the matter of Mr. Camu leaving the public service directly with him, and that it is not as has been said by the hon. member. If she wants to, she should talk to Mr. Camu directly about that.

On the second matter, in order that we can have the very best people serve in important institutions like CRTC, this government is going to consult widely and fairly before making the proper appointment.

* * *

LABOUR RELATIONS

REQUEST MINISTER INTERCEDE IN MONTREAL GRAIN HANDLERS' STRIKE

Mr. John Rodriguez (Nickel Belt): Mr. Speaker, my question is directed to the Minister of Labour and it concerns a question which I put to the minister yesterday regarding his intervention in the grain handlers' strike in Montreal.

In the question period yesterday the minister replied that "meaningful discussions" were taking place at that time. It turns out now that no meaningful negotiations are taking place and none are planned. Will the minister please cut out the flimflammery—

Some hon. Members: Oh, oh!

Mr. Rodriguez: —and tell the House that he is prepared to involve himself directly in bringing to a resolution this very serious problem on the Montreal docks?

Some hon. Members: Hear, hear!

Hon. Lincoln M. Alexander (Minister of Labour): Mr. Speaker, I am very pleased to note that the hon. member has adopted my wording which was so effective, but unfortunately it is not as effective when he uses it.

Some hon. Members: Oh, oh!

Mr. Alexander: I just want to tell the hon. member that, as I stated yesterday, the mediator was meeting with the parties involved in a private way. I have received confirmation, contrary to press reports, that there have been—I say this without any equivocation—private meetings with certain parties and discussions have been held.

I would think that the hon. member would know the way that mediation works and that this is the procedure that is brought about when there is an ability to know that an all-encompassing meeting around the table is counterproductive. The mediator intends to follow this course of action in order to bring about a solution to this very worrisome matter, and we hope now that the parties will get together in order to bring about the necessary solution.

Mr. Rodriguez: In view of the fact that I have in my hand a telegram from the trade unions representing the workers, in which they indicate clearly that no discussions are taking place and none are planned, can the minister inform the House who these persons are who are having these private discussions to resolve the matter? Stop bamboozling us; come clean!

Some hon. Members: Oh, oh!

Mr. Alexander: There is another word which I think the hon. member cannot use effectively. I wish the hon. member would acquire his own vocabulary.

Some hon. Members: Hear, hear!

Mr. Alexander: The parties with whom the mediator is meeting are, of course, the parties to the dispute and I do not accept the hon. member's premise, arrived at by way of some telegram, that there are no meetings being held and no meetings planned. Certainly meetings are being planned. The mediator knows his job and he has been meeting with the parties in the dispute and has been having discussions with them.

It does not serve any good purpose for the hon. member to aggravate what is a very delicate situation. It seems to me that he does not want the strike settled, but I want it settled and the only way we can settle it is to use common sense—

Some hon. Members: Hear, hear!

Mr. Speaker: Order, please.

[*Translation*]

MINISTER'S INVOLVEMENT IN NEGOTIATIONS TO SETTLE STRIKE

Mr. Jacques Olivier (Longueuil): Mr. Speaker, my question is directed to the Minister of Labour.

He has just indicated that meetings are now in progress. I think he has been misinformed: no meeting is being held at the present time. I should also like to ask the Minister of Labour whether he will decide to intervene personally to solve the problem, and when he will accept the recommendations made by the Prime Minister to the effect that he should ask to be involved in this case and to solve the problem. When will he decide that the country is not made up of two parts and that it is normal that the problem should be solved in Montreal and in Vancouver?

[*English*]

Hon. Lincoln M. Alexander (Minister of Labour): Mr. Speaker, I do not know what the hon. member is screaming about.

Some hon. Members: Oh, oh!

Mr. Alexander: Let me tell him that, in terms of personal involvement, I have had more involvement with this particular work stoppage than any other.

Some hon. Members: Oh, oh!

Mr. Alexander: He does not know, or he conveniently forgets, that I have met with CNTU who have indicated to me that the only way this matter can be resolved is by way of a settlement, and I told them to go back and settle the dispute.

In terms of what the Prime Minister had indicated about personal involvement, we did appoint a mediator who has been on top of the situation. If the hon. member wants the strike settled, he should be more constructive in his questions, he should understand that delicate negotiations are going on and that any flimflammery or bamboozling we have heard from the hon. member and the hon. member for Nickel Belt will not solve the situation in a very meaningful way.

Some hon. Members: Hear, hear!

* * *

[*Translation*]

AGRICULTURE

INQUIRY WHY THRONE SPEECH OMITTED ANY REFERENCE TO AGRICULTURE

Hon. Marcel Lessard (Lac-Saint-Jean): Mr. Speaker, I should like to address my question to the Minister of Agriculture, I take this opportunity to congratulate him on his new responsibilities and to assure him of our co-operation while wishing him good luck in the almost impossible task of replacing the hon. member who preceded him.

An hon. Member: How true!

Mr. Lessard: However, Mr. Speaker, I should like to ask the minister if the way to face the challenge is really that which the Speech from the Throne suggests: nowhere is mention made of the agriculture department, except for a reference to grains, which are the responsibility of the Minister of Transport.

I wish to ask the Minister of Agriculture whether he really intends to participate actively in promoting his department

and ensuring that the commitment of his party, that is to give the Minister of Agriculture even greater stature and make of him a special adviser to the right hon. Prime Minister of Canada who, yesterday, in his speech, did not even allude to the agriculture department. What does the Minister of Agriculture intend to do to make sure that he can fulfil—

Mr. Speaker: Order. The hon. member for Vancouver-Kingsway.

* * *

● (1200)

[*English*]

ENVIRONMENTAL AFFAIRS

PROTECTION AGAINST OIL SPILLS IN WEST COAST WATERS

Mr. Ian Waddell (Vancouver-Kingsway): Thank you, Mr. Speaker, for recognizing me without binoculars. My question is for the Postmaster General and Minister of the Environment. It concerns a possible west coast oil port at or near Port Angeles, Washington.

I think the minister and I share some common ground in this matter. We both live in British Columbia and love the west coast. We both regret any possibility of a spill in those waters. What does the minister propose to do to ensure that the routing of Alaskan oil will be done in the best interests of Canada and will not endanger the west coast?

Hon. John A. Fraser (Postmaster General and Minister of the Environment): Mr. Speaker, I thank the hon. member for his question and his expressions of common cause in environmental problems. At the present time, the Government of Canada has indicated to the United States, by an aide memoire, that the preference would be for the Foothills' route, which would be an overland route, and that the Kitimat route does not meet with our approval. No mention has been made of Trans Mountain, but the aide memoire indicates that any decision will be subject to the Canadian regulatory process. That means Trans Mountain and Foothills will appear before the National Energy Board. We will watch very closely those deliberations.

The object of the exercise is to minimize, to the degree possible, tanker traffic on the west coast. This is not completely in our hands, but to the degree that we can get one of those options selected, as opposed to the northern tier route across the United States, we will have met our environmental objectives at least to a degree. If all else fails, we will have to work very closely with the United States in an agreement to ensure that navigation is safe and that clean-up facilities and crews are available.

INQUIRY WHETHER PRIME MINISTER AND PRESIDENT CARTER WILL DISCUSS SUGGESTED OIL PORT ON WEST COAST

Mr. Ian Waddell (Vancouver-Kingsway): Mr. Speaker, I have a supplementary question for the Prime Minister on this matter. Considering that President Carter, by American law, must make a decision on the oil port by December 6, and considering that the Prime Minister, I understand, is meeting with the President in Ottawa in November, is the Prime Minister prepared to put on the agenda of that meeting the crucial matter of the oil port? Is he prepared to ask the President if it is possible to extend that American timetable so that we can work out a proper timetable suitable for the interests of both countries?

Right Hon. Joe Clark (Prime Minister): Mr. Speaker, I would be pleased to raise that matter with the President of the United States when he is here. I should like to take the opportunity to advise the House of Commons that there has been a confirmation of dates of the visit of the President of the United States to Canada on November 9 and 10 of this year. I will be extending, on behalf of the House of Commons—or suggesting that the Speakers do—the opportunity for the President of the United States to deliver an address to a joint session of this House.

I will be pleased to raise the matter with him. If it looks like there is any practical possibility of our achieving any extension of those deadlines, I would be prepared to raise that matter with him as well. Naturally, I will not raise that matter if it appears that there is no practical possibility of the American President responding positively.

* * *

NORTHERN AFFAIRS

PROVINCIAL STATUS FOR THE YUKON

Mr. Ian Watson (Châteauguay): Mr. Speaker, I have a question for the Prime Minister resulting from the unsatisfactory answer his minister gave in the House yesterday regarding the resignation of the commissioner of the Yukon in protest over his government according certain provincial powers to the Yukon Territorial Council, which is the government for the 23,000 inhabitants of the Yukon. He did this without consulting Parliament, without consulting, as promised, the people of the Yukon or the provincial premiers. What appears to be happening is the establishment of *de facto* provincehood without the consent of either Yukoners or the Parliament of Canada.

Some hon. Members: Oh, oh!

Mr. Watson: Can the Prime Minister assure the House that the commissioner will remain on the executive committee, and that no changes to the commissioner's role and no additional provincial powers will be turned over to the Yukon Territorial Council without reference to and a full review by the Parliament of Canada of all the implications of this irresponsible rush toward provincehood?

An hon. Member: Shame.

Right Hon. Joe Clark (Prime Minister): Mr. Speaker, I must say in passing that I am surprised at the resistance expressed by spokesmen of the Liberal party to the extension of democracy in the country.

Some hon. Members: Hear, hear!

Mr. Clark: But let me make it clear to the hon. member who raised the question and to the former minister who should be better informed—

Mr. Breau: Will you do the same thing to the Acadians?

Mr. Clark: What the Minister of Indian Affairs and Northern Development has done is extend powers to the limit allowed under present legislation which in fact will extend the capacity for assuming greater responsibility over the affairs of the people of the Yukon, people who on May 22 had an opportunity to cast their votes among parties which had taken different positions on that question. They elected the Minister of Public Works whose position on the question was well known.

If there is to be a further extension of the powers and the movement toward self-government of the people of the Yukon, which in the view of this government there should be, naturally that will involve consultation with the provinces, the people of the Yukon and to the degree necessary it will involve consideration by the House of Commons of any amendments to relevant legislation.

* * *

PRIVILEGE

MR. RODRIGUEZ—GRAIN HANDLERS DISPUTE—ANSWER GIVEN BY MINISTER OF LABOUR DURING QUESTION PERIOD

Mr. John Rodriguez (Nickel Belt): Mr. Speaker, I rise on a question of privilege which has to do particularly with the question and the answer given by the Minister of Labour (Mr. Alexander) yesterday afternoon in the House. I asked the minister the following question, as reported at page 28 of *Hansard*:

In view of the fact that the minister injected himself very quickly and expeditiously into the west coast grain handlers dispute, bringing it to a successful conclusion, and in view of the fact that the present grain handlers strike has been going on for five months and has the potential of creating problems for Quebec farmers this winter and for others, is the minister now prepared to insert himself directly into the dispute in an effort to resolve it as successfully as he did the west coast grain handlers strike?

The minister replied as follows:

Mr. Speaker, I want to give the hon. member credit for asking that question, because I am also concerned about the matter. But I want to point out to him that at this very moment the mediator, Mr. Rolland Doucet, is meeting with the parties involved in a private way and having meaningful discussions. Progress is being made. For me to say anything further at this particular time would be unproductive.

I was rather flabbergasted by that response, so I immediately had someone from my leader's office, Mr. Jacques Bélanger, contact the union involved, particularly Mr. André L'Heureux, the vice-president of the CSN representing the workers in this dispute. As a result of that telephone call, the following telegram was received in my leader's office yesterday afternoon at approximately five o'clock. I will read the telegram into the record because it is extremely important to the question of privilege I am raising. It reads as follows:

[*Translation*]

Following your call to my office at 3.30 p.m., I do not understand how the Minister of Labour could have said that we were now discussing or meeting for that purpose, for neither I nor the president of the union nor any union spokesman are meeting the mediators or the National Harbours Board at this time.

Signed: André L'Heureux, vice-president.

[*English*]

It was signed by Mr. André L'Heureux, vice-president. It is very clear from the telegram that those who have the responsibility of representing the workers in this dispute clearly know nothing of the negotiations that the minister said in the House were going on at that moment. Not being satisfied with that, I asked the assistant of the hon. member for Oshawa (Mr. Broadbent) to contact the mediator's office. The mediator's office indicated that it knew nothing about any negotiations or discussions which were going on at that moment or had been planned.

An interesting Canadian Press article appeared in the Thursday, October 11, 1979, edition of the *Gazette*. It quotes the Minister of Labour outside the chamber. I should like to quote from the article as follows:

● (1210)

Alexander said "the full force and effect" of the labour department's mediation and conciliation services have been in motion for weeks in an effort to end the dispute.

In addition, he had met union representatives, heard their case and "indicated that the door's always open." Also, Don Mazankowski, minister responsible for the Canadian Wheat Board, had met union officials.

L'Heureux said Alexander "is certainly misinformed about what his officials are doing in the field."

"They are not very active or dynamic . . . we would have expected them to be present more forcefully," he said, adding that all Mazankowski had done was to send a telegram Tuesday expressing hope that negotiations are going well. The union had asked Mazankowski for help in a September 14 telegram.

In fact, Mr. Speaker, the last meaningful contact between the mediator and the parties concerned was on October 4 when Mr. Rolland Doucet, the mediator, presented a proposal for settlement to both the union and management. It is interesting to note that the union accepted the mediator's proposal for settlement, but management rejected that proposal.

This dispute has now gone on for five months. It was interesting to note the speed with which this minister involved himself in the dispute on the west coast when grain handlers were on strike. I think the minister has misled this House. It is not for me to say whether or not it was deliberate, but he repeated what he said again today. I would have to say with all knowledge that he has misled this House again today by the comments he made in response to the question I put, which was the same as I put yesterday.

I say that the minister should show himself to be an honourable minister by retracting what he has said and by accepting responsibility for lack of communication in his department, and he should immediately insert himself into the negotiations to ensure a speedy settlement of that particular dispute.

Some hon. Members: Hear, hear!

[*Translation*]

Mr. Speaker: The hon. member for Longueuil (Mr. Olivier) also wishes to rise on a question of privilege.

Mr. Jacques Olivier (Longueuil): I rise on a question of privilege, Mr. Speaker. I want to support my colleague for Nickel Belt (Mr. Rodriguez). I believe that yesterday the minister involuntarily misled the House in his answer and I hope that he will recognize his mistake today. The parties involved have not met with anyone since October 4. I believe that the minister's department may have misinformed him, or that perhaps the minister did not ask the necessary information from his department. Moreover, Mr. Speaker, I note once again that the minister intervened in the Vancouver matter much more quickly than in the port conflict in Montreal. Yet, this conflict has been going on for five months. I believe that it is extremely important for the minister to realize that not telling the truth involuntarily in the House is extremely serious because if we can no longer believe the answers given by a minister, the privileges of all the members of this House will be weakened. The Canadian population is entitled to ask questions about the qualifications of a minister or a government.

Mr. Speaker, I therefore ask the Minister of Labour (Mr. Alexander) to withdraw the misleading statements that he made in the House yesterday. This was certainly involuntary because I am aware of his qualities as a man and as a parliamentarian. However, it is extremely important that in the future he does not act as though there were two Canadas instead of one. When there is a problem in Montreal, the issue is just as important as when there is a problem in Vancouver.

[*English*]

Mr. Speaker: Is the hon. member for Spadina (Mr. Stollery) rising on the same question of privilege?

Mr. Peter Stollery (Spadina): Yes, Mr. Speaker, I rise on the same question of privilege.

We are faced here with a minister who many of us like personally. However, the question raised by the hon. member for Nickel Belt (Mr. Rodriguez) is a very crucial one in that it affects so importantly the privileges of all members of parliament. We have been greeted today with a spectacle. We are members trying to perform as opposition members are supposed to perform. This was the spectacle of a minister clearly misleading.

No one is accusing him of doing so on purpose, but this is a government that has given us platitudes about being consultative with the Canadian people and informing everyone, yet the Minister of Labour (Mr. Alexander) is clearly found to be, accidentally and not meaningfully, misleading the House. He has given us information to which the hon. member for Nickel Belt has clearly responded. The minister has given us information about a strike situation in Montreal about which he really does not seem to know anything. We saw this happen today in respect of minister after minister.

I think this is an important question of privilege. The hon. member for Nickel Belt is to be congratulated for bringing it forward early enough in this Parliament so that you, Mr. Speaker, can make some kind of decision about how long this spectacle of ministers being totally without knowledge of the affairs of their departments will continue in this House.

Hon. Lincoln M. Alexander (Minister of Labour): Mr. Speaker, that was a delightful debate. The only thing that bothers me is that when we are involved with the full force and effect of mediation and conciliation services, members should, for their own motives which are not understandable to me, bring about such a debate. They have said that I am misleading the House. They have said there have been no meetings and no discussions held. This really makes me wonder whether they are keeping abreast of these things.

My department, through my officials, has been involved with this matter. I can go through the litany in my briefing book starting from way back on February 20, 1979, when Mr. Len Waller was appointed as conciliation officer, right down to this date and the appointment of Mr. Rolland Doucet as mediator.

Obviously, hon. members will know—I see the former minister of labour sitting there and I am sure he will understand—that the whole concept of mediation and conciliation services, particularly those provided by the mediator, calls for discussions and meetings with the parties, not necessarily around the table, collectively speaking.

When I say that discussions and meetings have been held with the parties I stand by that. As a matter of fact, I have a note I want to read so that all will know what I was trying to say and what I did say today. This is what I intended to use this morning to indicate, as I did yesterday in the House, that the mediator in this dispute was "meeting with the parties involved in a private way".

I have since received confirmation, contrary to reports in the media, that the mediator did, indeed, meet with certain parties privately and held private discussions with others. Anyone knowledgeable of the processes of dispute resolution will readily recognize that such an approach is an integral part of a mediator's techniques when joint meetings around a table would be counterproductive. This is the procedure the mediator will be pursuing in his continuing efforts to bring both parties to the necessary compromise that will lead to a freely negotiated collective agreement.

An hon. Member: Oh, go on.

Mr. Alexander: Mr. Speaker, the hon. member for Nickel Belt (Mr. Rodriguez) says, "Go on". It seems to me that that hon. member, being one of the critics in this regard, should be more responsible in terms of knowing how a mediator's services are applied and how they work. Let me conclude, Mr. Speaker, by saying that I urge those concerned with the resolution of this dispute to explore all possibilities of solution in a co-operative effort with the mediator.

● (1220)

Having regard to the question raised yesterday, I would respectfully submit that all members who have spoken, other than the hon. member for Spadina (Mr. Stollery), should check the preamble to the hon. member's question posed yesterday in respect of me personally, because once again he did not know what he was talking about in that regard. This is the answer that I gave as reported at page 28 of *Hansard* dated October 10, 1979:

> I want to give the hon. member credit for asking the question because I am also concerned about the matter, but I want to point out to him that at this very moment the mediator, Mr. Rolland Doucet, is meeting with the parties involved in a private way and having meaningful discussions. Progress is being made. For me to say anything further at this particular time would be unproductive.

It is not up to me to try to hide the facts or flim-flam or bamboozle anybody. My way of answering that question was a sincere attempt to make members more knowledgeable about the situation. If there was anything wrong with my answer at that particular time, it is the words "this very moment", and if that is what the hon. member is referring to, I must agree. Perhaps I got carried away in terms of answering the question, but it still does not deny the fact that discussions and meetings have been held with other parties and that meetings have been held with the parties.

I notice that the hon. member who spoke after the hon. member for Nickel Belt is nodding in the affirmative; in other words, he is agreeing that discussions and meetings have been held. If it will make members more confident with respect to my knowledge or lack of knowledge regarding my department—incidentally, I am not concerned about what they think of my knowledge or lack of knowledge with regard to my department—those are the facts.

I am here to do my job and I can tell hon. members that I am going to do the job and that this work stoppage is of concern to all of us. I would hope that those who are on the outside looking in, particularly the parties to the dispute and the mediator, get on the ball and resolve the matter as quickly as possible, because we all know what must be done in the long run.

In conclusion, Mr. Speaker, if it will make members happier and if it will remove that cloud which has been cast upon my integrity, I will withdraw that point and the words "this very moment". Discussions and meetings were held with the parties, and I hope that my integrity remains intact as a result of that very important concession. There was no intent—

An hon. Member: Order.

[Mr. Alexander.]

Mr. Alexander: This gives me the opportunity to make my maiden speech.

Some hon. Members: Oh, oh!

Mr. Speaker: Order.

Mr. Alexander: There was no intent to mislead anyone in this House. I am here to give hon. members the facts and I will try my best to give the facts.

Some hon. Members: Hear, hear!

Mr. Speaker: Order. Hon. members, I am sure, have realized for some time during the course of the discussion that what was at stake was a disagreement with respect to the kind of answer and the content of the answer given yesterday by the minister. The minister has said that he stands by his answer with the exception of a specific interpretative part, "this very moment". It is clearly a dispute between the parties and does not constitute a question of privilege.

ROUTINE PROCEEDINGS

[*English*]

SUPPLY

SUPPLEMENTARY ESTIMATES (B), 1978-79

Hon. Sinclair Stevens (President of the Treasury Board): Mr. Speaker, by leave, I would like to table a report to the House of Commons on Supplementary Estimates (B) 1978-79 which shows how the items in these estimates were financed. Since some items were paid under authority of a special warrant, special reference to this effect will be included in the next appropriation bill. I have three more documents to table.

Mr. Speaker, by leave, I would like to table a report, in both official languages, to the House of Commons showing the special warrants issued under section 23 of the Financial Administration Act following the dissolution of Parliament on March 26, 1979, in accordance with Standing Order 41(2).

MAIN ESTIMATES, 1979-80

Hon. Sinclair Stevens (President of the Treasury Board): Mr. Speaker, I am retabling the 1979-80 Main Estimates, and I have a message from His Excellency the Governor General signed by his own hand.

[*Translation*]

A message from His Excellency the Governor General transmitting Main Estimates of sums required for the service of Canada for the fiscal year ending March 31, 1980, and in accordance with the provisions of the British North America

Act, 1867, was presented by hon. Sinclair Stevens (President of Treasury Board) and read by Mr. Speaker to the House.

[*English*]

SUPPLEMENTARY ESTIMATES (A), 1979-80

Hon. Sinclair Stevens (President of the Treasury Board): I am now tabling Supplementary Estimates (A), 1979-80, and have a message from His Excellency the Governor General signed by his own hand.

* * *

[*Translation*]

A message from His Excellency the Governor General transmitting Supplementary Estimates (A) of sums required for the service of Canada for the fiscal year ending March 31, 1980, and in accordance with the provisions of the British North America Act, 1867, was presented by hon. Sinclair Stevens (President of the Treasury Board) and read by Mr. Speaker to the House.

[*English*]

Hon. Allan J. MacEachen (Cape Breton Highlands-Canso): Mr. Speaker, on a point of order relating to the tabling made by the President of the Treasury Board (Mr. Stevens). Is he tabling the Main Estimates as we saw them in the last Parliament, unchanged; is he recommending them to the House, unchanged; or is he recommending the approval by the House of the spending plans of the former government which had ten months to run when he took over as President of the Treasury Board?

Mr. Stevens: The Main Estimates that I have just tabled, Mr. Speaker, are being tabled in identical form to the estimates that were last tabled by the former government. I have no further comment.

Mr. MacEachen: Is the minister recommending these estimates to the House?

Hon. Jean Chrétien (Saint-Maurice): Mr. Speaker, the President of the Treasury Board (Mr. Stevens) just said that he is not recommending the estimates to the House.

Mr. Trudeau: Throw them away.

Mr. Chrétien: That is a very unusual statement. I would like clarification from the President of the Treasury Board. If he cannot stand up to his responsibilities, perhaps he should resign immediately.

Mr. MacEachen: Mr. Speaker, it is vitally important to know, from the minister who tabled these estimates, whether the government and the President of the Treasury Board are recommending that the House of Commons approve these estimates—those words which were put in the mouth of the Governor General. Is the minister recommending these estimates for approval to the House?

Hon. Walter Baker (President of the Privy Council and Minister of National Revenue): Mr. Speaker, I do not know whether the matter is an appropriate point of order, in the first place. It seems to be a matter which would be much more appropriate for the question period. If the opposition House leader and the hon. member for Saint-Maurice (Mr. Chrétien) have that kind of energy tomorrow, perhaps they can raise it at that time; I think that would be quite appropriate. As I understand the rules, the duty performed by the President of the Treasury Board (Mr. Stevens) was to table the documents. They have now been tabled. If there are questions about those documents, they can be put during the question period in the normal way. That, certainly, is not an appropriate point of order at this stage of the proceedings.

• (1230)

Mr. Chrétien: Mr. Speaker, I think if the President of the Treasury Board is not living up to the tabling of those documents on the recommendation of the Governor General, he should withdraw them right away. If he does not want to propose to the House that we approve them, and he does not approve them—he has been President of the Treasury Board since the month of June—what the hell has he done since that date?

Mr. Speaker: Order please. I will take the matter under advisement. The documents have been tabled; they rest with the House. I will take under advisement the effect of the action of the President of the Treasury Board (Mr. Stevens) which has been to acknowledge that he has tabled the documents, and he has heard the representations about his own recommendation to the House. I will take the matter under advisement.

Mr. MacEachen: Mr. Speaker, I think that—

Mr. Speaker: Order, please.

Mr. MacEachen: Mr. Speaker, on this question which goes to the very root of our parliamentary system, I have a question of privilege.

Mr. Speaker: Order, please. The hon. member for Cape Breton Highlands-Canso (Mr. MacEachen) on a question of privilege.

* * *

PRIVILEGE

MR. MACEACHEN—SUBMISSION OF ESTIMATES TO THE HOUSE

Hon. Allan J. MacEachen (Cape Breton Highlands-Canso): Mr. Speaker, I heard the message from His Excellency. I do not have it before me, but as read by the Chair it stated that His Excellency recommends the spending estimates to the House of Commons. There is some doubt as to whether the Governor General received this advice from the government. On whose advice is he acting now, if the President of the Treasury Board (Mr. Stevens) will not say that he is recom-

mending the estimates to the House? On whose authority is His Excellency recommending them, if not on the authority of the government? I do not believe this is a matter that can sit for 24 hours. This is the House of Commons.

Mr. Speaker: Order, please. The matter is very fundamental. I certainly do not intend to make a decision which would affect such a fundamental matter without an opportunity to consider it. I have taken under advisement the question which has been raised and I intend to give it careful study and consideration. I intend to rule on it as quickly as I can. If there are other arguments on the point, I would be pleased to hear them.

Right Hon. P. E. Trudeau (Leader of the Opposition): Mr. Speaker, I want to make it clear that in answer to the question by the opposition House Leader (Mr. MacEachen) and by the hon. member for Saint-Maurice (Mr. Chrétien) the President of the Treasury Board said that he did not take responsibility—

Some hon. Members: No, no.

Mr. Trudeau: It may not be on the record—

Mr. MacEachen: He shook his head.

Mr. Trudeau: —but he obviously said no. If he is now saying that he did not say no, but that he recommends them—

Mr. Stevens: Because I never said it.

Mr. MacEachen: You said it.

Mr. Trudeau: Mr. Speaker, I believe we saw him shaking his head "no", but if he is saying—

Some hon. Members: Oh, oh!

Mr. Trudeau: Mr. Speaker, we have to say what we see. If the hon. member is saying that he did not say no and he did not intend to say no, why does he not indicate to us now that he is accepting his responsibility as the servant of the Crown to take responsibility for these estimates? He either said no, or he did not say no. We want to know if he is responsible, or not—

Mr. Chrétien: You said you are not recommending.

Mr. Trudeau: —as a minister of the Crown.

Mr. Speaker: Order, please. I want to clarify now, as a mechanical matter, is the hon. President of the Treasury Board (Mr. Stevens), in making any negative action, saying that he has not recommended their approval to the House? He was asked if he recommended their approval, and he had said that he did not recommend their approval today. Is he saying that he did not add a recommendation of the approval, or is he saying that he does not recommend their approval? They are two entirely different statements.

I have nothing on the record except the statement by the President of the Treasury Board that he has tabled the estimates and takes no further action. That is the matter that is before me. I have to examine the question of the absence of a recommendation. I do not have in front of me any statement by the President of the Treasury Board that he does not recommend these estimates to the House of Commons; I simply have his declaration that he takes no further action. That is the point I have to decide.

The estimates have been tabled. The President of the Treasury Board has simply tabled the estimates and says nothing further. That was his declaration in response to the point of order. That is the situation I have to consider.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, when you are looking into this matter, would you examine the record to find out whether the president of the treasury board in the last government went any further than the President of the Treasury Board (Mr. Stevens) did today? My recollection is that all that is ever said by the President of the Treasury Board when he is tabling the estimates is that he has a message from the Governor General signed in his own hand. I do not see that anything different happened this morning than has happened in the past.

Mr. MacEachen: We asked him a question.

Mr. Speaker: Tabling of documents.

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THE ADMINISTRATION

TABLING OF LIST OF PROPOSED MEASURES

Hon. Walter Baker (President of the Privy Council and Minister of National Revenue): Mr. Speaker, pursuant to an undertaking given by the Prime Minister of Canada (Mr. Clark) when he was leader of the opposition, I should like to table, under Standing Order 41(2), in both official languages, a list of some of the measures which the government proposes to place before Parliament during the first session of the Thirty-first Parliament.

* * *

[*Translation*]

SPEECH FROM THE THRONE

CONTINUATION OF DEBATE ON ADDRESS IN REPLY

The House resumed, from Wednesday, October 10, consideration of the motion of Mr. Fretz for an address to His Excellency the Governor General in reply to his speech at the opening of the session, and the amendment thereto (Mr. Trudeau) (p. 37), and of the amendment to the amendment (Mr. Broadbent) (p. 47).

Mr. Speaker: Before recognizing the hon. member for Beauce (Mr. Roy), I must add a few words to reaffirm the intention of the House concerning the situation which we discussed yesterday. On that occasion, I made some remarks about the decision made by the House Tuesday afternoon. To me, the situation is unchanged.

[*English*]

I want to express careful concern here so that the circumstances be well understood. In my opinion, the precedents which have been cited by the hon. member for Beauce (Mr. Roy) are very important. As I said to him and to his colleagues, in my view the vote in the House on Tuesday stands between me and those precedents. Because of the language used in that debate on Tuesday afternoon, I have to regard it as binding upon me as a declaration of the House up to this point. I have, therefore, said I am bound by that. As a result of being bound by that, I recognized another government member in the course of the debate. I do not change that decision.

I am concerned, however, and I sense that perhaps other members may be concerned, that we are dealing here with a matter of extreme importance and of a very fundamental nature respecting the position of parties and elected members in the House, and that is therefore fundamental to our democracy and our whole parliamentary system. We are dealing with it on the basis of a decision which may have the appearance of having been taken for some other purpose. We are relying, in other words, on a decision upon a motion for representation on a striking committee to come to a conclusion which affects the status of a party in the House of Commons.

I have said that I see no other alternative but for the Chair to be bound by that decision. Again, I say I do not change that position. I do not have the power, by any means, to change that decision or to reflect in any way on the decision of the House. I want to bring to the attention of the House, however, a similar situation which occurred in 1963 and the action that the House took at that time. There is in the *Journals* of the House a rather thorough treatment of the subject by the very distinguished Speaker at that time. This appears at page 385 of the *Journals* for 1963. That decision goes into the definition of parties as defined by Burke in the classic quotations that were referred to in defence of the position of minority parties in the House of Commons. The Speaker at that time suggested to the House that, without prejudice to the status quo at the moment, the matter might be sent to the Standing Committee on Privileges and Elections for examination. I do not have the authority to do that; only the House can decide to do that.

I leave with the House the suggestion that, while we recognize the leader today, the hon. member for Beauce, I am doing so without prejudice to the decision I took yesterday to recognize the hon. member for South Shore (Mr. Crouse) who does not find it convenient to proceed at this time: I do it in those circumstances. I cannot say to the House, "Please reflect on the decision that you took on Tuesday". That is not the purpose. I cannot change that; that is not the purpose, either.

● (1240)

It may be there is a consensus in the House, and if we are going to deal with the question that touches on the status of a party in the House, we might deal with it directly rather than indirectly, because it is a very important question.

Since some of the rationale in this decision seems to me to recommend itself on the very important and substantive grounds about the position of parties and minority parties in the House, I would invite all hon. members concerned to study the reasoning behind the decision of 1963 simply to determine whether the matter might be sent to the Standing Committee on Privileges and Elections. This committee can examine the status of a party, report back to the House its findings with respect to that status, what the party should enjoy, what it should not, and what requirements would be. That would enable the House to deal directly with a problem which seems to me it has only been dealing with indirectly.

I leave that suggestion with the House. Nothing has changed; the situation remains the same. The hon. member for Beauce will speak in ten minutes.

As I said, the situation remains exactly as I described it yesterday. In the interim, I ask the House to consider the possibility of agreeing to make a reference to a committee so the matter can be studied and this decision examined. Members of all parties can make their representations. Then, upon receiving the report of the committee, the House can deal with this very important problem in a direct way and make its declarations directly, rather than in the indirect manner in which we now seem to be dealing with this rather important problem.

Hon. Walter Baker (President of the Privy Council and Minister of National Revenue): Mr. Speaker, with respect to your suggestion, it is a matter that I am prepared to take under advisement. As you so very clearly put it, it is a suggestion, and I am prepared to agree. I want to consult my colleagues concerning it, but it is a matter I will be prepared to consider.

Hon. Allan J. MacEachen (Cape Breton Highlands-Canso): Mr. Speaker, like the President of the Privy Council and Minister of National Revenue (Mr. Baker), I would like to indicate our interest in examining your suggestions. It may be that the House will want to act at some future time in having the matter referred to the Standing Committee on Privileges and Elections. In the meantime, as you have indicated, the status quo is maintained, which we understand to be the decision of the House as interpreted by the Chair yesterday—an interpretation with which we agreed. We have no objection, now that the principle has been established and in light of the fact that the hon. member for South Shore (Mr. Crouse), who was recognized yesterday and who is not in the House today, that the hon. member for Beauce (Mr. Roy) be given the floor in the normal course. The principle has been established, and until it is changed we in this party propose to operate on that principle. We thank you for your suggestion.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, we too are prepared to consider and, indeed, to consider favourably the suggestion you have made for a reference to a committee.

In effect, what you are suggesting is that the various aspects of what it means to be a group or a party in this House be considered separately, rather than assuming that one motion settles all the facets of the matter. We think that is worth while. We are prepared to enter into such discussions with the other House leaders for the purpose of considering a committee reference. In the meantime, we are pleased that the present issue is being settled amicably and that we shall now hear from the hon. member for Beauce (Mr. Roy).

[*Translation*]

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, I would like to make a few brief remarks on the subject under consideration. Yesterday I spoke of the dignity of Parliament, but I stayed up quite late, and tried to get to the bottom of things: the first principle mentioned in Beauchesne is that of parliamentary law. I simply want to read two sentences.

The principles that lie at the basis of English parliamentary law have always been kept steadily in view by the Canadian Parliament; these are: to protect a minority and restrain the improvidence or tyranny of a majority.

So today everybody seems more understanding and in your wisdom, Mr. Speaker, you have made a suggestion which seems acceptable, namely that the whole question be referred to the Standing Committee on Privileges and Elections in the light of the information you have provided and with reference to a ruling made in 1963. I am therefore led to believe that we shall proceed as usual and I feel that this solution will promote harmony and allow Parliament to operate normally and efficiently.

[*English*]

Mr. Speaker: Order. The hon. President of the Privy Council (Mr. Baker).

APPENDIX TO HANSARD—LIST OF MEASURES TABLED THIS DAY

Hon. Walter Baker (President of the Privy Council and Minister of National Revenue): Mr. Speaker, I tabled a few minutes ago a list of legislation, in both official languages, under the provisions of Standing Order 41(2). I neglected to ask the House whether, for easy reference, it would be appropriate to have it appended to *Hansard* of this day. I ask now if that could be done.

Some hon. Members: Agreed.

Mr. Speaker: It is agreed and so ordered.

[*Editor's Note: For above list, see Appendix.*]

CONTINUATION OF DEBATE ON ADDRESS IN REPLY

Mr. Speaker: I just wish to pay tribute to my distinguished predecessor, Speaker Alan Macnaughton, for the excellent reasoning of 1963 which I have commended to the House for consideration.

[*Translation*]

Mr. Fabien Roy (Beauce): Mr. Speaker, I thank you for recognizing me at this time. There is no doubt, anyway, that because this is my maiden speech in the House, my colleagues of the House have looked forward to it for a long time.

Mr. Speaker, words of welcome were addressed to the new hon. members which made me very happy; I want to thank those who expressed their welcome in my behalf though I must say that, as far as I am concerned, I had a feeling, at one point, that the words of welcome took on a slightly different tone.

That having been said, Mr. Speaker, allow me first of all to congratulate you most sincerely on your appointment to the very important office which presiding over the business of the House constitutes. The experience acquired in that post over the last few years and the way in which you assumed that important role have made of you a man of high repute who has deserved the trust and esteem of all his colleagues on both sides of the House. I want to assure you of my wholehearted co-operation in ensuring that our parliamentary business is performed in an orderly and dignified fashion, in the better interest of our fellow-citizens, and with the utmost respect for our parliamentary institution.

Mr. Speaker, please also allow me to pay tribute to and thank, as I should, the voters, men and women of Beauce for the confidence they have shown me once again, because after having given me three mandates to the Quebec National Assembly, the Beauce riding electors did not hesitate to give me a first mandate to the House of Commons and this with a sweeping majority.

That is to say, Mr. Speaker, that I am well aware of the resulting responsibilities and that I intend to assume them fully with my modest means, in close co-operation with my fellow members of the Social Credit Party of Canada, yet remembering that my predecessors, Mr. Réal Caouette and Mr. André Fortin, have always been equal to their task. I would be remiss were I not to take this privileged occasion to congratulate my colleagues from Abitibi (Mr. Caouette), Bellechasse (Mr. Lambert), Rimouski (Mr. Allard), and Roberval (Mr. Gauthier) who did well in keeping the confidence of their electors. Their political beliefs, their tenacity, it should be mentioned, as well as their loyalty and their almost limitless devotion to duty have succeeded in triumphing once again over the electoral machine of the traditional political groups. The dean of our group, the hon. member for Roberval (Mr. Gauthier), who has been a member of parliament since 1962 and who acted as leader of our parliamentary wing until last May 22 deserves all our consideration.

Finally, I want to thank most sincerely the half million voters who gave us their support at the last election and who

allowed our party to rank second in Quebec. For us, that is the promise of a great future. It is appropriate, Mr. Speaker, at the beginning of this Thirty-first Parliament, to congratulate the new Prime Minister of Canada (Mr. Clark) for his victory at the last May 22 election. It certainly takes an extraordinary capacity to succeed in co-ordinating the forces of that party whose history was too often made of disputes and divisions.

• (1250)

I also thank the former prime minister who is now leader of the loyal opposition of Her Majesty and who unfortunately is not here, for having occupied with dignity and courage during so many years the high functions of government leader. I wish to pay tribute as well to the new Governor General of this country and to his wife for assuming with vigour and integrity the heavy responsibility as ultimate guardian of our traditions and institutions. He will know how to use, I am convinced, his exclusive and reserved right to be advised, to advise and to recommend.

Mr. Speaker, I listened with deep emotion to the reading of the government program for this session. The speech was well drafted, from the handicapped to the youth, from energy to the merchant navy, not to mention the traditional new vision: everything was there. The one thing missing was their undertaking to lower taxes. But in that respect, Mr. Speaker, I suspect the government is keeping this issue for the budget speech. To proceed with a good analysis of that speech, we must compare it with the present economic situation in this country. The actual situation in fact amounts to an understanding of two basic mathematical operations.

During the last ten years, unemployment has doubled. Bureaucrats have doubled and the public debt has quadrupled. We have seen productivity divided by two, same thing for the growth rate, the rate of inflation was multiplied by two as was the number of man-days lost due to strikes, public expenses were multiplied by four and the deficit of our trade balance was multiplied by ten. Whichever way you size up our economic performance, Mr. Speaker, the outlook is bleak. Yet, after having listened to the speech of the Leader of the Opposition (Mr. Trudeau) yesterday and to the questions put by members of the official opposition yesterday and this morning, in my opinion we are forgetting very rapidly that in the last 60 years this country had some 50 years of Liberal government; the last 11 years with the Liberals gave us the bad economic situation we now have. In those 60 years, the Conservative party governed Canada for barely ten years. We have to acknowledge reality, Mr. Speaker, and we should not duck away from it; we will have to work with sincerity and determination. We will have to act with straightforwardness and loyalty, and say things as they are.

In an international economy, characterized by a lack of resources, we have achieved a feat, here in Canada, that is of constantly decreasing the standard of living of our fellow Canadians, and this, Mr. Speaker, in a country which has the largest reservoir of resources in the world. That is one of the economic aspects which best depicts the present situation.

Considering that Canada is one of the countries with the largest debt in the world, that Canada is the only one among industrialized countries in the international context which has to borrow to pay the interests on its debt, that during the last ten years, the proportion of our exports of raw materials has risen, and that we have to borrow to be able to restore the balance of payments, when one considers all of these things, Mr. Speaker, it is a sign that we live in difficult times. It is not without reason that a few strove to shift the interests of the nation towards other problems, at a time when the national economy is on the brink of bankruptcy.

It is normal to see scapegoats popping up and that is how I consider all those appeals to national unity, particularly when I realize that those who make them did everything they could to create the problems. Divide and rule, they said, and you see the result.

On the political level, we inherit a country that suffered from a slow but progressive erosion of its civil liberties. Newspapers reported peculiar rumours about thefts, illegal entries, property destruction but no one took the trouble to dig up those incidents. A foggy notion of national unity, never defined but supporting an incompetent power, has been used as an excuse. The greatest victory of men, the fact that "those who wield power cannot do so without the assent of their peers" is a famous historic saying. The feeling that "those who wield power cannot do so without the assent of their peers" had simply been thrown away!

Thomas Jefferson said, during the discussions on the drafting of Virginia's statutes: "To force people to contribute their money to the propagation of an ideology which is not theirs is, to me, an act of tyranny".

What is happening? Crown corporations, states monopolies, private monopolies are subscribing enormous amounts for the referendum battle; apparently, a secretariat has been organized with public funds. Nobody protested or worried about it. However, Jefferson was very clear. There was and there still is an erosion of our most basic liberties.

This phenomenon is such, Mr. Speaker, that some hon. members in this House have interpreted—and I do say "interpreted"—our absence from the striking committee as the non-existence of our party, an absence due to a change to the rules of the House following a mere proposal. No parliamentary procedure expert realized that without unanimous consent, a notion which exists in all parliaments—and the federal parliament remains the best guardian of the British parliamentary traditions—that without unanimous consent, the Standing Orders have been contravened, and I refer hon. members to pages 7153 and 7154 of the *Hansard* of June 28, 1977.

However, the only ones concerned were Social Crediters who, it must be said, gathered all their votes in Quebec and, in so doing, obtained more votes than there were voters in six other provinces. By bringing in more than 513,000 ballots in the province of Quebec, members of the Social Credit Party of Canada obtained more votes than the total of votes in Nova Scotia where 11 members of Parliament were elected democratically. The members of the Social Credit Party of Canada obtained more votes than the total of the votes in New Brunswick, which added up to 337,000 and which resulted in the democratic election of 11 members of Parliament. The Social Credit Party of Canada obtained as many votes in Quebec alone as the total of the popular vote in Manitoba. With 513,000 votes in Manitoba, 14 members of Parliament were elected democratically.

I could go even further and talk about Prince Edward Island, and also about Saskatchewan, where 489,000 votes elected fourteen members to the House of Commons, that is fewer votes than the members of the Social Credit Party of Canada obtained. In the case of Newfoundland, the figure is 201,000. Let us make a quick mathematical operation. I have taken the liberty to do so since this seems to be the popular thing to do these days. Therefore, if we divide the total of the votes obtained by the Progressive Conservative Party by the number of Progressive Conservative members, we find that each member of this minority party—as we know that no party holds a majority in this House—represents 32,000 voters who exercised their right to vote. As for the Liberals, they represent in the House of Commons an average of 40,000 votes.

● (1300)

An hon. Member: That is a lot!

Mr. Roy (Beauce): It is a little better. The members of the New Democratic Party represent in the House of Commons 78,800 votes each. However, the five members of the Social Credit Party of Canada each represent 105,000 votes. Mr. Speaker, that is 330 per cent more than what each Conservative member represents in the House. Were we to calculate the proportional representation of the members of the Social Credit Party of Canada in relation to the vote obtained by the Conservative members, we would be entitled to 16 members in the House instead of five. Nobody would then question the recognition of our party or the privileges which it should obtain. If I did the same calculation with the votes given to the Liberal members, we would get 13 members in the House. This is a higher number than the one mentioned in the only provision on political parties granting an additional allowance to the party leader. Mr. Speaker, one must be careful when attempting to regulate democracy. Mr. Speaker, I move the adjournment of the House since it is one o'clock.

[Mr. Roy (Beauce).]

Mr. Deputy Speaker: It being one o'clock, I do now leave the chair until 2 p.m.

At one o'clock, the House took recess.

● (1400)

AFTER RECESS

The House resumed at 2 p.m.

Mr. Roy (Beauce): When the House took recess for the lunch break, Mr. Speaker, I had just started to deal with something I consider of utmost importance because it relates to our civil liberties. As a matter of fact, our civil liberties have been so much trampled on that we do not realize the extent of their erosion. Since when, in Canada, does Parliament have the authority to rule on the existence of parties in the House? When, before today, did Parliament ever assume this right? Never. But the climate is such that it dares do so. This is a serious matter and gives one food for thought.

Before his appointment to the American Senate, Senator Irwin had been chief justice of the supreme court of his state. He had been one of the first American judges to have a convicted murderer released because he had felt that the rules of procedure had not been adhered to and the accused's rights respected. In support of his action, he had stated that what really matters is not the final verdict rendered in a criminal case but the way this verdict came about, for it reflects on civilization as a whole.

What matters here is not the existence of two, three, four or five political parties, but the right of the people to join them. One party more or less is of no consequence, but the manner in which it appears or disappears bears witness to the depth and value of our democratic liberties. And what is the first principle of the parliamentary right? It is to protect the minorities in the House against all possible abuses from the majority. That is the situation in which we find ourselves today, where attempts are made against the political choice of the people.

Mr. Speaker, in our political system the fact that five, six or twenty members of the Social Credit Party of Canada sit in the House is basically a transitory phenomenon on the political level, just as it is for 60, 80 or 120 members of the Progressive Conservative Party, but the way these five, six or ten members of the Social Credit party are treated in the House is concrete evidence of the respect and consideration the government has for the right of the people to elect their own representatives. The fact that the Progressive Conservative Party acted that way in this affair came as no surprise since it has always despised the Quebec voters and still does. This is certainly unfortunate but needs not be proven any more. The fact that no Liberal noticed anything is just an exchange of courtesies.

I am upset and concerned to see the reaction of the New Democratic Party which, for some years now, has been sitting next to us as a third party. I can still hear the warnings given by that exceptional parliamentarian, Mr. John Diefenbaker. In 1958, after his overwhelming victory, he recommended that a member from the CCF should sit on the select committee although it only had eight representatives in the House. And I want to pay tribute to the hon. member for Timiskaming (Mr. Peters) because he is not merely a New Democrat, he is a democrat. Socially speaking, Mr. Speaker, our country is divided region against region, province against province, Francophones against Anglophones. And in the last years they even managed to exacerbate the tensions among those who first settled here.

● (1410)

And these are not the only problems. In the area of technology and science, Canada is one of the countries which depend most on the importation of knowledge in order to progress. Once we become aware of the direct impact of higher productivity on the growth of the gross national product and once we know that higher productivity is directly proportional to the increases in scientific knowledge and technical know-how, then we suddenly realize that two American companies, IBM and GM, are spending more on research and development than we do in Canada at any level, either private or public.

Mr. Speaker, that is the situation in the social, political and scientific fields. Such is the state of our country. A country showing a deficit in every aspect, facing bankruptcy, socially divided, depending on other countries for technology and capital, a country where basic liberties are gradually eroded. We must analyse the government program with this situation in mind.

The speech is not moving any more. It is unfortunately poor, sad and meaningless. It is in keeping with the preceding attitude—talk problems away and try to solve everything through another series of programs. It is a mistake, for the problem is internal. It is through what was omitted that this speech is important. In the economic field, where the government has the budgetary, fiscal and monetary powers, we might rightly have expected a policy presenting the phases of the Canadian takeover of our country. We might have expected a policy establishing phase by phase and sector by sector the withdrawal of this intrusive bureaucratic government which in trying to solve every problem is depriving us of everthing. We might have justly expected a fiscal policy providing for more justice and the sharing of government revenue sources, a less backward fiscal structure, the abolition of the fiscal privileges enjoyed by the rich people.

Mr. Speaker, during the last 10 years the portion of fiscal revenues paid by corporations has constantly diminished and the portion paid by individuals continually increased. Knowing the strictly regressive nature of the fiscal system for individuals in this country, a change would certainly have been appreciated. When we realize that the monetary policies favour only the great lending institutions, we can see who is really governing, who has the real powers. Are the powers vested in this House, in the Canadian Parliament, or have they been transferred to some other authorities? We will be able to check within the next few days, few weeks or few months where is the real power in the country, and to know whether those who have been elected by the people have the real power or if those who had the power in the past have handed it over to others.

We would have liked to hear at least one political statement announcing some measures against inflation, this scourge of modern society which is extraordinarily profitable to banks and other loan companies which always benefit from indexation. On the question of energy, Mr. Speaker, we would have liked to hear whether the government is going to follow the tripartite recommendations following the studies made on the tidal power program of the Bay of Fundy and is ready to give impetus to the building of a tidal power station generating electricity in the maritimes in order to reduce the cost of petroleum and dependence on it as a source of energy in this important area of the country. We would have liked to hear that they were going to launch an important study on the fantastic energetic potential of the Mackenzie Valley, so that the western provinces do not depend any more on petroleum and gas for their primary energy, as these are non-renewable hydrocarbons which have an efficiency of 38 to 40 per cent only.

We would have liked to hear that they are ready to study the possibility of finding replacement energy sources other than petroleum, electricity or methanol, which are needed for our transport in order to reduce our oil consumption by 50 per cent.

But no, nothing—a collection of used clichés repeated ad infinitum as if isolating ourselves from the reality of those problems in a distorted price structure by repeating the same pious wishes was very simply going to exorcize them. I heard the Liberal party talk about Petro-Canada as if Petro-Canada was supposed to be the energy policy, as if only a government corporation was to be the energy policy in itself. May we be permitted to ask ourselves serious questions about the seriousness of such statements and assertions.

Mr. Speaker, in the political area where liberties are flouted, in a political context where institutions are being questioned in their very foundations, the government does not announce anything. Not even intentions. As to the liberty of access to information legislation the least we can expect is that it will at least match the one that exists in the country to the south.

We would also have expected the electoral respect for rights and liberties to be maintained because that is the measure of a country. That is, Mr. Speaker, the price this country is starting

to pay for the erosion of the liberties that characterize our society.

I strongly urge this government to reflect on this question—it is easy for them. They only have to read over the speeches of their former leader, that great advocate of liberties, the Right Hon. John Diefenbaker. And with respect to relations between provinces, regions or with the various groups in this country, we would have expected to see new measures. After the aggressivity and the confrontation of the former Liberal government we get silence. We need a clear statement of the manifest intention to stand by the rights and liberties of people, groups, cultures so as to eliminate in this country politicians who live on our national and cultural, economic and social differences, those merchants of equality who are only sowers of economic ruins, budget and trade deficits and bureaucratic controls.

I am concerned about the silence in the speech in this respect. I hope this is not an indication on the part of the government that it has managed to appropriate too, after others, the theme of some "national unity" as a palliative to the real problems, a cure-all to incompetence, as a way of getting power, with only the forms being different. In the scientific and technical area, we would have also expected a specific statement indicating what percentage of the GNP would go to research and development. But again, nothing on this subject. There should be a desire to capitalize on our specific assets, a concern to develop and to further the knowledge and the technology in areas where we have a natural advantage stemming from the very nature of our country, its size and its resources, program aimed at making us world leaders in the following areas: transport and communications, petrochemistry, forestry biomass, oceans and fisheries, food industry, mining technology, electro-metallurgy and electrochemistry.

Mr. Speaker, I realize, to my great surprise, that I am a citizen of the second largest country in the world, with the biggest per capita reservoir of natural, agricultural and marine resources in the world, and that the major leaders of this country are either politicians without any vision or impostors trumpeting that ever foggy notion of "national unity". I have to admit that this narrow vision has now touched upon the domain of external affairs, which was not the case before, and I compliment the previous government for this. I am forced to admit that our foreign policy in regions as important as the Middle East is determined by electoral considerations. We are about to discard thirty years of patient diplomatic work in these countries. I am forced to see and to deplore that the aid we will be providing to poorer countries will be based on criteria of profitability. Mr. Speaker, one can measure the greatness of a man or a nation by its attitude toward the poor and the weak. The recent policy statements made by the present government are a sad thing. We are going backwards. Smallness is becoming a virtue in the second largest country in the world.

[Mr. Roy (Beauce).]

Before ending my remarks, Mr. Speaker, I would like to say a word on the amendment motion submitted by the Leader of the New Democratic Party (Mr. Broadbent). We have made known and repeated our position on this precise point. We have even made public, on September 9, the document in which it is clearly explained. We said, and I am referring to the news release, the official document of our party, dated September 6, that Petro-Canada would have played its role in the negotiations with the producing countries if it had become necessary. It was our position at the time. We will not discuss it again. But I would like to add that before doing anything with Petro-Canada, the new government will have to give us a complete statement on its energy policy. On this subject, after extensive discussion and consideration, the members of my party have adopted this attitude which we do not intend to change. Before anything is done with Petro-Canada, we will have to know in precise terms the energy policy of the present government.

Mr. Speaker, it is not too late to make a wise decision and to develop the means. I am almost finished, Mr. Speaker, if I may ask for one more minute—

Mr. Deputy Speaker: The easiest way would probably be to obtain unanimous consent; I am sure that hon. members will allow the hon. member for Beauce (Mr. Roy) to finish his remarks.

Will the House allow the hon. member to complete his remarks?

Some hon. Members: Agreed.

Mr. Deputy Speaker: The hon. member for Beauce has the floor.

Mr. Roy (Beauce): Thank you, Mr. Speaker. I will be brief and that is no electoral promise.

Mr. Speaker, it is never too late to take good decisions and to formulate efficient and drastic measures. It is very important to take up the future's challenge and that is why, in concluding my first speech in the House, I call on parliamentarians of all parties, and particularly on those who bear the responsibility of governing the country, to act with statesmanship. Mr. Speaker, you can count on my collaboration and on that of my colleagues of the Social Credit party. We are determined to fight and to work towards the achievement of a political ideal which will enable all the inhabitants of this great country to benefit from an economy of abundance in the greatest respect of their dignity and freedom.

● (1420)

[*English*]

Mr. Bill Wightman (Parliamentary Secretary to Minister of Labour): Thank you, Mr. Speaker, for recognizing me so early after the speeches by the Prime Minister (Mr. Clark), the Leader of the Opposition (Mr. Trudeau) and the Leader of the New Democratic Party. I am grateful, albeit a little awed, to follow those distinguished parliamentarians. May I also thank the Prime Minister for his expression of confidence in naming me Parliamentary Secretary to the Minister of Labour.

Some weeks ago, Mr. Speaker, I took the opportunity to tell you in a personal way how, as a member of the televiewing audience, I had come to admire the manner in which you perceived and discharged your responsibilities as Speaker of the previous Parliament. Today, as a new and untried member of Parliament, I am pleased to have this opportunity to express those same sentiments both formally and publicly.

The tenor of your opening remarks reflected the kind consideration extended to new members by all members of the House of Commons staff, and however long any of us are permitted to serve here I trust we will never forget the importance of the role played by those good people.

You have reminded us in the House of your dependency on the good will and support of all members. I would want my first undertaking as a parliamentarian to be in the form of an assurance to you that I will endeavour to meet the standards you have outlined. Should I falter I have no doubt that you will correct me, and I only hope that any faltering on my part will not belie my fundamental respect for all members of this House. Neophyte that I am, Mr. Speaker, it seems to me that the mutual respect we must have for one another in this House flows from the fact that, regardless of political affiliation, we have a strong common bond drawn from the fact that each of us is privileged to represent a constituency of fine people whom God has blessed with Canadian citizenship or Canadian residency.

Perhaps those outside Canada would wonder why we are loath to refer to anyone as a "typical Canadian". As Canadians speaking one to another our reluctance needs no verbalization, because to be a Canadian is to be aware of the wondrous diversity of this land and of our quiet pride in it. The concept of *mon pays* and, indeed, *notre pays,* is central to what differentiates us from the rest of the world.

I was pleased by the manner in which the throne speech made reference to the many communities in Canada. The prior concerns of the people of Scarborough West are for their homes and families, and rightfully so, for the home and family constitute the basic building block of any society. It is understandable, too, that their next concern should be for the immediate community, for it is in that context that most of the day to day relationships with others are experienced. However, sir, let no one misguidedly think that the people I represent lack a sense of that larger community which is Canada, and let no one be mistaken as to their love for Canada and all of its citizens.

That underlying love and concern for the nation always comes through in my conversations with the people of Scarborough West, irrespective of the issues we may be discussing or the mood of that discussion. The issue may seemingly be local, such as with railway grade separation, but the underlying concern is for the safety of our children. The issue may be the erosion of the Scarborough bluffs, which also is seemingly local, but the concern is for the preservation of the natural beauty of this country as well as for the very real threat that is posed to the homes of some of our people.

In Scarborough West the idea of government encouraging individuals to decide for themselves the direction their lives should take is welcomed, as are the attempts by the federal government to create an environment which is most appropriate to the achievement of those goals. If it be dogmatic to hold to the belief that this is the proper function of government, then so be it. Put me down as a dogmatist.

Let me for a moment, if I may, relate the concepts of the less pervasive role for government and of enabling people to realize their own aspirations, and let me relate those concepts to the field of labour-management relations.

Incidentally, Mr. Speaker, I was surprised yesterday when the Leader of the New Democratic Party concluded a 40-minute address without having made reference to the Canadian Labour Congress or the Public Service Alliance of Canada from which his party draws heavily for its financial support. Nor do I recall specific reference to the working people of Canada, who comprise a constituency for whom he sometimes purports to be the sole spokesman.

Before my entry into politics I had the intense satisfaction of working co-operatively with the president of the Canadian Labour Congress, the executive committee of the congress, and the executive council of the Canadian Manufacturers' Association in an effort to identify some of the areas wherein representatives of organized labour and management could find agreement. Everyone involved in the exercise took a realistic attitude born out of personal experience. We were under no illusions as to how much we could expect to accomplish. By the same token we were convinced it was in the national interest for us to put aside temporarily those issues wherein agreement was unlikely to be found and, instead, focus our attention and energies on those issues, or portions of issues, where agreement was likely. It was our hope that we might assist the Government of Canada in its policy-making decisions by identifying for the government these areas of common ground.

● (1430)

The result of that effort was a submission to the then prime minister of Canada, now the Leader of the Opposition, signed jointly by the presidents of those two organizations. To our knowledge it was the first time in the history of the CLC and the CMA that a joint submission was made to the Government of Canada. The points made in that submission might have seemed unimportant or insignificant to some, but they were of

consequence to the authors, and of even greater consequence, in our view, was the fact that a common understanding had been reached irrespective of the import of the specific issues. The fact that the specific recommendations were in large part ignored was not as disheartening as the lack of encouragement for our efforts.

The throne speech emphasizes the fact that this government is committed to consultation rather than confrontation. I see in the totality of the throne speech a thrust which recognizes that consultation, to be productive, must take many forms. One of the most important forms could be bilateral discussions between organized labour and management if it is the will of the parties of interest to enter into such discussions. I would want to emphasize the latter part of that statement because labour and management in Canada should understand that if they decide to take such an initiative the government will view its proper role as being to facilitate their efforts, not to dictate to them.

Some hon. Members: Hear, hear!

Mr. Wightman: It seems to me that this is a time for healing in the field of labour-management relations as much as any other aspect of our national life. It is a time for recognizing the practical limitations of collective bargaining and the reality that progress may be necessarily slow. But surely on the occasion of this newly constituted government, it is also an occasion when we can start from the presumption of a clean slate in terms of the relationships between government, labour and management. I say this notwithstanding full recognition of the particular dispute going on at the Montreal port. We dare not ignore the past, but for the present it seems to me that we can start from an assumption that the parties aspire not only to the common good of Canada, but to the respect and confidence of each other. Nor is it too much to expect the parties to recognize that just as the accommodative process of collective bargaining requires mutual understanding, respect and confidence can only come about as a result of mutuality of effort.

Finally, Mr. Speaker, may I turn to the subject of Petro-Canada. Some of my constituents have expressed concern over the question of security of oil supply, and rightly so. Yet they have been quick to accept that the Government of Canada has every bit as much authority as Petro-Canada to deal with the question of supply. Many of them want a major Canadian oil company owned by Canadians and they want Petro-Canada kept as a strong, operative company.

If my understanding is correct, I can assure my constituents and members opposite that these are precisely the concerns which we anticipate that the task force will address and meet in the context of the report soon to be submitted to us. Moreover, the task force report notwitstanding, they are precisely among the concerns which this government will address and meet.

Given our commitment and given that these two concerns are central to the statements made yesterday by the Leader of the Opposition and by the Leader of the New Democratic Party, it would appear that these concerns are being met. However, if it is the view of the opposition that Petro-Canada can only be owned by the government and not by the people of Canada, at that point we part company.

Yesterday it was suggested that on this issue the Prime Minister is marching to a non-existent drummer. I want to assure this House that on this issue, as on the range of issues dealt with in the throne speech, I hear the same beat. I march gladly and proudly with the Prime Minister of Canada, not only because I am convinced that it is in the best interest of Canadians to do so, but because I suspect that the beat we hear is not so much a drum beat as the heart beat of a nation.

Some hon. Members: Hear, hear!

Mr. Lloyd Axworthy (Winnipeg-Fort Garry): Mr. Speaker, as the roll call of people introducing themselves into this throne speech begins to accumulate, I am very pleased that you have occupied the chair when you did so that I may be allowed some small nuance of original tact to introduce myself; and may I be the first, sir, to compliment you on your election to the position of Deputy Speaker. I know that you will provide the same kind of conscientious, careful watch over this House as does the permanent Speaker.

I must confess at this juncture to being a little nervous, having listened to the debate regarding the recognition of the Social Credit party. It brings back recurring nightmares of my previous state in life when I occupied one of the more exclusive associations, being the only Liberal in the Manitoba legislature. I can say that if the hon. member for Beauce (Mr. Roy) thought he had trouble getting recognized, he should try getting an office once in a while; then he will know that he is in real trouble. However, I do strike a sympathetic chord for his concern about the necessity of ensuring that, no matter how small the number in a party, it is in many cases the ideas and principles that one represents that counts. We in our group certainly have no hesitation or compulsion in recognizing the right of the Social Credit members to speak their minds.

I would like to pay my respects to the mover and seconder of this motion. They set a very high standard of elocution and commitment which all of us who are in the freshman class will find it difficult to measure up to. I must confess to being somewhat intrigued by the interesting discussion of the hon. member for Erie (Mr. Fretz) as he weaved in and out of a very fulsome praise for the orchard trees of the Niagara peninsula speckled throughout with fulsome praise for his leader. I do not know what position the hon. member took in the last Conservative convention, but I am not sure whether he was more in favour of the flora or the fauna in this case. I think that he was trying to send out a political signal for all of those to read.

I would also like to pay my respects to the Prime Minister (Mr. Clark) although he is not in his seat. He was kind enough to single me out yesterday, but probably his misguided jab is an indication of what we can expect in the future, that he is partly right and mostly wrong. He is partly right in saying that

one of my ambitions as a member of this party is to be mindful of the future, but I would suggest to him that that is the golden objective of 113 Liberals. The definition of being a Liberal is to be concerned with the future.

We are not worried about how our own leader is concerned about the future but about how the leader of the government is concerned about the future. That is our concern. I would only remind the Prime Minister of the scripture that can be borrowed from the Book of Job. Being one of the few Liberals from western Canada I would remind him of the story of the messenger who came to report to Job that his cattle were stolen and his barns were burned and who said that he alone had escaped to bring the terrible news. I am one of those who escaped to tell the Prime Minister the terrible news.

● (1440)

May I begin by recounting a story that was fairly common in the Manitoba legislature. One of the legends that was handed down through a succession of premiers told of a defeated premier who handed his successor three envelopes, saying that he had kept the envelopes on hand for such a contingency. He told the new premier to use the envelopes very carefully at times when his government found itself in real trouble. It was not very long until that happened. When the new premier opened the first envelope it contained one simple message: "Blame the previous government." Mr. Speaker, this government is obviously in serious trouble already because it has already followed that advice.

It was not too long before that government got into trouble again. The premier opened the second envelope and found the message: "Blame the other levels of government." That seemed to be good advice and he followed it. I suggest that the new government opposite is very close to doing the same as it tries to work out an agreement on oil prices. I think we can expect to see the first minister of this land saying, within a week or two, "It is the fault of those other fellows."

It was not too long before the government in the story found itself in trouble a third time. The new premier opened the third envelope. The message was again very simple; it read: "Start preparing three envelopes." I suggest to you, Mr. Speaker, that this government is very close to the necessity of preparing that third envelope for itself.

I had intended to follow the tradition followed by the mover and seconder of the Speech from the Throne debate of describing to members some of the glories and virtues of my constituency. That would be especially appropriate at this time as Winnipeg has become a favourite place to hold meetings. I am afraid that if I were to begin to describe the conditions in the province of Manitoba and my constituency, however, hon. members opposite would find the discussion a little sobering, and I would not want to depress them or shake them from their present state of euphoria.

For the last few years Manitoba has been suffering a very strange and debilitating malady called "conservative government"; in fact, some people have called it a severe case of cirrhosis of the government organ brought about by an extreme case of conservatism. Others have called it "Lyon's fanatic syndrome". The symptoms are very clear—economic anemia, stunted growth, impairment of the faculty to listen, political constipation and a lack of the will to move, to make decisions or to lead. For those who may be more clinically minded the statistics tell the story.

Since the Conservatives took over in Manitoba the province has had the lowest growth rate of any in Canada. It has lost more people in out-migration than at any time in the last 13 years. It is the only province in the country with an absolute decline in population. There has been a constant decrease in the amount of health and social services available to the poor and the elderly. This is all done in the name of this new religion that is seizing the land—this new religion called privatization, or restraint, or restructuring, or neo-conservatism—call it what you may. I had hoped that once the election was over we could quarantine that disease within the province of Manitoba. I thought that the Conservatives wanted to experiment and might damage a few provinces, but surely would not try to do that to the whole country.

During the summer there were some signs that certain ministers began to pick up that same strange fever that was all too common in Manitoba. I thought that the President of the Treasury Board (Mr. Stevens) had probably taken a side trip to New York and had seen the Broadway show called "Sweeney Todd" and, being very current and fashionable, had applied to himself the title of "Mad Slasher of Wellington Street". I thought this might be part of the new philosophy and new theology that we have to apply, though I felt that those erstwhile characters called "Red Tories" would prevail and be able to restrain their more exuberant right-wing colleagues. In this I was wrong, for the throne speech shows very clearly who won the day in the Conservative caucus. It is not the Progressive Conservatives; it is the regression conservatives who are running the show with this government.

This suggests a basic unwillingness to look at the issues of inequality and social injustice in this country and an equal distrust of government as a positive, effective force to right those kinds of wrongs. It is all right for them to fool around with that particular, curious malady in the provincial context, but when they begin to prescribe those same medicines on a national scale the implications become far more serious.

As I read the throne speech and listen to hon. members opposite speak on it, I am reminded of a line from the play "The Rainmaker" which dealt with the evangelical preacher who was so busy preaching what was right that he forgot what was good. That is the problem with the Conservatives in this country, Mr. Speaker; they are so busy preaching what is right that they forget what is good.

I was particularly struck by the line in the Speech from the Throne which said that we can have unity in diversity. That may be true, but I would ask the government if you can have unity in depression. Can you have unity in disparity? Can you have unity in divisiveness, because that is what the tone and content of the Speech from the Throne indicates?

The clear, underlying threat in the document before us in this debate is that this is a government that intends to govern for only part of the people—the powerful and the privileged. If you happen to be weak, this government has nothing to say to you.

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

Mr. Axworthy: There are some throw-away lines in the speech, Mr. Speaker. The government promises to study some of the problems of the aging. I think Parliament is turning into one big study session. For all their antagonism towards academics, the government seems to have a proclivity for getting back to the classroom. I suggest these studies are simply throw-aways. We do not need them. The real issue and the one they are not prepared to face is how to share economic costs and benefits among individuals and groups in this society. It is very clear from the throne speech that they are loading up the costs and limiting the benefits.

In his introduction the hon. member for Erie said that this is a government that wants to free people in order to enhance liberty. That was a high-sounding phrase but he forgot the other part of the corollary. He neglected to say that liberty also comes when you begin to knock down social and economic barriers, not build them up as has been done in the Speech from the Throne.

There are millions of people in this country who are forgotten people; they are ignored, neglected and even spurned. This government does not speak to them, Mr. Speaker; all it does is build the barriers higher and create deeper divisions.

As an example, I should like to refer to a cornerstone of their economic policy, the jewel of their proposals, the campaign springboard that swung them into victory. I refer to the mortgage credit plan. The Minister of Finance (Mr. Crosbie) has said that this will benefit 3,300,000 people and give them a stake in the country. He has said that it will stimulate jobs and bring wondrous benefits. I would ask him what program benefits the other 40 per cent of the people in this country who rent accommodation. They receive no direct benefits whatsoever under this plan. If I understood the minister, he defended the program by saying: "We did not promise them anything so why should we care about them?" In other words, the whole equation of the government is that they only care about those to whom a promise was given and everyone else can be forgotten.

When we examine the housing needs in this country, Mr. Speaker, we see that the full pressure of cost is spread across the whole spectrum of society and is felt more keenly by those who are renters. Let me give some examples for members opposite. How can members of Parliament from Edmonton go back there and tell renters they are being ignored when 41 per cent of the tenants and renters in Edmonton must pay over 30 per cent of their income for accommodation and only 15 per cent of the home owners are in the same situation? For the city of Winnipeg, 39 per cent of renters pay over 30 per cent of their income for accommodation while only 12 per cent of home owners do. Now I come to the city of Toronto; 25 per cent of Toronto renters pay over 30 per cent of their income for accommodation compared to 13 per cent of home owners. By that kind of logic, if you are really trying to serve those in need you try to assist those who are in the greatest need. Obviously something has been forgotten in this plan.

• (1450)

Let me now look at the position of the elderly in Canada. Sixty-five per cent of the elderly own their own homes but only 6 per cent of the elderly hold a mortgage on those homes.

An hon. Member: The tax credit will help.

Mr. Axworthy: The member opposite says the tax credit is going to help. It is $67 next year. His government will be responsible for an oil price increase which will raise his heating bill by $200 to $300. That is not a very good trade, Mr. Speaker. That is what you call a Tory bargain—$60 for $300. If that is the way the pie will be cut, members over there will not be around very long.

We heard a lot about women in the throne speech. The problems of women are to be studied. But what about women who come under the mortgage credit plan? Does the government realize only 8.5 per cent of women in this country have homes with mortgages? The average income for women is only $2,300 compared to an average for a male of close to $13,000. With those figures none of them will be eligible for the full benefits of the mortgage plan.

What about the regions, Mr. Speaker? Is this a program that fits the regions equally? How can this consensus building be justified when it is found out that some provinces are treated far more unfairly than others? I want to see the first minister at his first conference explaining to the Premier of Quebec that while that province has 27 per cent of the population, only 18 per cent of the benefits are received under this great mortgage credit plan. The same thing holds true in the maritimes.

Perhaps we should talk about those who have the most serious need. I refer to the low income earners in society. For accommodation 51 per cent of senior citizens pay over 30 per cent of their income, 51 per cent of single parents pay over 30 per cent of their income, and 37 per cent of single and attached people pay over 30 per cent of their income. Those are the ones who are having trouble with housing costs.

It was not for lack of thinking. A cabinet document has been prepared by officials. They said "You can solve the problems. You can have a tax credit plan and a shelter allowance too for about the same cost". It was not for lack of proposals or prescriptions, it was for lack of commitment and lack of caring.

I have a proposal. The first minister was very kind to us all in the opposition. He said, "Come up with a good amendment; show us something that makes sense and we will accept it." I will give him something that makes sense. Let us include a

shelter allowance as part of that credit plan. Let us do something for the tenants in this country. Let us do something for those in real need. Let us attach a shelter allowance to that tax credit program. Let us show how much members really care. That seems to me to be a fairly logical sentiment. It is one that we have talked about and urged upon this government. I say adopt that proposal, Mr. Speaker, and they will have our support. If they do that it will be the first time the government will show that it is not trying to divide society but instead trying to spread the benefits around.

The problem with this particular program is not only who gets immediate benefits, it is also what we are giving up for the future. The Prime Minister says he is very concerned about the future. How can he be concerned about the future when it is foreclosed? It is foreclosed by committing an expenditure of $2.3 billion or more, totally using up all discretionary income and having nothing left in the purse for any other programs. If someone comes along and says he is concerned, as many Canadians are, about the problem of safety in the streets, what does this government have to offer? Nothing. The money has been spent. Perhaps someone will come along and ask if we can do something for public transit, and we ask the question what can we do to help get better transportation in this country? But we find there is nothing left in the till. We have foreclosed the mortgage. We have spent the money. We have locked ourselves in to the commitments for the future and we have nothing left.

A commitment has been made, Mr. Speaker, and these people do not know how to get out of it. They are going to wriggle and wrangle, and in the meantime the only people they will hurt are the people in this country. To conclude on that note, if they have not gone far enough, they are designing a program that is unequal in its benefits and illogical in its economics; but they have decided to give the *coup de grâce*. Now they are talking about getting rid of Central Mortgage and Housing Corporation. They are not satisfied with simply using up all the money in housing, they are going to get rid of the very agency which the federal government has used to make sure that there are proper programs for social groups across Canada. This is all in the name not of any logical reason, but in this new theology, this new religion, in the name of privatization. You develop a certain blindness when you become so concerned about what is right that you forget what is good. There are many other examples that one could use. For instance, the cutbacks in Canada Works which has led to serious unemployment problems; the UIC cutbacks, all in the area of picking on those who are least able to defend themselves.

An hon. Member: The Liberals started it.

Mr. Axworthy: I want to spend a moment or two on what is an even more surprising betrayal, to my mind. It is surprising and perhaps ironic. It is a real betrayal of western Canada by this government. It is surprising because this has been the basis of its support for so many years. Western Canadians for their own reasons have said, "We believe the Conservatives will serve our interests". The benches are full of members from western Canada. We have had Tory MPs who have made careers out of lambasting Liberal governments for their neglect of the west. We have a very clear case now of western Canada being on the verge of a major economic breakthrough, and this government is going to pull the rug out from under its feet.

We have talked a lot in this House about the issue of Petro-Canada, but the one thing that we have not talked about is what it means to western Canadians. Petro-Canada is the largest Canadian-owned oil company. Not only is it the largest, it is the only one located in Calgary and it has 2,000 employees. All the rest of the big multinationals that members opposite are giving up are located in the east. It is the only oil firm that has invested millions in research and development of new technologies in liquefied natural gas and in drilling in the Arctic. This research and development gives western Canada the opportunity to develop new technology that can be applied throughout the world. But who is selling it off? It is those western Tories who are selling it off. They are the ones who are betraying their own region and giving up on it.

I want them to go back and explain that kind of betrayal. This is the first time the opportunity has come to develop an economic institution which has its roots, foundations and activity centred in western Canada and which can provide an enormous stimulus for various independent western Canadian businessmen. Let me give just one example. One of the rules Petro-Canada works under is that it has a 25 per cent reserve on Crown lands. Its practice in the past was to take that 25 per cent reserve and allocate it to the small independent oil exploration firms in western Canada because they could not afford the upfront money that the big multinationals could provide. They have asked those small independents to form consortiums and they give them the Crown land reserves. They are the ones who for the first time in a long while are being allowed to come into the Arctic development, the Newfoundland development and the other forms of oil development in western Canada. It is Petro-Canada that is enabling them to develop a brand new business class in western Canada. Yet this government is pulling the rug out from under their feet. We have a direct economic betrayal of the best interests of western Canada in their action on Petro-Canada, and they will pay a heavy price for that kind of betrayal.

• (1500)

It does not stop there. With regard to oil pricing there is a danger that one province will be set against the other over who gets the benefits from the oil price. This country cannot long survive if there is an increasing disparity between the have and have-not energy provinces. If this government allows the price of oil to go to the present world level it will pull $460 million out of the economy of my own province of Manitoba, and we cannot survive that kind of reduction. If this first minister thinks he is going to get Peter Lougheed to agree to some other distribution, he has been reading the wrong newspapers and the wrong speeches, because Mr. Lougheed has said very clearly that he is not interested in that kind of distribution. He

wants the benefits to stay in one province and one province only.

The opportunities in western Canada to put that capital to work are enormous. It makes one shudder to think of the way we have allowed that money to sit idle for so many years and to think of what we could be doing to improve our transportation system, to modernize and electrify that whole transportation system in western Canada to move our grain to ports and increase the productivity of our grain resource, which will be here long after oil is gone. Yet we allow huge amounts of capital to sit idle because we are not prepared to work out agreements on proper sharing and distribution.

Mr. Lougheed says he is not interested in a resource bank and not prepared to negotiate such a proposal. We need that kind of capital to ensure that there is an opportunity for other forms of resources in western Canada to grow, prosper and flourish. I refer to hydroelectric power and water irrigation which are designed to upgrade the ability of that part of the country to make its resources work for Canada. However, we are not going to get them by the kind of shilly-shallying we have now. Someone has to take the initiative and speak for the entire country. There must be an assertion of a strong national interest because that is the best solution for westerners.

We often hear that same interesting question many of my colleagues heard in the early sixties when they were asked, "What does Quebec want?" Many eastern Canadians and central Canadians are now asking, "What do western Canadians want?" Unfortunately, all too often the answer comes back in the tones of parochialism and provincialism as expressed by provincial premiers. They mutter away about protecting. They go into a fetal crouch to protect what is theirs. However, there is not a monolithic attitude to those issues in western Canada. The premiers do not speak for all western Canadians in taking that attitude. There is a tradition of reform in western Canada, a tradition of seeking a national interest as seen in the activities of Liberal premiers like T. C. Norris in Manitoba and in the writings of John Dafoe which exemplify a sense not only of national interest but also international interest. They were not small minds with shrinking values. They did not pull themselves in. They did not engage in a form of regional narcissism wherein they looked at their own images and said what was best for them. They had a vision of how the strength and resources of regions could be used to work to the benefit of the entire country.

The Prime Minister says we should not be afraid of giving the regions too much power. No one is afraid of giving the regions too much power, but the Prime Minister, as a sometime student of history, should know that there must be a balance between the regions and the centre, and that if the pendulum swings too far, the centre folds. We are going through that very period now. There is no other federal country in the world which has allowed its regions and provinces to become so decentralized and so powerful as we have in this country. It is time to right the balance, to bring it back into equilibrium and to begin to assert that only a national government speaking with a national voice can encompass the full flow of energy and resources to work for our totality.

Provincial boundaries are too limiting for the great tasks this country needs performed. We cannot ask provincial premiers, even those who are legitimately saying that they want to serve our interests, to broaden their scope. Their constituencies are their provinces. It would try the highest values of statesmanship to say "We want you to be great friends and neighbours to the provinces three or four to the west or east of you". That is why we have a national government.

However, as we lop off and give away piece by piece the federal presence, and as we hold 40-minute meetings and blithely walk out with a little grin and say "We just gave away the offshore resources today, what can we do next?", surely we are eroding and ripping apart the ability of this federal government to speak for an entire country.

The western voice which will be heard in this House is not one of parochialism and provincialism. It will try to seek a broader national interest and represent those westerners who see things in a different way from the westerners opposite.

In closing, let me remind the House of the words of another good Liberal, John Stuart Mill, when he said that we have far more to fear from the weaknesses of our enemies than from their strengths. He said that it is the task of an opposition to challenge those weaknesses for the sake of the country. It is a welcome challenge to challenge the weaknesses of the new members opposite, and judging by what we have seen so far, it is a very big job. I can assure the House that the group on this side is up to it.

Some hon. Members: Hear, hear!

Mr. Duncan M. Beattie (Hamilton Mountain): Mr. Speaker, it is a great pleasure to be back in an old home of mine. This is where I belong.

First, sir, I would like to commend and congratulate you as Deputy Speaker and as Chairman of the Committee of the Whole. I commend and congratulate also the hon. member for Erie (Mr. Fretz) and the hon. member for Cardigan (Mr. MacDonald) for the excellent presentations they made on the Address in Reply to the Speech from the Throne.

I am indeed fortunate in being able to represent Hamilton Mountain. I say this with all sincerity because I was the recipient of only 42 per cent of the popular vote. But I will tell this House and my constituents in Hamilton Mountain that I will be constant in my duties and do the best I can for the benefit of Canada in general and my constituents in particular.

As I mentioned earlier, this is not a new experience for me. I was here before, in the Twenty-ninth Parliament. However, this time I sit on the right side of the House, so it is a new experience for me in that regard.

I suppose Hamilton Mountain could be termed, in political terms at least, a swing riding, but I do not see why that should mitigate against my doing a responsible job. On the contrary, I

think it makes us all the more cognizant of the mood of the peoole of our ridings and of Canadians in general.

From Mountain Lookout the visitor enjoys a scenic panorama with miles of residential and commercial development in the foreground. In the middle distance is the heavy industry of Canada, the third most important manufacturing city and the home of Canada's two largest steel mills, the whole framed by the dramatic and exciting Burlington Skyway in the background. Front and centre in Canada's golden horseshoe area, Hamilton sits at the strategic west end of Lake Ontario.

It is indeed an idyllic setting for a city. But the natural beauty also gives the city a number of geographical advantages. The advantages of location, harbour and the escarpment would shape Hamilton's commercial and industrial future. It is located at the junction of two great waterways, the United States Mohawk-Hudson and Canada's first inland highway, the St. Lawrence River.

Hamilton Bay is an ideal harbour. It is protected by a sand bar sheltering it from the rougher waters of Lake Ontario. This protective harbour saved the British Navy and perhaps Canada from the Americans during the War of 1812 when the navy slipped into the harbour. Some suggest we have a navy in Canada which is disappearing. I am sure our government will be doing something about that.

The escarpment on the mountain itself has been an asset. It was formed by glacial deposits on the receding of the ice age. The sedimentary rock of shale, sandstone and particularly limestone provided necessary raw materials for industry. With all these natural assets one might say that a city at the end of Lake Ontario was inevitable, but one would not have predicted a city with the vibrancy and diversity of Hamilton today. These geographical advantages were used by past generations of Hamiltonians to make it Canada's industrial giant, as well as the second largest city in Ontario, producing 60 per cent of the nation's steel, which in turn is responsible for Hamilton being the third largest port in terms of tonnage in Canada.

● (1510)

It is against such an economic backdrop that Canada's two largest steelmakers, the Steel Company of Canada and Dominion Foundries, are pushing ahead with significant increases in capacity. In 1978, Dofasco brought into production its new steel-making shop which represented at that time the largest single capital investment in that company's history. But this project, important as it was to Hamilton and to Canada, was dwarfed in an announcement by the company last week of a new mill, the construction of which is to cost $350 million. And just six months from now, Stelco will pour the first steel at its Lake Erie development, in an expansion program which is the largest single venture in the history of the Canadian steel industry. So even in these times of economic troubles I am proud to say that Hamilton, the ambitious city, is holding its own.

There were, however, problems with respect to getting help from federal governments in the past; hopefully, there will not be the same difficulty in the future. There is, for example, the question of seaway tolls so central to keeping these giants of industry expanding and keeping Canadians working. I might refer to the blatant discrimination of seaway tolls as they pertain to bulk cargo vis-à-vis general cargo. There is also the matter of a commitment made by the previous government—nothing final has yet been determined—concerning funding for an important expansion project in Hamilton harbour.

We also have an airport, of a sort, in Hamilton whose 215,000 movements a year—215,000 movements, yes—placed it seventh in the whole of Canada, ahead of Mirabel, Windsor and Winnipeg, just to mention a few. The city of Hamilton has been clamouring for the last ten years for expanded facilities, improved runways, better lighting and navigational aids. In 1973, as a member of Her Majesty's loyal opposition, I asked a question regarding the expansion of Hamilton airport and was told a decision would be made after the completion of environmental studies. Mr. Speaker, six years later I find they are still studying the environment. At this point we know the habitat of every bullfrog and reed in Wentworth county but still no decision has been reached. Can anyone question the attitude of some Hamiltonians who claim they work hard all year and ask where it gets them in terms of promises from government? To copy a well-known television advertisement, they get it in the back, the neck and God knows where else. Am I asking too much when I press at this point for a decision which would eliminate the atmosphere of uncertainty surrounding this extremely important project? I think not.

Hamilton, I might add, is a city destined to grow and prosper, an ambitious city. It might well be termed a city within a city, because as is the trend in most metropolitan areas many workers live in the suburbs and commute to work. Today, 30 per cent of the population live atop the escarpment, hence the term "split level city" and the name "Hamilton Mountain" for the constituency which I proudly represent. So part of the area could be described as a bedroom community for the city proper and is highly cosmopolitan, its population made up of many ethnic groups. These new Canadians, through their activities and by reason of their heritage, add colour and depth to the city's cultural fabric which does much to build a sense of co-operation and understanding among all the citizens. Hamilton is a richer community as a result and is a microcosm of Canada in this regard.

I am proud to say that Hamiltonians were in the vanguard of Canadians who contributed time, effort and money in alleviating the plight of Vietnamese refugees. As one of an earlier group of boat people I know how grateful we all are to Canada for granting the opportunity to build a new life in this great nation.

Having said this, I should like to add a few words of comment. One gets the impression at times that anything but blind acceptance of present immigration policies as they relate to refugees is to be viewed as being in poor taste. But if there are valid questions to be asked—and there are—not all of them are being asked by racist, red-necked crackpots who lack compassion for those less fortunate. There are some questions to be asked pertaining to racial balance or imbalance and I do

not think they are all being asked by racist, red-necked crackpots. There are two sides to this important question and I believe each should be listened to.

On a more serious note, the possibility exists that there will no longer be a Canada to open its doors to anyone if we do not resolve our internal disputes. What does the future hold for Canada and Canadians? I listened to the former prime minister talking yesterday about famous Liberals and to the Prime Minister (Mr. Clark) talking about Sir John A. Macdonald. I should like to go back to Georges Etienne Cartier, one of the founding fathers of confederation and a favourite of mine who, when asked what he thought was going to happen, said "We are going to build a new nation and a new nationality". Sir, Cartier meant that this country would be Canada and that the nationality would be Canadian. We cannot settle for anything less than that.

We must divorce ourselves from those who conveniently forget that Canada was created despite the great problems of geography. It has been held together for more than 100 years by the free will, determination, courage, tolerance, understanding and sacrifice of the vast majority of citizens in every province. Anyone who would seek to gain political ends by provoking one part of the country against another must accept a very grave responsibility. Surely, it is the duty of every member in this House to promote Canada as a country unrivalled in its opportunities for freedom, security, wealth and equality. I am convinced that the will and the attitude of the people of all the provinces will determine whether these two great benefits, opportunity and equality, are to be destroyed, whether our nation is to break up in separate packages. For my own part, I subscribe to the theory presented on provincial equality and national unity by A. R. Kirby, who proclaims that Quebec knows, just as all of Canada knows save for a wilfully self-blinded but influential few, that the constant placation of *la belle province* for these many, many years is not because of our respect for its culture, the so-called "French fact" and so on. The core of the truth is that we are scared stiff of the alternative to what we recoginize as our present Canadian unity.

I believe Quebec knows its identity and its destiny, or thinks it does, which amounts to the same thing. Some other provinces may also have reached the same point. What this country needs now is not the grovelling, snivelling, sentimental plea of appeasement which only insults the dignity of Quebeckers and tramples whatever shreds of our own dignity that remain. Instead, we need the quiet self-assurance and courage which enable us to say: "This is who we are, and this is where we are going. If you think your interests will be best served by staying with us and sharing the journey, you are welcome to be aboard. We will be happy to have you. We would be lost without you. As you see, we respect you and your wish to preserve your heritage and your cultural identity. However, if you decide to come with us, we expect reciprocal respect from you for the many languages and cultures which exist in the other provinces."

[Mr. Beattie.]

Mr. Speaker, culture should not have to be propped up to controlled. Culture, like religion, is a private matter and will survive according to the devotion of its own adherents, not by false and abrasive artifices. Thus, in genuine mutual respect we can go forward in search of a future we have voluntarily sought as partners, rather than as cohabitants unwillingly bonded only by our fears.

● (1520)

I was delighted to hear the word "individual" permeate the throne speech and to hear the word "opportunity" in the speeches of some hon. members following that. I say this because I believe "individual" and "opportunity" are the two key words in the Canadian system, a sort of Canadian ideal, if you like. In my opinion, the most beaten up word in the Canadian system is "equality", mentioned by the previous speaker. All over this country I have seen people trying to translate the word and make it mean something else. By the wildest stretch of the imagination the people who founded this country, the founders of confederation, never expected everyone to go up the ladder of success the same distance. But they must have the opportunity to go as far as the next individual, and as individuals they have the right to put their foot on the first rung of that ladder and to go as high and as far as their ability, their willingness to work and some breaks will take them. When you have that in Canada, you have guaranteed opportunity; and when you have opportunity in Canada, then you have equality.

I think that is the least we can do for our people, and I think it is important that we at least recognize that fact rather than adopt the gloomy outlook of some of the members of the opposition that this government will destroy the Canadian system in, my goodness, four months! The danger, as I see it, is that we will be unable to transmit the system to future generations, not just this government but all of us. To put it another way, the system will not fail us but some of us might fail the system.

Today our country is facing big problems, but then which country is not? Most Canadians are bewildered by these problems, used as we are to constant growth, regular productivity increases, an unlimited supply of natural resources and social benefits. But occasionally one gets the impression that those who maintain that the world owes them a living are going to win. On top of all this, everyone seems to be blaming everyone else for this turn in our fortunes. While I agree that we may be faced with difficult times ahead, I cannot see anything being gained by encouraging the growth of a feeling of defeatism. The problems that must be dealt with call for a sense of confidence, a sense of hope and a spirit of courage and determination to succeed. We must refuse to let the odd setback interfere with our long range goal of a united and prosperous Canada.

The method of achieving this goal brings me to the story of a great Canadian. I am indebted to Kenneth Bagnell for this story. In one of Pierre Berton's recent and vivid books "My Country" there is a story of Samuel Hearne, from the same

province as the former speaker, a man whose life was filled with risk, who stands in contrast to the mood of many people of our own generation who seem given more and more to caution, hesitation and second thoughts. Hearne was a magnificent risk taker. In 1769 when he was 24 years old, he set out on foot on a trek of 4,000 miles across the hard and lonely land from northern Manitoba to the shores of the western Arctic in search of a fabled copper mine. Hearne was almost completely inexperienced. Along the way he was robbed once, he had to turn back twice, and toward the end of the expedition he witnessed a massacre of helpless Eskimos. In the end there was no copper mine. His journey took seven years 24 months and seven days. He managed to produce, despite the ordeal, a journal en route that is a classic to this day. Hearne's real contribution, writes Berton—

—was his close and accurate description of the Chipewyan and Dogrib Indians, the flora and fauna of the country through which he travelled and his willingness to adapt to native ways, which set the pattern of Arctic survival for generations.

It is obvious that the days of that special kind of risk, one man pitted against the elements, have passed into history. But in recent years, among many of our people there seems to be a growing awareness of risk of any kind. With few exceptions, our generation is making a high virtue out of caution. Some who recognize this claim that it has grown out of despair, specifically American despair brought on by the assassination of leaders, the ordeal of Vietnam and the disgrace of Watergate. That gloom, I suggest, has touched all of us, for if the morale of such a close neighbour is lowered, it is natural that our own will be affected.

The causes for the timidity around us, however, lie beyond the recent American past; they are historic and worldwide. They may be the result of a century that has been disappointing, of wars that were futile, alliances that were doomed and dreams of world brotherhood that did not materialize. Beyond these, there has been a disappointment in science which has not cured all our ills, in education which has not solved all our problems, in political promises made but not fulfilled. This series of frustrations, one after the other, has created a climate in which it is easy to retreat, to lose the willingness to venture.

It is not hard to find reasons for prudence, to set aside the old maxim "nothing ventured, nothing gained" and to replace it with another which sounds just as wise, "nothing ventured, nothing lost". This passive and defensive mood is reflected, in some ways at least, in the growing trust we give to the opinions of people we call futurists, recent professionals, often commanding large fees, who tell us what lies ahead, so that the risk of experiment and adventure are diminished.

Now, in the field of economics in which issues are growing more and more complex this care may be necessary and wise, but when it becomes the philosophy by which people live so that courage is replaced by caution and energy by inertia, then life is lessened and generations to come are defrauded. Some of the hesitation about making a bold decision or setting upon a new course arises out of a fear that we may make the wrong decision or take the undesired course. While this may be a natural inclination, it is nonetheless weak. Too many of our organizations, business, labour and government, are kept from reaching their high ambitions because within them are men and women who, when called upon to make an adventuresome decision, waver because they are frightened of being wrong. They misunderstand.

Thomas Edison, it is said, once experimented over many months without success. Someone working alongside him sympathized, saying that it was too bad to have to work so hard, so long, without results. "But", Edison said, "we have a lot of results. We now know 700 things that don't work". Samuel Hearne was sent, in one sense, on an expedition that was a mistake. There was no copper to be mined on the rim of the Arctic and the fabled Northwest Passage of which his employers dreamed was of little value. His chief findings, as Pierre Berton notes, were negative but they were nevertheless meaningful.

Nothing could be more wrong than for people to believe that the prevalent mood of retrenchment is acceptable, for the main trouble with an attitude of retreat is that it feeds on itself and becomes self-fulfilling. People who go on the defensive, whether in relation to the future of our country or the future of their own lives, find it more and more difficult to change their attitude and to take new initiative. There are people, of course, who have given up, who believe that the signs of the times are so ominous, populations exploding and habitable land decreasing, that it is naive to expect man to hold on to courage and to act in constructive and creative ways.

This, however, is not what history has shown, for in both nations and individuals the great contributions to history have always been in the midst of circumstances that were, on the surface, far from conducive. We have a choice. A discouraging time can bring paralysis or stimulus. That was clearly the case in the light of one Nathaniel Hawthorne who travelled a difficult road before he found the key to triumph. Hawthorne wrote a sentence significant for all whose dreams are temporarily at bay. He said:

An individual must keep faith in himself while the incredulous world assails him with its utter disbelief.

I have people say to me once in a while, "How do you defend taking strong stands on things and having strong convictions?" I have reached the point now of telling them that I have spent all my adult life trying to reduce my ignorance. I have gained a body of knowledge from people here and from people who have preceded me. I am not ashamed to say that occasionally I go to the source of all truths, the scriptures. I have a way of life now which kind of works and I can defend it.

● (1530)

I ask my fellow members how we are going to convince our Canadian brothers about the great equality of opportunity which exists in our country today, opportunities magnified in a united and prosperous Canada, if we do not have the courage of our own convictions. It will take courage, a special kind of courage. However, I have travelled this world and I have studied history and I can simply find no great contributions

made by those of placid faith and cringing courage. Only those with abiding beliefs are the ones who look ahead of the time and make any imprint in history. We must give people something that endures.

My plea today is for us not to rob our generation of the power which comes with simple abiding belief in oneself and in one's country. The capacity for that kind of belief and courage is not something a country or its leaders can set in motion, the way it can set in motion controls upon wages and prices. Our people must be encouraged to rediscover their natural gifts, their human gifts and their true potential, realizing at the same time that there is no heavier burden than a great potential. Also they can be asked to remember that their country has achieved its character in the face of great odds and continues in spite of great difficulties, and they can be reminded from time to time of their abiding strength.

Donald Alexander Smith who drove the last spike on the CPR said:

> Canadians have always stood for courage and unconquerability. They have the muscle, the wholesomeness of life, the strength of will.

It should be clear to all of us that we have already entered into Canada's most critical period. The wisest among us cannot predict the outcome, but we know we have the resource to face it and to see it through in constructive ways. What all our people need now is a renewal of our confidence in the human spirit and its reach. In the end that may matter more than anything else. Mr. Wilfred Grenfell said the following:

> It is courage the world needs, not infallibility. Courage is always the surest wisdom.

Like enthusiasm it is contagious. It must be kept on display. But we cannot kindle the fire of courage and enthusiasm in the heart of another human being unless it burns brightly within our own. That fire burns in our bellies or we would not be here. It is transferable. We must reach the hearts and the minds of people who would despair in the sordidness and cynicism of our times, individuals who look to us for help, leadership and a display of courage which will keep this great country of Canada united and prosperous.

Some hon. Members: Hear, hear!

[*Translation*]

Mr. Jean Lapierre (Shefford): Mr. Speaker, I would like at the outset to extend to you my sincere congratulations for your nomination. The fact that hon. members designated you a second time to sit in the chair in spite of the present circumstances is a proof of your impartiality, efficiency and wisdom. I also want to congratulate the two movers of the address and assure the hon. member for Cardigan (Mr. MacDonald) that as a part of a new generation of members of the House, I am just like him dedicated to keeping the country united and strong.

It is a privilege and a great honour for me to make this first speech in the name of the people of the riding of Shefford who, after having been represented for more than 11 years by a member of the Social Credit Party of Canada, have come back to their long time Liberal tradition. I hope that this tradition will be kept for many years. Following the footsteps of parliamentarians like Huntington, Parmelee, Boivin, Leclerc and Neveu is for me a very important challenge and I hope I will take it up successfully.

Let me thank most heartfully my constituents of Shefford for the confidence they have put in me, and I want to assure them of my most assiduous devotion and of my determination to defend their interests in the House. According to the tradition, when a new member of parliament makes his maiden speech in this House, he does his best to describe the beauty and the charm of his constituency. I would like to describe the beauty of the eastern townships, but since that beauty cannot be described, I would rather invite my colleagues to come and visit our beautiful region. If we consider the numerous visits that the new Prime Minister (Mr. Clark) made to our region in the last two years, we must conclude that the Progressive Conservatives did like my constituency but, unfortunately for them, my constituency did not like them.

● (1540)

To come to the Speech from the Throne, I must acknowledge that, probably because I am the youngest of all members, I was still deluding myself about the determination and the sensitivity of this new government faced with the problems which preoccupy Canadians in general and more particularly the voters in my constituency. Unfortunately, after having heard, read and read again that speech, I only feel bitterly disappointed. While the former government was called breathless, I call this one asthmatic. For me, to take over four months to prepare such a poor program of action is a sign of general weakness and asthma. As an example, I would like to recall the expectations of Canadian farmers since the May 22 election and show the inaction of this government.

Just a few days after the election, everybody was waiting impatiently for the appointment of that super minister of agriculture who was, according to what the new Prime Minister had said, to hold a very high rank within the cabinet, precisely in order to improve the status of farmers. What a disappointment it was for us to realize that the new Minister of Agriculture (Mr. Wise) was not even admitted within the closed circle of the most important cabinet ministers.

With the milk producers, I waited in vain to hear the announcement that there would be a drastic cut in cheese imports. With them, I have come to realize once again that the government does not keep its promises. With the pork producers, especially, I have been waiting for the energetic measures that were promised with a view to encouraging the sale of their products abroad. In that field, as in the others, our hopes were dashed. With the whole agricultural sector, I have been waiting for an increase in the funds allotted to research and development. There again, the government has changed its

mind. Mr. Speaker, those many commitments having been betrayed, I felt sure that the government was saving the best for the Speech from the Throne. But alas! The height of deception was reached when His Excellency the Governor General failed to even mention once the word "agriculture". Let me tell you that for a party that was supposed to raise the status of agriculture, this is a very discreet way of doing so.

Worse still, the government says it is prepared to introduce in the House a bill to help settle more quickly labour disputes under federal jurisdiction, whereas current statutes do allow the Minister of Labour (Mr. Alexander) to intervene into disputes that have been lasting for too long. I will give only one example: the dispute in the Montreal harbour. Farmers have been asking the minister to step in for many months now, but he keeps saying no and disregards their appeals. If this is how they raise the status of agriculture, then I deeply question the intentions of this government.

Mr. Speaker, although agriculture is a vital matter for the people in my riding, I would be remiss if I did not refer to other aspects of the Speech from the Throne which attracted my attention.

My age allows me to share the worry and concern of young Canadians faced by their job prospects, their future. That is why I welcome with pleasure, but also with a little reserve, the government's intention to create a youth employment secretariat. But I am afraid this could only be a new name for some old agencies. I hope the axe of the President of the Treasury Board (Mr. Stevens) will not prevent this new agency from playing a really efficient part in the fight against unemployment.

By refusing to earmark funds for the Canada Works program in my riding, this government has put a number of young and not so young people out of work. I hope that programs will be created as soon as possible to enable the idle but powerful hands in our society to join the labour market and thus contribute to building our country.

I am much concerned by the review of the Unemployment Insurance Act and I hope the government no longer intends to apply its discriminatory concept of variable benefits. I have already communicated my views to the Minister of Employment and Immigration (Mr. Atkey) and I hope he will take them into consideration.

Industrial development is also an important issue in my region and I urge the Minister of Regional Economic Expansion (Mr. MacKay) not to wait for his mandate to be extended by Parliament before reviewing the delimitation of areas designated for grants. The riding of Shefford must recover its status of designated area to respond fully to the challenge launched by the Prime Minister yesterday to build our country. I consider that change so important that I asked to meet the minister responsible to explain to him in detail the validity of our representations. I hope that my request will be favourably considered.

Another significant aspect for development and employment in our area is the proposed decentralization of the cartography services of the Department of Energy, Mines and Resources in the vicinity of Sherbrooke. That big project announced by the previous government has been shifted over to the "deferred" files in the office of the President of the Treasury Board. I speak now on behalf of my colleagues from the eastern townships to ask what this government intends to do now. I would say that I am relying now on the hon. member for Joliette (Mr. LaSalle) who holds the important office of Minister of Supply and Services, in the hands of the Progressive Conservative Party now, to inform us on the future of this project.

I also take this opportunity to comment on the now famous and unique speech of the no less unique minister of state for social programs, his address to the Fédération des clubs de l'âge d'or du Québec. Here is what he said to those people: "Our country can no longer afford to wander in the field of universal benefits and must concentrate its efforts on those who are the most in need without, however, jeopardizing its economy and the situation of those who depend on the present system."

These few words have caused much concern and insecurity among our senior citizens, because to question universal entitlement to old age security would be, in the eyes of many Canadians, a retrograde and anti-social move. I hope that the disappearance of the honorific title of this minister will result in the disappearance of this theory which would take away from Canadians the prospect of a secure future at the time of their retirement.

In closing, I join with my right hon. leader in asking the government to create a truly national spirit and to introduce programs which do not mean a shirking of all its responsibilities. Nothing in the Speech from the Throne shows the coherent vision of tomorrow's Canada that my colleagues and myself in the official opposition can offer to our fellow citizens of Quebec for the referendum. We do not believe that the Utopian feelings of this government, which can lead it to believe that there can be any spirit of co-operation between a central government and a government of secession, could promote the cause of federalism in Quebec. This attitude of neglect towards separatism will certainly be compensated by the energy and the vigour with which we, on this side of the House, intend to fight this battle.

Finally, Mr. Speaker, I hope that the government party, in view of its extreme fragility, will be willing to accept a few of the suggestions made by the opposition and show some realism in the best interests of all Canadians.

[*English*]

Mr. Fonse Faour (Humber-Port au Port-St. Barbe): Mr. Speaker, I feel quite honoured today to make my first speech of this session. It is not my maiden speech and I guess you could say that I am a member of that small "class of '78",

having arrived here about this time last year. It is a fairly short time since I made my own maiden speech. I should like to congratulate the mover of the motion before us and the seconder, as well as those other new members who have spoken on this motion in respect of the throne speech.

It is always a very significant occasion when an hon. member makes his maiden speech, at least it was when I made mine in this House. I trust that for all of those new members this will be the beginning of an interesting and rewarding career. I was going to add the word "long", but perhaps I should reserve that for members of my own party.

I should also like to congratulate those hon. members who have returned here. It is interesting to note how the composition of the House has changed. It is interesting to see different faces opposite at this time.

My comments today will present a perspective from my point of view of Atlantic Canada, with emphasis on my own riding and my own province of Newfoundland.

Before commencing those comments I should like to present my own impression of what I have witnessed in the House in the last few days, those few days the House has been in session since the election. I find it astounding that two parties have basically changed positions in the House and seem to have reversed themselves in terms of policy as well. It is incredible that the former opposition party, now the party in government, is promulgating policies and programs it criticized not more than five months ago. It is equally incredible that the party on this side of the House to my right, which was the government only five months ago, is criticizing the present government for proposing the same policies it was implementing five months ago.

Some hon. Members: Oh, oh!

Mr. Faour: It is perhaps a fact that I am a little naive, Mr. Speaker, being still a relatively new member, just having a little less than a year in the House under my belt. Perhaps it is naive to think that political parties are supposed to stick to their convictions. If that is naiveté, Mr. Speaker, I hope it remains with me for quite a while.

My comments today about Atlantic Canada have been prefaced by the comments of the former leader of the opposition, now the Prime Minister (Mr. Clark), when he stated during the election campaign that regional development would be at the very centre of national policy, whereas under the Liberals it had been given secondary importance. That is a very significant commitment by the Prime Minister to the people of Atlantic Canada. For many years we in Altantic Canada have had a problem in making our presence felt on the national scene, and certainly in making our presence felt among those in the government of the day, in spite of the fact that as members of the government, whether Liberal or Tory, there have been and are many from Atlantic Canada. Over the past years the Atlantic region has just not had a voice or input into the program and policies of government, a voice and input needed by the Atlantic region in order to make it a contributing part of this country we call Canada.

In that regard I was encouraged by what the Prime Minister said before the election, that regional development, in particular Atlantic development, would be a priority of this government. The government has only been in power for four and a half months but they have already reneged on that promise. Their record has been dismal in that time in terms of placing priority on regional development and Atlantic development in their programs. The Department of Regional Economic Expansion is supposed to be an instrument of government policy for furthering the development of the underdeveloped regions, in particular the Atlantic region. But how can the Prime Minister say that it is a priority of his government if the minister responsible for DREE is not even within the inner cabinet?

● (1550)

The throne speech places regional development in the forefront as a concern of the government. I do not claim that in that speech the government was listing its priorities, but it would be nice if regional development were listed as one of the five priorities of the government. But their record of the past four odd months has shown otherwise and in fact regional development is not a priority of this government. The Atlantic region can expect no more from this government than they received from the previous government.

The government has not pursued a policy of full employment. Although the Atlantic region has the highest rate of unemployment in the country, there has been no real attack on this particular problem. All that the government has proposed, and it is all that we have heard about in the media over the last four months, are cutbacks, spending restraint, privatization and so on. The government seems to feel that by spending less the unemployed in Atlantic Canada will somehow go away, that maybe they will go to some other country or another part of Canada. However, the problem will not go away just by the government wishing it away.

Positive action must be taken, but in the past four and a half months not one new job has been created by this government. There has not even been a review, a study or a royal commission formed to study the particular problems of the Atlantic region. The only review affecting the Atlantic region in particular was done by the Department of Employment and Immigration, and it was not of a positive nature. There was no review of programs to create jobs or economic development. What we had was a review of to what extent the government should further attack the unemployed in the region.

Specifically that review, that restrictive document issued by the department, called into question and asked for a review of the entitlement of seasonal workers, fishermen and others, to unemployment benefits. There was no discussion at all of jobs to alleviate the unemployment problem in a positive way. There was no discussion of what these people will do if they are disentitled to unemployment benefits, people such as workers in the fish plants and in the tourist industry. The guiding light of this government has been a slavish adherence to the dogma of "spend less". Any first-year economic student would

tell them that that policy is foolish, but I will pursue that area a little later.

The government expressed its commitment to regional development in April during the election campaign, but how has this been expressed over the last few months? One needs only to look at the negative effects of their spending restraint policies since that time. As I mentioned before, the biggest problem in economic terms in Atlantic Canada is unemployment.

I have here the statistics on the unemployment rates of a few months ago. The official unemployment rate for Newfoundland was 18.8 per cent, 14.3 per cent for Prince Edward Island and 13.4 per cent for New Brunswick. If those figures are contrasted with the western provinces, for example, Alberta was at 4.9 per cent, Saskatchewan at 5.8 per cent and Ontario at an unemployment rate of 7.4 per cent. Statistics Canada confirmed what we had known all along last year when they came out with the concept of hidden unemployment. If one looks at the hidden unemployment figures for the Atlantic region, the rate jumps to 32.9 per cent in Newfoundland and 27.3 per cent in Prince Edward Island.

Those particular figures only tell part of the story. Let us look at the job availability statistics in the region. Whereas Alberta had over 64 jobs for every 100 residents age 15 and over, the maritimes average only 44 jobs. In terms of the unemployed there were nine jobs for every 100 people unemployed last year. Nothing has been done to solve the problem at all. Instead the government has embarked on another systematic attack on the unemployed.

I say "another" because the Liberal government initiated the first attack last fall. The Liberal government introduced Bill C-14 last fall, which amounted to a vicious kick to the unemployed. Present government members opposed that bill quite strongly, but where are they now? The present Minister of Fisheries and Oceans (Mr. McGrath) is across the way, and he said during the debate on the bill that it amounted to a kick in the gut to the unemployed. We agreed with him. At that time we were arguing the same side of the issue and we felt that priority should be given to fighting unemployment, not the unemployed. We felt that unemployment was the enemy, not those of our constituents who happened to be without jobs. They were not the enemy.

Some hon. Members: Hear, hear!

Mr. Faour: The government of the day looked quite inept and stupid when it tried to rationalize the changes by saying, in effect, that the unemployed were there through their own fault. I have no doubt that the present government will look just as inept and stupid when it tries to rationalize the proposals they are putting forward. We in Atlantic Canada know that people are unemployed through no fault of their own.

The Tories agreed with us last year on that point, but they do not seem to agree with us quite so strongly now that they are the government. They opposed the bill last year quite strongly. When the present minister of fisheries was merely the hon. member for St. John's East, he made this comment in the committee on labour, manpower and immigration on November 21, 1978:

> —the fact is that the damage has been done and that damage is going to result in severe injustices in areas of high unemployment, specially in the province where we come from, and that to me is the travesty of this bill.

That was the attitude of the minister last year. This year his colleague, the Minister of Employment and Immigration (Mr. Atkey), is presenting proposals in the same vein. In fact, he has enacted a portion of that bill which went unproclaimed until after the election.

Mr. Benjamin: Where are you when we need you, Jim?

An hon. Member: Fishing.

Mr. Faour: It was not only members of the NDP who opposed that bill at that time. Another member of the Tory party, the hon. member for Cumberland-Colchester (Mr. Coates), who was also the president of the national Tory party, said at that time that the Liberal government was attempting to tinker with the unemployment insurance scheme on the backs of the unemployed in Atlantic Canada. That was their attitude then.

After making such comments last year it would be natural to assume that this party once in power would take these views with them to that side of the House. I do not understand what it is about this side of the House. It seems that the opposition has a conscience and understanding of what the real problems are, but it seems to leave that conscience over here when it crosses the aisle. And now the new party in opposition has picked up the conscience.

An hon. Member: Sinclair Stevens and Bay Street are deciding policies.

• (1600)

Mr. Faour: It does not make any sense to me to say that the President of the Treasury Board (Mr. Stevens) and Bay Street are deciding policies for Atlantic Canada, where the results are absolutely tragic. After May 22 when the Tories became the government, they forgot about their concern for the unemployed in Atlantic Canada and proclaimed this very regulation that they had fought. And as if that were not bad enough, they then reviewed the entitlement of seasonal workers, fishermen and so on. No job-creation programs have been presented nor have any proposals for economic development been presented, but there have been plans to cut back on benefits for the unemployed and other underprivileged people in the country.

The Speech from the Throne referred to other cutbacks under the guise of streamlining spending. It is amazing how sweet words like "streamlining spending" can camouflage for weak minds the havoc that is wreaked on individuals by an insensitive government. Mr. Speaker, this government is dedicated to a mindless pursuit of a mindless ideology. It is obvious that it is no more a friend of the unemployed than was its predecessor. This new review will make it an even greater enemy of the unemployed.

Some hon. members opposite are from the Atlantic region and I know they appreciate the problem. Frankly, I do not understand how they can rationalize their membership in that party. Hon. members opposite from other regions of the country would do well to visit communities in Atlantic Canada to see the beauty down there, to enjoy the friendliness and hospitality of the people. At the same time they could see what this type of policy means to individual Canadians there and to the children of workers caught in this bind.

In the debate on this issue last year I said that it would mean cold homes and hungry children. Mr. Speaker, I have just completed a tour of my riding and I can see that there are going to be cold homes and hungry children this winter because of the regulations promulgated by the Minister of Employment and Immigration. If the government pursues this policy, 8,700 Newfoundland fishermen on the south coast of the island, on the west coast of the island and on the northeast coast of the island—not counting the number affected in the other three maritime provinces—will be placed on provincial welfare rolls.

I will return to the original thread of my comments today, Mr. Speaker, which is to ask if this is what the government regards as placing a high priority on regional Atlantic development. If it is, I am certainly glad they have not placed a low priority on it.

The government's attitude of restraint at any cost does not make sense when applied to the economic situation in Atlantic Canada. When the Minister of Finance (Mr. Crosbie) was a member of the opposition and the House was debating Bill C-19 in November, 1976, he said:

> It is beyond my comprehension how any government can restrain expenditures in an area of the country which has an unemployment rate of 13.9 per cent.

It was lower then than now, Mr. Speaker. He continued:

> It is, in fact, positively cruel and inhuman for any government to apply a restraint policy equally across this country as though every section of it is the same. It may be a policy of restraint that is quite apt for provinces like Ontario, Alberta or Saskatchewan, perhaps, where there are now high employment figures, but it is not proper to apply it blindly to Newfoundland which has an unemployment rate of almost 14 per cent.

At that time the unemployment rate was only 14 per cent in Newfoundland but today it is 18 per cent. This leads us to ask why a restraint policy must now apply holus-bolus across the board to Newfoundlanders and Nova Scotians as well as to Albertans and people in Saskatchewan. This appears to me to be contrary to the expressed promise of the Prime Minister for Atlantic regional development. He seemed to place a high priority on such development. This would seem to me to mean special policies tailored to individual areas of the country, particularly the Atlantic region.

As an aside, Mr. Speaker, I would remark that hon. members opposite at least seem to be demonstrating some interest in the plight of Atlantic Canada by their presence in the House today. When I look to my right to the Liberal benches, however, I see only three members. If this is a demonstration of their interest in the Atlantic provinces, it is no wonder that the party to which I belong is on the increase in Newfoundland and Nova Scotia. It is also probably the reason for the lack of action during the last 16 years under a Liberal government. The Tories cannot take any consolation from that, however, because for the past four and one-half months they have not stayed with the ideas and policies they presented while in opposition.

As I pointed out, when the Minister of Finance was in opposition he stated it was madness to apply this type of policy right across the country without making exceptions for areas such as the Atlantic region. Yet that is what is happening right now. The Atlantic region is caught in the bind imposed by this cutback mentality, this restraint program that is affecting the lives of Canadians all over the country. In Atlantic Canada it will mean more unemployment and hardship, especially this winter.

During the election campaign the Prime Minister stated that regional development would be a priority of this government, but its over-all policy has turned out to be to the detriment of Atlantic Canada. When we examine some of the government's programs on the national level it is easy to see how disastrous they will be for Atlantic Canada.

The leader of this party questioned the Minister of Finance this morning on the matter of interest rate hikes. This will further depress the already depressed economy of the Atlantic region. If this policy creates problems in the stock market in Toronto it is easy to imagine what a problem it will be for consumers, small businessmen and fishermen in Atlantic Canada. It strikes at the heart of economic activity all over the country. The government has not seen fit to introduce programs designed to alleviate the effects of interest rate hikes. The problem presented to Atlantic Canada in this respect is even greater than that presented to the rest of the country, yet the government has not produced any offsetting programs for that area.

The whole thrust of the government's policies has been to exclude the Atlantic region. The biggest plank in the Tory platform in the last year or so was first mortgage interest deductibility, and later a mortgage tax credit, but that totally bypasses Atlantic Canada where over 70 per cent of the people are ineligible. In the final year of the program the government will spend over $2 billion, yet it not only has minimal effects in the Atlantic region but has already been cancelled out by the interest hike. How does a government that stated regional development as a high priority justify this type of expenditure? I will be interested to hear what the government present on this subject in the next few months.

Another area of cutback that will have serious impact in my part of the country concerns the moneys that were allocated to the development of small craft harbours for fishermen through the Department of Fisheries and Oceans. Hundreds of fishermen in my riding and that of the hon. members from Cape Breton will be affected. I would be interested to know why no allowance was made for this industry which is so crucial to the Atlantic region when the government has a stated policy of regional development as a priority. It is imperative, particularly in Newfoundland where harbour development has been

behind the other Atlantic provinces, that the priority attached by the Prime Minister to regional development be demonstrated in this area. We are not getting that. We are getting the "happy hacker from Bay Street". His influence and effect is being felt in every fishing harbour in Newfoundland and in the maritime provinces.

● (1610)

In this particular area many projects are needed and many more need to be completed. There are thousands of fishermen depending on this particular program for their livelihood. In these areas the Tories opposite are showing themselves to be carbon copies of the Liberals on this side. They are continuing to implement Liberal-Tory policies and promises that have detrimental effects on the Atlantic region, and they are continuing to pay only lip service to regional development in the eastern provinces. That is obviously all that the former leader of the opposition, now Prime Minister, meant when he talked in the spring about placing regional development as a priority.

What areas can we suggest that the government work on? The Liberals' refusal to make a commitment to the steel industry in Cape Breton was one area, and the Tories seem quite reluctant as well. If the government would provide the economic leadership, this area has the potential totally to transform certainly the Cape Breton economy as well as the economy of Nova Scotia. We have seen no new initiatives in terms of ending discriminatory transportation policies in the region. There has been no departure, certainly on the part of the government, from the user-pay policy which was the philosophy of the former government.

An hon. Member: We know what happened to that government.

Mr. Faour: I hope the same thing is going to happen to this government fairly quickly too.

Transportation policy is the major tool that the government has at its disposal to stimulate development. We have seen nothing in terms of a study in the area, let alone some activity.

The other major tool is energy policy. The Atlantic region has the highest energy costs in the country. Not only does it present hardship for consumers, but also it has to have a stultifying and stunting effect on the growth and development in the areas as well. In terms of saying that regional development is a priority for this government, energy policy has to be right up there with transportation and fisheries policy for the Atlantic region. Energy policy is probably more important because it takes energy to run trucks, trains and fishing boats. So I say that energy policy is crucial yet this government has done nothing in terms of solving the Atlantic region's energy problems.

We have heard talk of energy self-sufficiency in 1990 and deals with Mr. Lougheed, but have heard nothing in terms of policies to balance the real problem which Atlantic Canada faces. To his credit, and I say this quite openly, the Prime Minister has agreed to provincial jurisdiction over offshore resources, unlike the former government. This is very important to the future energy requirements on the east coast. That is not the only answer. The granting of provincial jurisdiction has to be seen as part of an over-all energy policy for the region. There is no evidence at all that the government has even broached the question of a maritime energy policy. Not only that, but in terms of their disastrous policy concerning Petro-Canada, the long-term energy security of the eastern provinces is seriously threatened and undermined.

I am not going to go into detail about Petro-Canada. My leader has already done that in his reply to the Speech from the Throne. I would like to speak briefly about the particular concerns of the region with regard to the effect PetroCan has on it. Petro-Canada has been involved in the search for oil deposits off the east coast. It has been involved in the Sable Island discovery and in the Hibernia well off St. John's that was said to be so promising a few weeks ago. It has been involved in 80 per cent of the wells that have been drilled off the coast of Labrador. For eastern Canada our dependence on imported oil makes it imperative that Petro-Canada protect our interests. We need that corporation to do that.

We propose as well—and this has important significance to Newfoundland—that the oil refinery that is now in Newfoundland lying dormant at Come-By-Chance should be taken over by Petro-Canada. It makes common sense. There are benefits for Newfoundland and for eastern Canada. First, it will provide security of energy supply for eastern Canada. Secondly, that security of supply would provide security of employment for people in Newfoundland.

I am just about to end my speech, Mr. Speaker, and I know that my time has just about run out, but I do want to emphasize that Petro-Canada should be expanded in this area as a fundamental part of the energy policy in the Atlantic region.

The Acting Speaker (Mr. Scott, Victoria-Haliburton): Order, please. I regret to inform the hon. member that his time has expired. I have been very lenient with him but in order to continue he must have the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Mr. Faour: Thank you, Mr. Speaker, and I thank hon. members for their indulgence.

In closing, I want to appeal to the government opposite to adhere to the stated policy of the Prime Minister that regional Atlantic development would be a high priority for this government. It will not only benefit the provinces involved, Nova Scotia, Newfoundland, New Brunswick and Prince Edward Island, but it will benefit the whole country. If a region of the country is weak, then the whole country is weak. If a region is strong, then the country will be stronger for it.

Each province, each part of the country, must have the opportunity to receive all of the benefits of being Canadian. More important, we must have the wherewithal and the opportunity to be able to develop to the point that no longer will our hands be continually asking for handouts, but that we in the

Atlantic provinces will be able to make a net contribution to this land of ours. This is a high priority for me. I appeal to the government to maintain its commitment by giving Atlantic regional development a high priority so that all regions of this country will be able to say, "We are Canadian, we are proud of it, and we are prosperous as a result of it."

Mr. Lloyd R. Crouse (South Shore): Mr. Speaker, it is with pleasure that I rise to participate in this debate. It is a privilege I have enjoyed since I was first elected to Parliament in June, 1957.

I wish to congratulate the mover and seconder of the address. They gave a worthy account of themselves, and in my view they are a credit to the constituencies which elected them to this House.

I wish also to congratulate Mr. Speaker on his reappointment, which is an honour I believe he has earned and richly deserves.

● (1620)

I also wish to commend the Prime Minister (Mr. Clark) and the members of the cabinet on the quality of the proposals put forward in the throne speech, the first of a set of new proposals put forward by a Conservative government in, I think, 16 years. I believe the measures which have been earmarked for consideration reflect the careful thought and planning which took place between the dissolution of Parliament and the election of the new government. I believe that the legislation, when implemented, will be beneficial to all Canadians.

Unlike some hon. members who have already participated in this debate, I am pleased that the new government took a little extra time to prepare its legislative package. I say this because I have a long memory, and I well remember Canadians—and even today—suffering from the hasty actions of a previous administration, which hoped to be all things to all people in its planned "sixty days of decision".

Down Lunenburg way our oldest citizens have a saying which I suppose our forebears brought with them when they came over from Europe in 1753. It goes something like this: "The hurrier I go the behinder I get". So I hope that the careful, thought-out approach to our problems evidenced by the government will be the hallmark of this new administration.

While this year marks 112 years of parliamentary government in Canada, a record of which we can all be proud, it is worth nothing that a good friend and neighbour of Canada's is this year celebrating 250 years of parliamentary rule. I refer to the Commonwealth of the Bahamas, which celebrated this event with the opening of Parliament in Nassau on Saturday, September 29. The years from 1729 to 1979 have seen a tremendous evolution in the Bahamas not only in Parliament but also socially and economically. They have moved from a farming and fishing community to a tourist based economy with banking and finance becoming an important part of the economic life of the country. They also moved from representative government to responsible government and then to full independence from Britain. In 1967, although it cannot be said, strictly speaking, that it was a parliamentary change, the country experienced what we perhaps would call a quiet revolution when the white minority government was overthrown by a black majority government which was then instituted. This change, more than any other, showed the importance of the vote and the significance of ensuring that each adult person in the country be granted this important right.

I was privileged to represent Canada at the two hundred and fiftieth anniversary celebrations, and the interest taken in this event not only by members of the Commonwealth but by other countries as well was outstanding. From the minute you arrive in Nassau you cannot help but be aware of the fact that racial tensions there today between blacks and whites are non-existent. I view this as a tremendous accomplishment which we and other countries would do well to strive to emulate.

When we look at what is happening today in Cuba, for example, and review the statements made by the so-called non-aligned countries at the recent conference held in Havana, I hope hon. members will agree with me when I say that the Commonwealth of the Bahamas stands out like a bright and shining jewel in what is becoming a very troubled sea, the Caribbean, and the importance of this area will grow considerably in our immediate future.

As the struggle for power intensifies in the Caribbean, where it is now evident Communist forces are on the increase, especially in Cuba, it is a welcome relief to note the importance attached by the Bahamians to parliamentary democracy. This condition exists, I believe, because of the respect that is shown by the people to their elected representatives and to the church. They believe that of all God's creations, people are the most important. We are made in His image, and we have been given definite rights and freedoms. As part of God's plan we do not exist alone. We are placed in communities, and our orderly and just development and our prosperity and happiness must be the concern of each other. They believe that it is for this very purpose that Parliaments exist, to provide opportunities for orderly developments. It is for this reason that they respect parliamentary democracy and pledge themselves to its continuation in the future, upholding it in the face of all onslaughts.

I believe that a democratic Parliament has the right to expect the trust, respect and support of all its citizens. Parliamentary democracy cannot function satisfactorily unless it receives this support. By the same token, an awesome responsibility is laid upon members of Parliament. It is a position of great honour and dignity, and I submit that it must not be taken lightly. It necessitates a respect for traditions and for the ideals of the institution as well as a willingness to work and advance its future. It also necessitates a willingness to maintain a relationship with constituents and to take seriously their well-being.

Just as reasonable support of Parliament must be an integral part of its functioning and well-being, so must constructive criticism from the political opposition as well as from support-

ers of the party in power be accepted and expected as a vital ingredient of the democratic process. All human beings require constructive, objective evaluation in order to perform efficiently and effectively, and this is no less true of members of Parliament.

In many areas of the world today the democratic parliamentary process is under severe attack, or it is even being supplanted. This, unfortunately, is happening because Parliaments have failed to live up to their ideals. They have not provided opportunities for all the people they represent. A dissatisfied people will quickly seek that system that will fulfil its needs. Here in Canada I believe we must be especially concerned that all of our people have an opportunity for full human development, most especially in the fields of education and economics. Our system must make certain that opportunities for employment and medical care are available to everyone as far as it is economically feasible. Parliament, through its legislation and its influence, must do all in its power to promote the peace, unity and happiness of the Canadian people.

Divisions caused by language, race, colour, creed, geographical location or social standing, I submit, must never be supported. Within the democratic system there will be differences of political persuation. We see them right here in this House. But these must not be allowed to divide us permanently or to prevent justice from being carried out. From the very beginning Parliament has based its existence upon Christian principles as well as the principles of democracy and the rule of law. When these principles are abandoned the authority and the respect of Parliament will be undermined, and the rights and freedoms of individuals will be abused. The parliamentary government of this country has brought us this far, and it is my hope that the members of this Parliament who are deeply concerned and conscious of the fundamental rights and freedoms of all our citizens will work assiduously toward making Canada a just, united and prosperous country.

The throne speech, in my opinion, goes a long way toward accomplishing this dream, toward making it a reality. The proposals put forward truly represent a change of direction for Canada as we enter the 1980s. It is good for all of us to hear that consultation and co-operation will be the hallmarks of the new era. This will be a pleasant change, I submit, from what we have known in the past. We saw evidence of the type of consultation and co-operation which will exist when this Parliament opened on Tuesday. The time has come to reconcile our differences and to work together to realize fully our country's potential. By building for the future we can renew the dream of Canadian federalism. We can renew our faith in Canada. We can restore our pride in this country. We can be glad to stand up and say "I am proud to be a Canadian".

Some hon. Members: Hear, hear!

Mr. Crouse: In the throne speech this government is demonstrating that it is a government of compassion, for it proposes to extend spouse's allowances in circumstances where they are now denied. It will amend legislation respecting veterans, whose wants for all too long have been overlooked, despite the fact that they have made untold sacrifices on behalf of this country. It plans to establish select committees with the resources and powers necessary to inquire fully into the special needs of our handicapped and disabled citizens. One needs only to visit these people in their homes or in the senior citizens' establishments which have been set up across the country to realize that their needs are genuine and worthy of every consideration.

There could be no question that the greatest immediate challenge facing Canada today is to restore growth, confidence and jobs within the Canadian economy. This can only be done by the government and the people working together as a team. The government has pledged to reduce the load on the backs of Canadians through an expenditure management system within government which sets over-all spending limits on all ministers. I am pleased to see that in the throne speech because it was a proposal put forward by the present Auditor General, Mr. James Macdonell, during a period when I served for two years as chairman of the public accounts committee. It is a measure which is long overdue and should bring about great savings for the Canadian people.

This government plans to offer for private purchase and ownership those Crown corporations operating in areas where direct government intervention is no longer necessary. I think this is a good move for, as Conservatives, we believe that government should not be doing for the people those things people can best do for themselves.

Most important of all, we are going to establish sunset legislation, which will provide Parliament with a regular opportunity to judge whether government programs and agencies should be continued or phased out. As a Nova Scotian I have great respect for that type of legislation because it was in 1918 that Halifax experienced a great explosion, and it was only a few years ago that the mechanism set up to administer funds provided for those injured in that explosion was disbanded. This is what we mean by sunset legislation: examine these Crown corporations and agencies to determine whether they have a job to do, and if they have let them continue doing it; but, if not, disband them and save some of the taxpayers' money.

• (1630)

These moves are only a beginning. We believe individual initiative must be encouraged so as to generate growth and job opportunities. In furtherance of this aim, research and development will be expanded in Canada to promote the export of Canadian goods and services. To help the individual Canadian build a stake in this country we plan to establish a program of tax credits for mortgage interest and property taxes. This one measure alone will go a long way toward stimulating our housing industry while providing new job opportunities for young Canadians.

Unlike the previous speaker, I have read the Speech from the Throne through thoroughly, not once but a number of times, and I believe it gives special recognition to the needs of Atlantic Canada. I say this because it proposes to bring in a

white paper on the future of our fisheries resources prepared in consultation with our fishermen, a large number of whom the previous speaker represents and many of whom I represent. There is to be consultation with the fishermen, the fishing industry and the provinces.

As most members are aware, the fishing industry is of fundamental importance to Atlantic Canada and to the well-being of a large segment of our people. In my view, there are very few primary industries which at the present time offer opportunities comparable to the fishing industry. Given the right opportunities by way of licences, quotas and markets, for example, our fishermen are capable of doubling their present landed values in a few years. I hope the government when preparing its white paper on the future development of our fisheries resources will give careful consideration to all the problems which presently surround this important industry.

For example, there is a need for extended lines of credit at reasonable interest rates, something the Minister of Finance (Mr. Crosbie) will have to examine, to cover the present inflated interest rates brought on by the exorbitant spending of the outfit which was in power before we took over, as a result of which the cost of ship construction and replacement has risen to exorbitant heights. Provision of investment allowances or tax write-offs go a long way toward stimulating ship construction, and while this will be helpful to all classes of operators, the needs of our inshore fishermen as they apply to the construction of public marine works must not be overlooked. In order to ensure that value is received for money expended there must be close liaison with the fishermen and other users, as well as with provincial and local authorities, to ensure the most practical use of wharves, breakwaters, slipways and docking and handling structures. In some areas there are already adequate wharves but unfortunately, due to the action of the sea, they have become silted in and are usable only at high tide. So we have to consider whether further dredging is needed in order to make existing services usable.

I would also point out that it is not sufficient to consider expanding the fishing industry without providing adequate surveillance capacity over our marine resource areas, together with an adequate research and rescue capability to ensure the safety of our fishermen. I hope the white paper will deal also with the need for a better utilization of our shore and sea-based freezer industry and will consider its expansion. If more fish were frozen, processing plants could operate year-round, thereby providing additional employment. I submit we should also examine the need for developing freezer trawlers to preserve catches of presently underutilized species such as silver hake, argentines, offshore herring, mackerel and squid. With oil increasing in price almost monthly it makes no sense whatsoever for our fishermen to throw away these soft species, to throw them back into the sea, especially when they are incidental to a groundfishing operation.

In my constituency one enterprising fishermen has applied for a licence to build a 64-foot freezer trawler so that all the species of catches can be kept in A-1 condition prior to landing. When we talk of freezer trawlers we sometimes think only of huge ships 300 feet or more in length, ice-reinforced and operated on the Hamilton bank off the coast of Labrador. But there are other possibilities for freezer trawlers. It is possible to build a 64-foot freezer trawler and use half the hold for wetfish and have the other half equipped with a freezing unit so that any species caught as incidental to a cod-fishing operation can be put into the freezer section instead of being thrown back into the sea. Everything the fisherman has caught will be utilized and this, I submit, will be vitally necessary as the cost of fishing, especially the cost of oil, continues to escalate.

● (1640)

I submit that the building of these ships will go a long way toward rejuvenating our shipyards and the ancillary business connected with them, while at the same time providing new opportunities for many of our people. This type of program, coupled with the proposals to develop an effective Canadian merchant fleet, should spell the dawn of a new era for all shipbuilding in Canada, and of course this will be vitally important to Atlantic Canada.

It is gratifying to note that the government is committed to making Canada self-sufficient in energy by 1990. That is a start, of course. This government, under the leadership of our new Prime Minister, has already given to Atlantic Canada the right to royalties from any offshore oil and gas developments. We do not know at this stage what this means to our future, but I submit it bodes well for that future.

Due to Canada's national oil policy as announced in February of 1961, Atlantic Canada's energy supply was dominated by imported oil to an extent unequalled in any other region of Canada. In fact, in terms of net energy supply, imported oil accounted in 1976 for an 82 per cent share of our needs compared to 54 per cent in Canada as a whole.

While the problems facing the Atlantic region are apparent, there has been little regional agreement on appropriate solutions. One of the early projects of the Council of Maritime Premiers was the creation of a Maritime Energy Corporation which was supposed to adminster most aspects of energy development in the region. Established on February 16, 1979, after signing a comprehensive agreement covering, among other things, the development of Fundy tidal power, the purchasing of the Point Lepreau nuclear unit and a preferred federal credit rating on all MEC contracts, the whole agreement would now appear to have been scrapped by all parties. I hope, now that the federal government is in new hands and in light of the throne speech promise to stimulate and distribute energy in all its various forms, that we will soon see a reassessment—I direct this request to the new Minister of Finance—a new reassessment of the federal government's role as it applies to the Maritime Energy Corporation. I believe that the strengthening of MEC is important to the development and distribution of electrical energy in New Brunswick, Nova Scotia and Prince Edward Island.

We need it in order to stimulate tidal power beyond the pilot project presently proposed by the Nova Scotia Tidal Power

Corporation at Annapolis. The main purpose of the Annapolis project is to test a proposed new design of turbine which, if successful, will reduce the cost of the main Fundy tidal project by some 10 per cent. However, in my view too much time has already been wasted on studies of tidal power development. While I do not believe it is the final answer to our energy needs, we must utilize every energy source available to us in light of our over-all dwindling oil supplies.

In the past six years, our position has worsened and we are dependent on a few producing countries, not all of them friendly to us for various reasons, and on a thin line of oil tankers stretching half way around the world whose cargoes may not always reach their destination in Canada. This is why I say that Fundy must be developed. In fact, we must look at all possible energy sources. We have plenty of coal in Canada and those responsible for the development of energy self-sufficiency in Nova Scotia have indicated that there is a need for the opening of a new coal mine in Cape Breton.

Until this is done, our economic prosperity is endangered by constantly rising power costs. The opening of a new mine at Donkin is a measure that should be given the highest priority by the federal government, in my view. Even if a new mine were opened today, it would be several years before it operated at capacity. Our premier, the honourable John Buchanan, faces a very difficult problem at present. He is well aware of the need for the opening of a new mine in Cape Breton, and I hope, as I said a moment ago, that this project is given priority treatment by the government.

In addition to this, we must take a new look at the use of wood for the generation of electricity, and must re-examine our peat resources. Peat as a fuel for the thermal generation of electric power is an established energy form. In the Soviet Union, for example, peat-fuelled electric power generation plants have a planned capacity of 6,000 megawatts in 1980. By comparison, 5,225 megawatts of power are generated at Churchill Falls. Canada—this is a fact not generally known—ranks second in the world in terms of peat resources, having well over 23 billion tonnes at 44 per cent moisture, compared to the Soviet Union's 180 billion tonnes.

In the Atlantic region peat, for example in Newfoundland, is quite plentiful. About 17 per cent of the land surface in Newfoundland is composed of peat. The other Atlantic provinces, Nova Scotia, New Brunswick and Prince Edward Island, have about 10 per cent of their area in peat resources.

Despite the abundance of this resource, Canada's production of peat for its various uses is very small. In light of the high and increasing cost of oil, interest in peat is increasing, and it is my understanding that Newfoundland, Nova Scotia and New Brunswick are undertaking today active peatland inventory programs. These are all forward steps, and I believe it is inevitable that, in the very near future, peat will play an important role in power generation in Atlantic Canada.

We hope that through conservation and the proper use of our coal, as I mentioned a moment ago, of our wood, our tidal power, wind, solar energy, hydroelectric energy and now Canadian propane gas, Nova Scotia will be able to come close to becoming self-sufficient in energy by 1990.

In closing, I commend the Prime Minister and the cabinet for their proposals and I hope that the suggestions I have made will be given fair consideration, with the hope of early implementation of the proposals regarding energy which would be very helpful to Nova Scotia.

[*Translation*]

Hon. Marc Lalonde (Outremont): Mr. Speaker, I should like, first of all, to address my first few words to the Chair and join all previous speakers in congratulating the Speaker of the House and also the Deputy Speaker on their appointments, which clearly prove the confidence all hon. members have in the quality and the competence of those who were chosen, or rather chosen again, as both held those offices for several years under the previous government.

Secondly, I should like to take this opportunity, after seven years spent in this House, to thank the electors of the riding of Outremont, who for the third time have given me their support in ever increasing majority. Naturally, I take pride in those results which I also accept with considerable humility, for being chosen to represent as large a proportion of the people obviously means added responsibility.

I do rejoice in that support and also noticed, with some measure of humour, on examining the results in my riding that there were nine or ten candidates, unless I am mistaken, going from the Liberal, Progressive Conservative, New Democratic Parties, to Marxist and Leninists of all hues and the Rhinoceros Party. It struck me as quite humorous the day following the election to notice that, in my riding, the Progressive Conservative Party had managed the feat of achieving lower results than the Rhinoceros Party. That, I think, gives a pretty good idea of the popularity of that party in the province of Quebec, and the work that awaits it. That is indeed quite a hurdle to jump.

I should also like to thank the people of Quebec for the support they once again gave the Liberal party in that election.

● (1650)

Not only did Quebeckers give the Liberal party a large majority of seats—indeed the largest number of seats ever obtained in Quebec—they also gave us a record percentage of votes, that is, more than 62 per cent. There is no doubt that this is due in the first place to the outstanding qualifications of our leader, the member for Mount Royal (Mr. Trudeau). This is also undoubtedly due to the devotion and efficient work performed by the Liberal members of Quebec for several years in the House. And I am pleased to note that as a result of the election those Liberal members were reinforced by the addition of a substantial number of new, able, experienced and dynamic members who are joining those who sat during the last session and will make of the Liberal team of Quebec in the

House a group that will promote the interests of all Quebeckers and also, of course, of all Canadians, since for us there is no contradiction in being both a good Quebecker and a good Canadian.

Mr. Speaker, like my colleagues and the Canadian people, I was eager to hear the first Speech from the Throne made by the first Progressive Conservative government in 16 years. I thought—and I was quite wrong—that my colleagues on the other side had benefited from this long sabbatical period of time spent on the side of the opposition and that they would propose a political and economic program which would ease the difficulties our country is experiencing at the present time, because after a period of reflection that had lasted for over 16 years—in fact, it seems that that is more than enough for any party to prepare itself to govern a country—the people of Canada had a right to expect the Progressive Conservative government to act immediately. They also had a right to expect that action to be coherent and responsible. Coherence and a sense of responsibility, the two things the Speech from the Throne we are discussing today obviously lacks. But could it have been otherwise when we know that the Progressive Conservative Party has badly lacked those two qualities for the past 16 years?

Unfortunately, it was easy to foresee that once in power, this inefficiency, while being its trademark, would nevertheless remain inexcusable in Canada's political and economic context. This Speech from the Throne is nothing more than a bunch of spur-of-the-moment campaign promises. It is nothing more than half-baked policies, clearly unsatisfying for all Canadians, men and women alike. Ultimately, this Speech from the Throne reflects the stubbornness and obscurantism of the Progressive Conservative government in the economic field in general, and in the energy field in particular. As a result, instead of facing a so-called responsible government, Mr. Speaker, I am under the impression, of facing a government that is unable to take decisions, that has lost all sense of its responsibilities, that is juggling with complex problems whose outcome be of vital importance for the country and that makes one contradictory statement after the other, and this has been going on for almost five months now. Let's recall, for example, its decision to move the Canadian embassy in Israel and the disastrous consequences it had for Canada on the domestic as well as on the international front. And all the right hon. Prime Minister (Mr. Clark) could come up with afterwards was that he had underestimated the extent of the Arab protests. Meanwhile we have lost contracts worth billions of dollars and Canada's name has never fallen into such disrepute as it has in the past few months.

Let us not forget that since the beginning of June this government has governed—and this is a figure of speech of course—in a vacuum, without calling Parliament. In fact, this is the first time in our history that our country was governed without Parliament for so long and it is not surprising that after such a long delay we should feel disappointed when we read what is referred to as the Speech from the Throne.

Let us see on the other hand what President Carter did meanwhile, last summer for example. After realizing that the energy crisis in the United States was as serious as it was here in Canada, he did not lose five or six months procrastinating and making general statements on this issue. He interrupted his schedule for ten whole days, shut himself up with his advisers in Camp David and then released a specific energy statement to the American people. And this was done last summer, at the beginning of August.

Meanwhile, our government again vainly tried to review fully the question, met in Ottawa, in Jasper, at Lake Mousseau and here and there in Canada, met with the provinces, we are told, yet no conclusion has been reached after all those months in a field which is crucial indeed. In fact, Mr. Speaker, I have to note that in politics ridicule is not a terminal disease because those across the way would be a very sick bunch indeed.

I would like most of all to deal with the energy question, specially with Petro-Canada. The Speech from the Throne remains oddly silent on the energy question, whereas the government itself had recognized that this would be the major issue which the House would face from now until Chrismas. The throne speech contains merely one paragraph dealing with energy where they keep on uttering the same platitudes we have heard since early June. Yet, we would have expected the government to take this opportunity to state exactly its intentions. But in fact, although the name Petro-Canada is nowhere to be seen in the throne speech, it has to be noted that it is hinted at here and there in the speech where there is mention of Crown corporations and their sale to the private sector.

The Conservative government's resolve, its determination to destroy at all costs, Canada's major oil company, has no solid nor reasonable ground. Arguments such as "make room for free enterprise" or "government has no business in that field" are false arguments in the case of Petro-Canada, because, first of all, they fail to take into account past experience in the field of energy and, in particular, of oil. Second, they underestimate the specifics of the present energy situation both in Canada and abroad. Third, if the government is successful in achieving its objectives in this regard, it will be bringing Canada back on the road to foreign dependence.

Let us take the private enterprise argument. There is no lack of private concerns in the oil industry in Canada. That sector even boasts over 700 private businesses involved in oil. There is no lack. What is also interesting to note is that they are not all small and weak. If one looks at the 500 biggest companies in Canada for 1978, one realizes that among the top ones there is a whole series of oil companies: Imperial Oil, fourth, Shell Canada, tenth, Gulf Canada, twelfth, Texaco Canada, twenty-first, BP Canada, fifty-first, and so on.

What is also interesting to note, on the other hand, is that in this area, if you look at all the companies I mentioned, this is a sector which is mostly, excessively under foreign control. All the companies I mentioned are American or European multinationals which control the oil market in Canada. In fact, those companies have assets and sales of billions of dollars and indeed together as foreign companies control 91 per cent of assets and 95 per cent of sales in the oil industry in Canada.

In light of that, the existence, the complete continuation and expansion of Petro-Canada are essential to this country if we no longer want only to appear to have control over our resources but also really increase Canadian ownership over resources which belong to Canadians in the first place. In suggesting this I am not saying the role of the private sector is not important—as I have already said, there are 700 of them—and I am not saying either that there is no role for foreign businesses; they have made their contribution in the past, they should continue to do so in the future. But in an industry where competition is as doubtful, in an industry where uncertainty and instability are factors we must continually be taking into account, in an industry where any increase in our dependence on OPEC countries and multinationals will only make the situation worse that it is primarily important that Canadians have, particularly in the oil industry, an effective and disinterested tool—and that tool is Petro-Canada.

In that respect, the operations of Petro-Canada since its creation by the former majority Liberal government is more than adequate evidence of the increase of Canadian participation in the oil industry. We have only to look at the latest annual report of this corporation to realize it.

In 1978, Petro-Canada took part in the drilling of 16 of the 26 wells drilled in the most isolated parts of Canada. Off the shore of Nova Scotia, it took part in the drilling of five wells, and under its own initiative or through its interest in Panarctic Oils Limited it took part in the drilling in eight of the ten wells drilled in the Arctic islands. Finally, in western Canada, Petro-Canda drilled 44 exploration wells.

Petro-Canada also places great importance on the development of our enormous tar sand and heavy oil reserves, and thus it is involved in various projects including that of Syncrude in western Canada. Also, agreements have been reached with Saskatchewan Oil and Gas and Gulf Canada, and there has been an agreement with the government of Saskatchewan concerning projects for the exploration, the development and the accelerated recovery of heavy oil in Saskatchewan.

Mr. Speaker, how can a government which claims to be responsible deliberately put an end to all this? Who, for instance, successfully carried out exploration operations in the area of Sable Island after Mobil Oil and Gulf gave up? It was Petro-Canada. Who took up the challenge of prospecting in the most hostile and hardest to reach regions of Canada? Petro-Canada. On whom can the government depend to estimate available reserves and gather the information it requires in the energy field? Petro-Canada. Who, at the height of the Iranian crisis, when Imperial Oil and Exxon were diverting each day to the United States 20,000 barrels of oil from Venezuela which were supposed to come to us, negotiated an agreement with Mexico? The Canadian government, with Petro-Canada.

While wanting to abolish Petro-Canada, the Prime Minister and the minister of energy (Mr. Hnatyshyn) have told us that their ultimate objective was Canadian independence in the field of energy by 1990. Well, this is what they have been telling us since May 22 and even before, but we are still waiting for their plan, that famous plan, and the specifics on how they are going to do it.

I have before me the figures published by the National Energy Board, which is not supposed to be a partisan body, of course. These figures show that in 1978 imported 192,000 barrels of crude a day, net imports after exports, after deducting our foreign sales. The board forecast that we will have to import 826,000 barrels of crude a day in 1990, and 905,000 barrels a day in 1995. As I say, this government is either having delusions when they speak of self-sufficiency within 11 years, or peculiar arithmetic, and I must say, unfortunately, that I often think they have both.

Mr. Speaker, we may believe that if the present course is maintained by the majority of industrialized nations, the oil producing countries will soon demand interstate, intergovernment negotiations. I was pleased to note this very day that the president of Petro-Canada had this to say before the Empire Club in Toronto, and I quote:

● (1700)

[*English*]

The sitution is no longer one in which private oil interests can be expected to always obtain and deliver oil. Each transaction directly or indirectly involves a government presence. Not one drop of oil moves today from the Middle East without a government agreeing to it, and almost every sizeable oil importing nation has its government in the act.

[*Translation*]

Who then will be representing the Canadian government if Petro-Canada no longer exists as a true oil company? During the crisis in Iran, when the price of oil on the free markets was reaching disproportionate figures between $30 and $40 a barrel, Walter J. Levi, a leading American expert, an economist of repute, a consultant to both governments and private corporations, was interviewed on the program "Meet the Press" over the NBC network early in 1979. He said:

[*English*]

To avert international crisis, governments will have to step in and recognize that big oil companies and free enterprise programs are just nonsense and would not work.

[*Translation*]

This is in agreement with the remarks made recently by a Canadian, an expert of repute in Canada, a man with a long

experience in energy matters, Mr. Bruce Wilson, who indicated in the *Toronto Star,* and I quote:

[*English*]

It should be apparent to the new government, which now has the responsibility for ensuring the viability of Canada as a nation and for protecting the interests of the citizens as a whole, that the primary objective of the private sector resource-exploiting industries to maximize profits is incompatible with the need to provide assured supplies of energy for the engines of the economy at reasonable prices.

A decision by the federal government to emasculate Petro-Canada, solely on the basis that it was an election promise, does not give one confidence in the quality or objectivity of the new administration. Rather than disposing of Petro-Canada, the government should be developing comprehensive energy policies and plans designed to head off the bleak future now confronting the nation in the energy field. A much stronger, rather than weaker, federal presence is required.

And I say "amen" to that.

[*Translation*]

And above all we should not believe that, however the emasculation of Petro-Canada might be achieved eventually, no great harm will be done. Indeed, if the government stands by the public statement made in early September, we would be left only with a skeleton firm, emasculated of its most essential functions and whose profits would not allow it to expand, indeed to continue its exploration and development efforts.

The net result of that absurd proposal will be that we will have two Canadian firms of medium size. One will be non-viable, unable to serve the true interests of Canadian society, and every year it will come and bow before the Minister of Finance (Mr. Crosbie) or the President of the Treasury Board (Mr. Stevens) to get the money it will need, while the other firm will be viable and will be owned by a number of shareholders who will of course be more concerned with profits and dividends than with the security of our supplies.

Indeed, even the Conservative government of Ontario rejects the approach adopted by the present Progressive Conservative government in Ottawa. I am referring to the paper entitled "Energy Security for the Eighties: a Policy for Ontario". Here is what the government of Ontario had to say in that regard:

● (1710)

[*English*]

Petro-Canada supplements the job being done by the private sector and takes appropriate risks where the private sector is reluctant. Petro-Canada provides Canadians with a better insight into the complexity of finding and developing new oil and gas reserves. Petro-Canada can and should, along with the private petroleum industry, play a leadership role in achieving crude oil self-sufficiency for Canada by 1995. This is the conclusion: Ontario urges the federal government not to reprivatize Petro-Canada but to retain essential functions within a national petroleum company.

Premier Davis is not the only premier with that view. It is shared by a lot of other premiers. It is shared by the premier of British Columbia who, on a CBC radio interview on September 16, said quite clearly that in his view it would be wrong for the Government of Canada to try to follow with Petro-Canada the approach that he had followed with British Columbia Resources Investment Corporation. That is the view of the premier of British Columbia himself, and he had very, very good reasons which anybody could understand to justify that distinction and that argument.

[*Translation*]

Mr. Speaker, I have just returned from a tour in western Canada where I met representatives of and spokesmen for the oil industry. I was surprised to see the large number not only of ordinary citizens but also of spokesmen for that industry who say, "Now, listen. Petro-Canada is there. We are accustomed to live with it so why touch it? Let Petro-Canada live and work with us; we can work closely with Petro-Canada which, as a Canadian corporation, has been of much service to us even if at the start we had some doubts about its usefulness."

And this view is shared by a great many citizens. I urge all my colleagues opposite to read their correspondence and they will see to what extent Canadians are preoccupied by the whimsical policy of the present government. They should read the results of a Gallup poll that have been published today, a poll made throughtout Canada. Its obvious conclusion is that Canadians are for maintaining Petro-Canada. Seventy five per cent of Canadians want Petro-Canada to continue its operations in the prospecting field. And 57 per cent believe that Petro-Canada should pursue its purchasing activities on the international level, and 54 per cent say that Petro-Canada should be involved in retail sales. Those who think otherwise represent only 7 per cent, 18 per cent and 20 per cent respectively. For a government that pretends to be listening and consulting the people, I must say that I never saw a government as deaf as the one before us.

[*English*]

This government has at least one member from Imperial Oil, and a national director of the Conservative party from Imperial Oil, and assistants in ministers' offices from Imperial Oil, but I cannot imagine the members on the other side perceiving themselves as being also members for Imperial Oil. This is a view in which they are completely isolated, isolated from the view of the vast majority of the population. I urge this government, if it believes what it has been preaching, to reconsider its approach and its policy and realize that Canada needs Petro-Canada more now than it needed it in 1975 when it was created.

I would like to say a few words about our motion and the amendment put forward by the NDP. I think that our motion yesterday put the situation and our stand quite clearly and quite adequately when we suggested that the address be amended by adding the following words:

—and this House condemns the attempt of the government to undermine Petro-Canada and supports the maintenance and expansion of our national petroleum corporation, as the property of all Canadians, as the largest Canadian-owned corporation in the petroleum industry and as a major instrument of Canadian energy policy.

The NDP in their amendment stated:

—and this House calls in particular for the corporation to be designated as the sole importer of off-shore oil, and for the corporation to open retail outlets to serve the people of Canada from coast to coast.

When we set up Petro-Canada in 1975 we gave it very wide-ranging powers, and we were right in doing so. Petro-Canada is engaged in all aspects of the oil industry since its creation, through acquisition in particular of ARCO and Pacific Petroleums. It is interesting to see that the retail sales of Pacific Petroleums have increased since the acquisition by Petro-Canada, proportionately more than all of their other competitors. I think that it says something, and that is that the public feel that they would like to support an integrated Canadian oil company.

While in Calgary recently I was flabbergasted to meet the president of a Canadian oil company who informed me that he had now switched to Pacific Petroleums for purchasing the gas for his own car and that he was not buying it any longer from other companies. We are not objecting to Petro-Canada having retail outlets. It is within its powers. The question that arises is whether or not this would be the wisest investment for the company to make at the present time.

I do not think that anybody would argue very strongly that we are short of service stations at the present time and that we need to build more service stations. If Petro-Canada has $1 billion to invest perhaps it should be invested in exploration and development of the resource rather than into adding to the number of service stations, or purchasing existing service stations. Be that as it may, that power is in the act, and Petro-Canada is in a position to take the appropriate decision as to the wisdom of undertaking such a development in due time.

The area in which I question the amendment proposed by the NDP is the proposal to designate Petro-Canada as the sole importer of offshore oil. This question was extensively debated last spring when we put forward the Energy Supplies Emergency Act, 1979. That same proposal came from the NDP at that time. The House debated it for several days and rejected it by a margin of 190 to 13. I believe that there were very good reasons for the proposal being rejected. We do not need a monopoly on the foreign supply of oil. It is essential that Petro-Canada be there and that there is an agency to deal with countries that want to deal with a state agency. But it need not be the exclusive purchaser of oil in all countries, however. Canada is better served if there are several sources rather than a single one. It seems to me, Mr. Speaker, that this line should be maintained.

● (1720)

Some hon. Members: Hear, hear!

[*Translation*]

Mr. Deputy Speaker: Order, please. I have tried to allow the hon. member some additional time to complete his remarks.

[*English*]

Mr. Dan McKenzie (Parliamentary Secretary to Minister of National Defence): Mr. Speaker, I should like to congratulate the mover and the seconder of the Address in Reply to the Speech from the Throne and also offer my congratulations to you, sir, on your reappointment to the Chair. In the last Parliament you had the respect of all hon. members and I am quite sure you will be taking your two new assistants, the hon. member for Carleton-Charlotte (Mr. McCain) and the hon. member for Victoria-Haliburton (Mr. Scott) under your wing to make them as efficient as you have been over the years.

We have seen a great start to the debate on the Speech from the Throne, Mr. Speaker. There have been a lot of wild statements and charges this afternoon, but very few facts. The hon. member for Winnipeg-Fort Garry (Mr. Axworthy) said that the government will do away with CMHC. I should like him to present some evidence of that, Mr. Speaker. This government will do no such thing, as we believe CMHC has provided excellent service over the years. It will remain intact.

If some hon. members wonder which party introduced the first unemployment insurance plan in this country I am delighted to inform them that it was a Conservative government in 1935. There was some delay in implementing the plan because of a Liberal filibuster but it eventually went through. This government is interested in the unemployed, Mr. Speaker.

I should also like to speak briefly about the mortgage interest deductibility plan, Mr. Speaker. There has been a lot of negative criticism of the plan, especially from the hon. member for Winnipeg-Fort Garry who apparently is the housing critic for the official opposition. This policy was introduced by the Progressive Conservatives in 1965, Mr. Speaker, so it was not something dreamed up in the middle of the last election campaign as was the New Democratic Party plan. The Liberals now claim to be concerned about homeowners and renters, but I would point out that they had 17 years in which to introduce a mortgage interest deductibility plan that would do something for the country. Of course they did nothing. The Prime Minister (Mr. Clark) while in opposition made a major announcement on this subject on September 21, 1978. If the Liberals are so interested in housing and renters they should have introduced their own policy at that time. If a bill had been presented to the House the legislation would be in place by now.

The present economic conditions in the country will present certain difficulties in the implementation of this policy, but it is going to be done, Mr. Speaker. I should like to allay the fears of some hon. members and the Canadian public regarding the program, Mr. Speaker. There have been some wild charges to the effect that renters will not receive any benefit, but I would point out that in the last few years there have been considerable benefits for renters due to the action of the provinces and cities.

For many Canadians renting is viewed as a temporary state of affairs until they can afford to purchase housing. According to a recent survey 90 per cent of young Canadians want to own their own homes. The initiative of this government will make it easier for them to achieve that goal. The Liberals had 17 years in which to make that dream come true but they did nothing about it. They have developed a great interest in it now, however, since we have introduced the plan. As mortgage interest and property taxes are a deductible business expense for landlords, renters are receiving similar benefits already. In

some provinces rents have been kept down through means of rent control but very little has been done to make home ownership more affordable.

The plan has some spin-off benefit for renters. As more Canadians, encouraged by the Progressive Conservative tax credits, move into their own homes, more rental accommodation will become available, thus taking pressure off those who chose to continue to rent.

It is impossible to meet the needs of all Canadians with one government program. The old age pension, for example, does nothing for the young, while the child tax credit does nothing for people who do not have children. If it becomes necessary to provide subsidies to renters, this will be done through other means, such as shelter allowances.

The federal government is already involved with provincial governments in the delivery of subsidized housing for low income families and senior citizens through the non-profit housing assistance program, the co-operative housing program, graduated payment mortgages for landlords, and other CMHC programs.

This program is being financed by passing the benefits of the government's restraint program on to Canadians. Renters are not being asked to pay higher taxes to assist homeowners.

It would have been much easier to implement the program in 1965 when this party first introduced it, or even in 1978 when it was again introduced by this party.

At the present time the province of Manitoba, recognizing that rising rents coupled with fixed incomes put terror into the hearts of senior citizens, has wisely designed a rent subsidy program to help 9,000 elderly people. This will cost the relatively low sum of $3.5 million. The province of Ontario has allotted additional moneys to assist senior citizens who are renters or home owners.

We could do a lot more for renters and homeowners and indeed everybody else were it not for the totally irresponsible actions of the previous so-called government over the last 17 years, and particularly the last 11 years. Anyone who wants to challenge that statement should read some of the reports of past Auditors General and also the report of the Lambert commission. The Liberal government was spending $1 billion per month more than was collected in revenue yet Liberals have the audacity to criticize this government and offer advice. With their record they should not even open their mouths.

Some hon. Members: Hear, hear!

Mr. McKenzie: It could have been expected that something would have been done to correct the situation after one of those bad reports, but the situation continued year after year. Things did not get better; they got worse. The Lambert commission brought in 151 recommendations in an effort to clear up the mess created by 17 years of liberalism, and stated that Parliament must insist upon full government accounting. That is something this government can promise, Mr. Speaker. The Liberals did not believe in being accountable to the people.

[Mr. McKenzie.]

One reason that we cannot do more for renters and home owners is that the interest charges alone on the irresponsible borrowings made by this so-called government that has been replaced, cost taxpayers $23 million per day. This government, of course, now has to pay those bills. That is not an excuse; it is a fact. The bills have to be paid and that is why we cannot give more for everybody. We are stuck with paying Liberal bills.

This government will implement the report of the Lambert commission and bring back control over expenditures. This all came about because the Liberal government changed the rules in 1968 and 1969. The Auditor General has stated he can only account for half the $50 billion budget and that he does not know where that $25 billion is going. A government which has created a situation like that does not need to offer adivce or criticism. They had 17 years to perform miracles, to help everybody out and to get oil and all the rest of it.

We have heard a lot of criticism about health care, and accusations that the Conservative party is opposed to it. That is an out and out lie, Mr. Speaker. It was this party that introduced health care to Canada. The terms of reference were laid out in 1961 by the Diefenbaker government. All the recommendations contained in the Hall commission report at that time were implemented and, as a result, first class health care was introduced in Canada. A Conservative government introduced all these health care plans in conjunction with the provinces. All the terms of reference are here. All were investigated and the recommendations were implemented.

• (1730)

I was happy to read what the current health minister said to the provincial health ministers. He said, "I have been casting about, in my own mind, for the most appropriate person to conduct such a review into health care to make sure these standards are going to be maintained." He stated, "We are extremely fortunate, I think, that the originator of the Hall commission report, Chief Justice Emmett Hall of Saskatchewan, has indicated to me a willingness to take on this job." I understand Mr. Hall will once again review health care in Canada and make any recommendations that are required.

Our health minister has stated that he is proposing to create a national health care institute of Canada. He has already sent a note to the health ministers concerning such an institute, and additional copies of his note will be passed out. We are very much interested in health care in this country because we are the political party that introduced it in the first place.

The New Democrats and the Liberals in Manitoba have spent considerable time attacking the Manitoba government with regard to health care in that province. I want to read this into the record to give an example of what the provinces are doing under difficult times. Health expenditures in Manitoba have risen from $459 million in 1976-1977, to $503 million in 1977-1978, to $525 million last year, and to $570 million this year. There are not the cutbacks that the NDP and the Liberals are raving about, Mr. Speaker. One-third of the provincial budget in Manitoba is spent on health care.

I would like to point out the percentage of increase for health care in Manitoba. Hospital insurance and medicare payments in Saskatchewan are budgeted to increase this year by 4.8 per cent and 8.3 per cent, whereas in Manitoba they are rising by 10 per cent and 8 per cent. Health care will deteriorate in Saskatchewan if that is only the percentage increase they are giving to their hospitals and to the rest of their health care plans. I hope Mr. Justice Hall will start in a province governed by the NDP where they have serious problems.

In the last federal election we were treated to some of the most irresponsible statements I have listened to by the Leader of the New Democratic Party (Mr. Broadbent) over national television. He was on TV just about every second night saying that doctors are opting out only in provinces where there are Conservative governments. He left out the province of Saskatchewan which has an NDP government. There are three different schemes in Saskatchewan under which doctors can opt out, and they have allowed doctors to opt out for the last 16 or 17 years. So the NDP says, "We don't like opting out in Conservative provinces but it is all right if the NDP government of Saskatchewan allows opting out." That is an example of irresponsible statements that we get from the NDP, completely misleading the Canadian people.

The NDP got quite a bit of support in the last federal election. They picked up a few seats. But a lot of Canadians have been wondering what on earth they did voting for that party, after hearing statements by a former president of the NDP in Manitoba, Mr. Frank Syms. I have known Frank Syms for many years. He is a harmless little socialist. He has run many times for the NDP unsuccessfully, but finally he has seen the light. Mr. Syms quit the NDP because of a "Commie" takeover.

I will read a report from the *Winnipeg Tribune*. The article reads, "Long-time NDP member J. Frank Syms has turned in his party card in protest against what he describes as a takeover of the NDP party by apologists for communism and communists." How do you like that? Mr Syms says in the article, "There are too many high profile New Democrats who find nothing good in our system but who entertain no criticism of communism. Over the past five and more years, I have watched with concern and opposed the takeover of the Manitoba NDP machinery by a coalition of militant, radical groups and individuals. They include the more militant of the Status of Women advocates, anarchists, Revolutionary Workers, Party adherents, sympathizers and Trotskyists" and on and on.

An hon. Member: It sounds like your cabinet.

Mr. McKenzie: Those are words from a member of the NDP party for many years, who was a past president of the NDP in Manitoba. He was an NDP appointee, being the head of the liquor board for eight years.

The hon. member for Winnipeg-Fort Garry has stated in the House today with regard to deteriorating health care in Manitoba, that its social programs are declining. Obviously he is not acquainted with the facts, and apparently has no intention of getting the facts. I have an example of what one province is doing, and I am sure the others are doing the same thing.

In Manitoba a $138 million program has been undertaken to renovate the health sciences centre. That is a lot of money for a province the size of Manitoba. Breast cancer victims are now eligible for rebates on breast prostheses. Major financial assistance is now available to families purchasing hearing aids for children under 18. A $4 million expansion to the Manitoba Cancer Treatment and Research Centre has been completed. An expanded dialysis unit costing $583,000 has been opened at the health sciences centre. The government has assisted in expansion of the open heart surgery unit at St. Boniface Hospital. Construction of the $32 million Seven Oaks hospital is nearing completion. We did not stop that. It was started by the NDP administration, which is fine. We could have stopped it but we didn't. Extensive fire safety upgrading has been undertaken at a number of Manitoba hospitals and personal care homes. Since 1977 $36.4 million has been committed to provide 1,291 personal care beds, and $10 million of this figure has come from the private sector. Seventy-five per cent of pensioner home owners have been provided with full school tax relief.

On and on it goes, and yet these people have the audacity to stand up in this House and say we are against senior citizens and against people who are sick. One-third of the budget is being spent on health care, and as you can see by the items I have just put on the record they are completely misleading the Canadian people when they stand up in this chamber and make ridiculous statements.

The NDP and the Liberals have used this chamber to attack the Manitoba government on other issues. This practice was started in the last Parliament. In Manitoba most of the federal election was spent on debating policies of the provincial government. The NDP did not have any of its own so it started attacking the present Conservative administration with a lot of false information. The economy was a popular subject. In the last two years under the Conservative government, 11,000 new jobs have been created. This is nearly triple the rate of the NDP. All of these jobs have been in the private sector and do not represent a burden on the taxpayer.

Another interesting announcement was made last week by a minister in the Manitoba government that four of the government Crown corporations that they had sold to the private sector are all thriving and have all hired more employees. They are doing a great job now that the government has its sticky fingers out of it. This past summer 8,631 summer jobs were created for students by private industry. In 1978 private capital investment, the real generator of jobs, increased by 22 per cent. Manufacturing investment is going up by 34 per cent in 1979, double the national rate. Yet members opposite say the economy is terrible there. Commercial building permits in the city of Winnipeg in 1978 increased 3,800 per cent. That is an indication that things are going very well. Just imagine if the NDP came back in. That sends shivers up and down my spine. In the last Parliament I read many statistics into the record which I obtained from financial institutions which were

assisting businesses in moving out of Manitoba when the NDP was in power there. The loss was staggering. The amount of money leaving and the number of jobs lost were staggering.

● (1740)

Manitoba has the third lowest unemployment rate in Canada. Exploration spending in the mining and the oil industries has almost doubled. Mining exploration under the NDP in Manitoba came almost to a grinding halt with the minister they had in charge of northern development and mining.

Leadership has been shown in Manitoba. Hydro rates have been frozen for a period of five years in order to assist the people of Manitoba. Since July, 1979, Manitobans have enjoyed the third highest minimum wage in Canada. The eight years the NDP were in power in Manitoba were disastrous for us. It was a very costly experiment. We saw the NDP in the Chinese food business. I like Chinese food, but I certainly do not want to buy it from any NDP government. That went bankrupt. Then they got into the aeroplane manufacturing business. The last thing in the world a provincial government should get itself involved in is manufacturing aeroplanes. Another $40 million to $50 million was lost by the people of Manitoba. On and on it goes.

I want to get back to health care for a moment. Not all members of the NDP are irresponsible. I have here a statement by a former NDP leader, Mr. Tommy Douglas. He was referring to the Hall report back in the 1960s. He said it was one of the finest reports ever written on the subject. He credited Mr. Diefenbaker and his Conservative government with laying the foundation stone for medicare. I think Mr. Douglas should be given credit for recognizing that fact. I do not expect that he would be going around the country making such irresponsible statements as those made by his NDP colleagues. According to them, our party is against medicare, hospitals, senior citizens, and all that irresponsible nonsense.

I do not know what kind of constructive criticism we will be receiving from the Liberal party, now that it is in opposition. Liberals seem constantly to be squabbling about leadership. There are many newspaper articles being released by the hon. member for Vaudreuil (Mr. Herbert). He came here in 1972, the same time I did. He writes letters stating that he wants his leader replaced, or that he has some other complaint about his party. I have never heard him say anything good about his party. I do not know why he wants to stay in the Liberal party when he has so many complaints about the way its members conduct themselves. He is concerned about Liberal caucus members who have been given specific responsibilities. The hon. member for Vaudreuil complains that his colleagues are making public policy statements without any discussion in caucus. The Liberal party is very disjointed. There are articles: "Trudeau under attack", "Disgruntled Liberals urge end to former PM's reign". They are certainly having their problems over there.

I would like to speak briefly about Petro-Canada. I do not know what everybody is getting all excited about. Petro-Canada has certainly become a very emotional issue. The

Minister of Energy, Mines and Resources (Mr. Hnatyshyn) has stated that we are going to be keeping many parts of Petro-Canada. He has stated that the negotiation of state to state contracts for the importation of crude oil, where necessary, will be looked after by us. He has stated that there will be promotion of exploration in frontier areas with increased Canadian participation and at a pace which cannot be expected of the private sector alone. We will work with them.

I was in Calgary recently at a Canada-U.S. parliamentary meeting. We met with Petro-Canada officials there. They showed us films of some of their developments which are being undertaken in conjunction with the private sector. We have no objection to that at all. The Minister of Energy, Mines and Resources has stated that promotion, along with frontier exploration, of tar sands and heavy oils research and development will be done by Petro-Canada. I do not know what the Liberal energy critic is getting so excited about. Those are things he is concerned about, and we are not going to abandon them.

The energy critic pointed out that there are 700 oil companies in Canada. I do not know how many oil companies we need, but that seems to be an awful number of oil companies; plus we have Petro-Canada. I am sure the task force, when it turns in its report later on this month, will be making its recommendations. Whether we implement them or not I cannot say right now, and neither can the government. We have to wait until the task force files its report.

I would like to give hon. members an idea of the size of the Department of Energy, Mines and Resources. Perhaps there are a number of branches of that department in existence which could perform the same functions Petro-Canada performs. There are over 300 branches, divisions and agencies employing some 4,000 people. Just look at the government telephone directory—11 pages! What are they all doing? Perhaps they could be performing many of the functions of Petro-Canada. I think we must look carefully at duplication. We are taking a responsible position. There is nothing wrong with reviewing a federal government department or agency. There are 400 others which we have to review to find out what they are doing. They will have to justify their existence.

We are acting in a responsible manner in reviewing all these various government departments. We are not just going to close our eyes and let them operate on their own. We do not know whether they are operating efficiently, or whether they are required, or anything else. We have a responsibility to Canadian taxpayers to find out if all these 400 Crown corporations and the hundreds of divisions and branches in the Department of Energy, Mines and Resources are required. We are taking a responsible position. Because we do that we will be criticized. We should be praised for checking to see if taxpayers' money is being spent properly. I do not see anything wrong with doing that, but that is the kind of thing that we get from the Liberals and the NDP.

The Conservative party was interested in energy long before the Liberal party even thought of it. I remember when the roads to resources program was introduced in the fifties by the

Diefenbaker government. That was ridiculed by the Liberals. Canada would be well on the road to being self-sufficient today if that program had been carried on when the Liberals came back to office in 1963, but they disbanded it and made a lot of smart aleck remarks about our building roads from igloo to igloo, and that sort of thing.

I would like to quote from a speech made by the hon. member for Qu'Appelle-Moose Mountain (Mr. Hamilton), who has been involved in energy for many years in this country and who worked with our former leader, Mr. Diefenbaker, with respect to the roads to resources program. He spoke at the opening of the Dempster highway, which was delayed for about seven or eight years by the Liberals. He said:

> Actually, the Dempster highway was one of the main anchors of the whole concept of the roads to resources program. If one looks at a map of Canada on a conic projection, it will be seen that Canada from Labrador to Yukon is a part of a circle of land that centres on the Arctic Islands.
>
> These islands were once part of the tropics of the earth. From Stefansson's time, the eyes of the world's explorers were focused on this potential treasure house of resources. Stefansson named several of the islands after ministers of the cabinet that sponsored his explorations. This angered Mackenzie King who proceeded to name an island after himself.

That is typical. The hon. member for Qu'Appelle-Moose Mountain also stated:

> When I became minister in 1957, I immediately tried to pull all the information together on how we could get a road through to the Arctic coast as fast as possible. From my analysis of the Paley report of 1952, based on U.S.A. resources, I knew that Canada should have access to Arctic Islands hydrocarbons by 1980.

● (1750)

This was back in 1957. Just imagine what would have been the result of continuing that program.

We are very concerned about energy. Energy has been a priority of the Conservative party for many years. The hon. member went on to say that when he became a minister he found a map by some unknown civil servant in the old department of the interior which projected generalized routes to the Arctic. He added:

> I found oil and gas regulations which gave everything to the finder. The regulations were obsolete. The department had no real resource people left in it so I went to resource people in industry, Dr. Link, Dr. Sproule and my brother, all of whom had then retired, and they assisted in the roads to resources program.

I just want to make it clear that we are the party which has shown leadership over the years in introducing the unemployment insurance plan and mortgage deductibility. We introduced the roads to resources program years ago, and these constant references to us by Liberals and spokesmen for the NDP as a party not conscious of people's needs are entirely unfounded. Mr. Speaker, we are more conscious of people's needs in this country than the NDP and Liberal parties put together. Back in 1973, even in opposition we were pursuing a natural resource policy for Canada. I have in my hand a number of documents we put out in 1973 with regard to oil supplies and all the rest.

I hope this will straighten out the position to some extent, Mr. Speaker, and I thank you for your indulgence.

Mr. Russell MacLellan (Cape Breton-The Sydneys): Mr. Speaker, first, I should like to congratulate you on your reappointment to your office. I would like to say how pleased I am to be elected as the member of Parliament for the constituency of Cape Breton-The Sydneys. As such, and on behalf of my constituents, I should like to thank Senator Robert Muir for his 22 years of fine service to the people of that constituency.

Some hon. Members: Hear, hear!

Mr. MacLellan: As well, I should like to congratulate Senator Muir on his elevation to the Senate. I can truthfully say I share in his success.

Some hon. Members: Oh, oh!

Mr. MacLellan: I am somewhat reassured during the first three days of the sitting of this, the Thirty-first Parliament, because I believe that once the news of the weather in Ottawa this week reaches Cape Breton I may be unopposed in the next federal election.

With reference to the Speech from the Throne, the Prime Minister (Mr. Clark) said yesterday that Canadians should raise their expectations. From what we have heard since May 22 the only Canadians with any expectations are those who form the present government. Certainly we in Atlantic Canada cannot have any expectations as long as the President of the Treasury Board (Mr. Stevens) is running loose. Prior to May 22 certain areas in Atlantic Canada were promised assistance in the form of the decentralization of various government departments. But following the May 22 election the President of the Treasury Board decreed that this should not take place and the excuse he gave was that the government had to save money, but that money should be saved only in some of these constituencies.

In Nova Scotia decentralization plans were cancelled only in two constituencies represented in this Parliament by opposition members. This is more than just a coincidence when one considers that there are only three constituencies in Nova Scotia represented by opposition members and that decentralization plans had not been made for the third constituency.

In Cape Breton-The Sydneys decentralization was to take the form of almost 400 jobs for the area. Land was purchased and the architectural work for a new building was well under way. There is no question but that in addition to providing jobs decentralization would have revitalized the downtown area of Sydney, from which there would have been a spin-off effect evident in new stores and buildings.

I feel the fact that the government has broken most of the promises it made during the election campaign—and kept the ones it should have broken—is unacceptable to the people of Canada. It is certainly even less acceptable to break the promises of the previous government. The actions of the President of the Treasury Board amount to nothing more than petulant vindictiveness and I appeal to the hon. gentleman to reconsider his action of cancelling decentralization in the

Sydney and Antigonish areas. Decentralization planned for Sydney has an importance to that region which far outweighs the cost involved.

The Cape Breton economy cannot withstand the cancellation of these decentralization plans. The latest figures given by the department of development in Nova Scotia showed an unemployment rate of 17.4 per cent in industrial Cape Breton. We are not asking for charity but merely seek an early investment by the Government of Canada in the future of our area. We have no doubt that if our economy follows the course it should take, our economy will be viable in the future. However, we are presently trying to keep our communities intact until such time as the modernization of Sydney Steel, the opening of new coal mines and a more enlightened approach by Canadian National Railways and CN Marine put the Cape Breton economy in a positive position.

With respect to Sydney Steel Corporation, the situation is serious. The British North America Committee has stated that the cost of producing basic products is increasing at three times the rate of inflation and if governments such as ours fail to take positive action there will be a shortage of these basic products by the end of the twentieth century. One of these basic products is steel. Despite this very sobering information, the government has chosen to do nothing to aid Sydney Steel Corporation financially. The Minister of Regional Economic Expansion (Mr. MacKay), who during the last Parliament was very vocal in trying to right the wrongs of this country, is suddenly very quiet. I guess he has found that things are very different when you get on the other side of the investigation.

The minister responsible for DREE has promised that substantial aid will be forthcoming. He has not said how much, or when, but he has gained the faith of the people of Cape Breton. Steel workers and merchants alike genuinely believe the minister when he says substantial aid for Sydney Steel is forthcoming. Let us mark this moment, Mr. Speaker. Let us hope that the minister, who in the past has been so much on the side of the individual, will keep his word to the people of Cape Breton who have placed their faith in him. Of course he will need to obtain money, and this brings us back to the President of the Treasury Board. I say to him that Sydney Steel can be profitable and urge him to have some faith in the people of Cape Breton.

It would seem that the government is fast becoming elitist and the Speech from the Throne reflects this. However, I do take some heart from the comment that the government will build upon the strength of the regions. Sydney Steel is a strength in eastern Canada, and if the Minister of Regional Economic Expansion or the President of the Treasury Board has any doubts on this question, I would be very glad to inform them of why this is so. In fact I have been trying for over three months to see the Minister of DREE, and now I think he is in danger of giving me an appointment for next week, for which I am very grateful.

[Mr. MacLellan.]

• (1800)

Mr. Baker (Nepean-Carleton): Why don't you just walk across the floor?

Mr. Alexander: It is easier; why don't you?

Mr. MacLellan: No, thank you. The penalty is too high. You have a good sense of humour.

Coal is our strength, and everybody in Nova Scotia realizes that. Even the Nova Scotia government has come to realize that. Nova Scotia suffers from extremely high energy costs and wishes to use thermal coal to generate electricity. The Nova Scotia government is constructing two generating stations, and plans for two more, but there is only one problem, namely, a shortage of coal.

Can we possibly believe that in an area with a 17.4 per cent rate of unemployment, and with coal deposits which have already been confirmed, there can be a shortage of coal? The reason for this predicted shortage is that the federal government has not yet decided whether it will open new mines. If we want to know why there is unemployment in Cape Breton, we only have to look to the government which is not investing in Cape Breton even when investment there is a sure thing. I am asking the Minister of DREE and the President of the Treasury Board to get out of neutral and to give the financing to the Cape Breton Development Corporation that would see the development of the Prince mine near Sydney mines, and the Donkin mine, and which would bring it to completion. This is too urgent a request to be denied.

Mr. Deputy Speaker: I regret to interrupt the hon. member but it being six o'clock I do now leave the chair until eight o'clock this evening.

At 6.05 p.m. the House took recess.

• (2000)

AFTER RECESS

The House resumed at 8 p.m.

Mr. MacLellan: Mr. Speaker, as I was saying, there is an urgent need to develop coal mines, mainly because of the ever increasing cost of oil and the time needed to bring a coal mine on stream.

As I said earlier, I think the Minister of Regional Economic Expansion and the President of the Treasury Board are stuck in neutral. If they are stuck in neutral, then certainly the Minister of Transport (Mr. Mazankowski) and the Minister of State (Transport) (Mr. Howie) are stuck in reverse. Canadian National Railways and Via Rail are downgrading their services in eastern Nova Scotia. Of course antiquated and inefficient services will not be used, and when they are not used CN in its typical fashion will use that as the reason they are not needed and should be abandoned. I ask the Minister of Transport to look into CN and Via Rail services in eastern

Nova Scotia. This is a serious matter which demands immediate attention.

I should like to close on the most incredible note of all concerning the situation which exists in the Cape Breton area. We have an unemployment rate of 17.4 per cent and we have CN Marine operating between North Sydney and Port-aux-Basques, Newfoundland. Because of the unemployment rate, one would think the federal government would upgrade that operation so as to get the maximum benefits of this operation for industrial Cape Breton. Wrong!

Clarke Transportation Canada Ltd. receives a subsidy of approximately $16 per ton to ship from Montreal to Newfoundland. CN Express has given a commitment to Federal Commerce and Navigation Co. Ltd. which operates between Halifax and Newfoundland to ship a guaranteed number of tractor-trailers, all of this to compete with a fellow Crown corporation and deny jobs to an area which greatly needs them. This is contrary to the fact that the fastest route to Newfoundland is through North Sydney. The Department of Transport and Canadian National, with the acquiescence of CN Marine, are giving the cream of the cargo to private firms to the detriment of CN Marine and the North Sydney area.

The right hon. Prime Minister said that he is committed to the small community lifestyle. To that I say small communities cannot exist without jobs. There is a systematic and routine procedure by the Department of Transport and CN Marine to make the facilities at North Sydney so bad that no one will want to use them. If the facilities are not used, the abandonment will be justified.

There is very little advertising of the CN facilities between North Sydney and Port-aux-Basques. As far as average Canadians know, if they want to go from North Sydney to Port-aux-Basques, they would have to put their luggage between their teeth and swim. I appeal to the Minister of Transport, and the Minister of State (Transport) to look into the injustice of the CN Marine operation and to upgrade the North Sydney service as should be done. The subsidy to Clarke Transportation Canada Ltd. and the agreement with Federal Commerce and other private companies are wrong, and I urgently request their termination. People of North Sydney are being unjustly dealt with, and this injustice should be corrected. In addition, cancelling the subsidy to Clark Steamships Limited would greatly aid the President of the Treasury Board, because with the money saved he could proceed with decentralization in the Sydney area.

Some hon. Members: Hear, hear!

• (2010)

Mr. Deputy Speaker: Is the House ready for the question, or shall we wait two or three minutes?

Mr. Harvie Andre (Calgary Centre): Mr. Speaker, it is a pleasure to take this opportunity of joining in this debate on the motion in reply to that very excellent and welcome throne speech His Excellency the Governor General delivered earlier this week. It was a throne speech unlike many others I have heard in that it was devoid of a lot of what one columnist called purple prose. It was in fact a terse description of the plans and programs of this government for the coming legislative term.

Some members on the opposition benches have decried the fact that there was nothing new in the throne speech. Several members of the media have said there were no surprises. It was not intended that there should be any surprises. We campaigned earlier this year outlining the programs, policies, and activities or actions we would implement as a government, and the people of Canada by their vote approved of that program. We are now carrying forward our promise to implement it.

The government has clearly indicated it intends to fulfil its commitment to reduce government involvement in the lives of individual Canadians, and its involvement in the economy. We intend to reduce the profligate and wildly extravagant spending patterns that have become the norm in Canada. We intend to reduce the $12 billion deficit, and balance the budget. We do not intend to continue the practices of the previous government of saddling future generations with our extravagances.

The government intends to reduce the involvement of government in the lives of Canadians in other areas. It is the government's intention to reduce its involvement by regulation, and thereby reduce the burden that imposes. We intend to reduce these involvements that result when we have a government, as we have had in the past, which assumes it knows what is best for Canadians, and knows better than the individual what is right, what is proper, and what will lead to a great future. We recognize and have confidence in the ability of Canadians as individuals. We recognize that it is the Canadian citizen, the Canadian individual who is most important, and that if we look after the interests of the Canadian citizen the country's interest will be looked after very well indeed.

That was the thrust of the throne speech. It was not intended to be surprising, but to contain those things we committed ourselves to a long time ago. There was nothing secret. We explained our programs to the people of Canada, they cast their ballots, and now we are going to follow through with those commitments.

Some hon. Members: Hear, hear!

Mr. Andre: I take a certain amount of pride in certain parts of the throne speech and the reiteration of those commitments, particularly those aspects dealing with the area of Crown corporations, an area in which I involved myself to a very large degree while in opposition. I am delighted to note the progress which has been made in this very important area since May. I am delighted to note the actions already taken by the President of the Treasury Board (Mr. Stevens). I was delighted to note the commitment in the throne speech that we will soon have a Crown corporations' bill presented to the House to put in place a structure that will assure us that never again will an auditor general be able to say, as was said two years ago, that the degree of financial management and control of Canadian

Crown corporations was significantly below minimum acceptable standards.

We are going to stop that wastage. We intend to make sure the Crown corporations which remain in federal government hands are run efficiently, effectively, and in the best interest of Canada and Canadians. We are also going to take a look at all these corporations and ask a very simple question: if these Crown corporations were privately owned, would there be any good and compelling reason to nationalize them? If the answer to that question is in the negative, the government will examine the ways by which they might be put back into private hands, thereby fulfilling our commitment, a commitment of which we informed the Canadian people and of which they obviously approved.

I could go on at great length on this subject, Mr. Speaker, but, not wanting to foul up other schedules that may now be in place, I will sit down.

Mr. Arnold Malone (Crowfoot): After the privilege of serving in this House for five years, Mr. Speaker, obviously I cannot come here at this time and pretend to make my maiden speech. But even after some 200 interventions during the last Parliament I am still in a sense making my maiden speech this evening since I now represent the newly named area of Crowfoot rather than Battle River.

I should like to take a few minutes to reflect on my constituency, something I did not do the first time I took part in debate in this House. I do so because this will provide a nice lead to a concern I should like to share with the Parliament of Canada this evening.

Chief Crowfoot was one of Canada's great men. He took a group of people through that very devastating period from 1860 to 1870, a period during which the Indians of the prairies lost everything they depended upon for their livelihood. They lost their source of energy, their source of food, their source of housing, and their ability to maintain a certain lifestyle. All this disappeared with the disappearance of the buffalo. Chief Crowfoot saw the obligation of leading his people through that tragic and devasting period.

It was during that period of time that Chief Crowfoot lost his entire family to smallpox. He was cited by the first prime minister of this country for his tremendous nobility, wisdom, and vision of the future. Chief Crowfoot rebelled against Sitting Bull in Montana and refused to fight with him in Canada. He resisted the Crees and opposed them during the Riel rebellion. Chief Crowfoot has left his mark on early western Canadian history through his fine ability to lead, to speak, and to make his point.

Let me quote directly from what Chief Crowfoot said at the time of the signing of Treaty 7. At that time, an aging man, he said, "In a little while I will be going from amongst you. Where I have come from and where I shall go, I do not know. What is life? It is like the flash of the firefly in the night, it is like the breath of the buffalo in the wintertime, it is like the little shadow that races across the grass and loses itself in the sunset." A person who would say those lines is obviously a man

of the land, and it is to that subject that I wish to address myself tonight.

• (2020)

We have heard with just cause concerns tonight and in previous days about energy. We cannot diminish the fact that there is an energy problem, but I submit that the energy crisis in this country as painted by many is so minuscule, so infinitely small in proportion to another greater problem to which Canadians must very quickly address their attention, and that is the rapid disappearance of our agricultural lands.

Four-fifths of the world's population suffer from malnutrition. Approximately 12,000 children a day under the age of 5 are dying from starvation, and some 70 million human beings suffer permanent and irreversible brain damage every year from the lack of protein. In terms of a world perspective there is no crisis so important as that of retaining our source of food production.

The fact of the matter is that there are only two sources of food. One is soil and the other is water. Our water is basically established. Fisheries supplies will increase and decrease in accordance with their management. But the fact about our soil is that we are not making it any more. There are of course some exceptions, and I will come to those a little later in my address.

Half of the agricultural lands of Ontario are now permanently gone, and they are not coming back. There are a great number of acres of additional Ontario land that is tremendously threatened. I come from the province of Alberta. It is a fairly large province, not the largest in Canada but it would encompass most of the countries of Europe. While we are looked upon as a province that has traditionally had agriculture as its number one industry, the truth of the matter is that of the seven classes of soil, our province has only one per cent of class one agricultural soil.

There are some very interesting and important facts that we should recognize. One is the agricultural pattern of how our country was established. Three members of my party and three members of the official opposition party last November had the privilege to join in some good friendship and in some sincere hard work. We had the occasion to visit in the Middle East. While we were there I noted the rich fertile valleys of Egypt and some other Middle Eastern countries, and to see the villages on the rocky hilltops and the larger cities on the tops of mounds amid the rocks. The first thought I had was of the great wisdom of the forefathers of those countries who decided to build their cities there. But it did not have to do with wisdom at all in the sense of agricultural lands. It had to do with the fact that culturally they defended from the top of the mount down. It was easier to shoot a bow and arrow and a cannonball down than it was to shoot upward.

Likewise, here in Canada, we established this country basically on the principles of agrarian society. The old pioneers who came west knew something about fertility. They knew that the deep, rich, black soil was where the poplar trees grew tall and straight. So it is not without coincidence that the cities

of Winnipeg, Saskatoon, Regina, Lethbridge, Red Deer, Edmonton and Grande Prairie are all built in the middle of old geological lake beds of silted out soil, the best of our agricultural lands. Of the cities of the prairies that I have just mentioned, I have included every one of the important cities except for Calgary and Medicine Hat. That brings us to the very serious fact of agricultural land uses.

Of our class one and two soil, 50 per cent of all that remains in Canada today is within 35 miles of our largest 22 cities. When we take a look at the program and planning of urban acreage sprawls across the country, we can see that we are facing a crisis situation of paramount importance because our agricultural lands are decreasing at a rate that is far, far too rapid.

Let me put this into perspective. In the world today there is one acre of agricultural land for every citizen on earth. In Canada there are three acres of agricultural land for every Canadian. By the year 2005, if we make no change in our agricultural land policies in this country, we will have three quarters of an acre of agricultural land for every Canadian. As I began my talk about agricultural land tonight, I mentioned that there were some 12,000 children a day under the age of five dying of starvation. That is yesterday, 12,000; today 12,000; tomorrow, another 12,000; and by the year 2005 without any jurisprudent change in the direction that we are going, we will have less agricultural land in Canada than the present world average for world citizens. That is totally and absolutely unacceptable.

I have raised this concern because I see in my own province the city of Edmonton, a fine and a beautiful city, now making application to expand its boundaries by some six times its present size. That cannot go unchallenged. More important, when I mentioned earlier tonight that the cities of Winnipeg, Regina, Saskatoon, Lethbridge, Red Deer, Edmonton and Grande Prairie were all built in the middle of old geological lake beds, the fact of the matter is that every one of those cities has all kinds of ample room to expand without going on to agricultural lands, except for the city of Regina. I submit that it is not a question of whether we have acreages nor a question of whether or not we have lawns. Canada does not have to live in concrete towers. We have the second largest land mass in the world. The problem is that there is only 7.5 per cent to 8 per cent of our land in the class one and class two soil zones in climatically favourable areas.

That means that we have to begin to pick and choose where we put our transport systems, and where we put our cities. We have to put a priority on food production in the recognition that today when we eat a meal 40 per cent of what we pay for came from some other country. We think of Canada as a country that is rich and able to produce and export food because we sell a great deal of wheat and we have a red meat market that exports from the country.

But we also depend very heavily on green vegetables and fruits which come from elsewhere. When we consider the simple fact that 40 per cent of what we pay goes somewhere else, then this soil is not something to be wasted. Unfortunately I will have to pass by this subject without dealing with it in the kind of detail that I would like tonight because I do not have my notes with me.

● (2030)

I want to share with the House what some other countries are going through today because of the realization of what the land is worth. In Holland, 21 per cent of the whole country is recaptured land. They are now building a dike that will take 1,600,000 acres of land from the North Sea, but it will be 11 years before it comes into full agricultural production. Many people in Holland live in boat houses on the canals because the land is too precious to use for building.

Throughout Peru, throughout Asia and much of India, the mountains have been terraced up one side and down the other, the steps honed by human beings with shovels. Much of the soil is infertile; it contains no nitrogen, no phosphorus, no potassium. They start from bedrock and build animal dung and fibre up to the surface in order to develop the land. Throughout much of the subcontinent enormous draining programs are being established in order to try to recapture that little bit of the vital element that produces food, namely, soil.

We in Canada have grown up thinking that soil is dirt, not recognizing that all through the history of mankind every advanced culture has started from the foundation of a ready supply of food and a cheap source of energy. The sources of energy were not always oil and gas, or an adequate coal or wood supply. In the Greek or Roman period the energy source was mainly the slave trade. That is not a condition that any of us in the House today would endorse, but nevertheless they had cheap energy. Interestingly, an analysis of the history of cultures that failed shows that everyone of them fell as a result of war or the loss of their food rather than lack of an energy source.

I submit to you, Mr. Speaker, that we have no energy crisis; we have a systems crisis. We have all the pulp we need to make energy from wood; we have the sun, we have the wind, we have nuclear. Like it or not, it is there; we may not want to use it but that is a decision for Parliament to make. There are an infinite number of ways in which we can develop energy. What we need, Mr. Speaker, are the systems. There is no infinite way to develop a food capacity, however, if we destroy one of the two things that produce food.

I submit an activity like the plan of the city of Edmonton to expand its boundaries is not something about which we can say, "Shame on you; you should not be doing that." No mayor is going to ask the people to re-elect him saying, "Look what I have done. I stopped all the growth in this city. Because I stopped the growth I have saved agricultural land; therefore, you should re-elect me." That is not going to happen and no one can blame city fathers for wanting their cities to grow.

If we are to take a responsible attitude toward agricultural land use, then policies must be developed by one of the two upper levels of government in this country.

Some hon. Members: Hear, hear!

Mr. Malone: That means that the provinces and the federal government ought to play a more significant role than they have in the past. In this chamber we must realize that resources are obviously a provincial right. Because I believe that agricultural land use is such a very important long-term issue, I would encourage this House to do what it can to persuade the provinces to co-ordinate and concentrate their efforts on something that is going to be vital for our children, our grandchildren and, indeed, our great grandchildren. It is of paramount importance that we do not continue to let other countries with less developed resources than ours, spend virtually all their human energy in the search for some adequate form of food production such as moving back dikes into oceans, or carving away at mountains, while in this country we use some of the best soil in the world as backfill for basements.

As I said earlier, Mr. Speaker, all the aforementioned cities on the prairies, except Regina, have alternatives from which to choose. The city of Edmonton wants to expand its boundaries and, as I said, we cannot blame them for that. Fortunately, however, a move of about 15 or 20 miles to the northeast of Edmonton opens into a large area of solonetzic soil which could easily accommodate a city of vast size.

We have an obligation to get the message out clearly, to get it out often, and to never cease realizing that soil is something we cannot waste today and make again tomorrow—that it is somehow like energy, and when the oil is gone, we can use coal, and when the coal is gone, we can use nuclear. We cannot eat coal and we cannot eat nuclear and we cannot eat sunrays, Mr. Speaker. We need food, and food comes from soil or from water.

We hear of young people in the farming communities of this country who want to go into farming. Sometimes when they are asked what their plans are they reply, "I am going to be just a farmer." Mr. Speaker, farming is the business of food production, the most important business in the world. No society ever advanced that did not have that as its first industry either through the ready production of food within the society itself or very ready access to food purchased fom neighbouring societies.

We in this House must recognize this as a matter of immense, long-term consequence. We must view it in the perspective of the ancient societies where land ran out. In the districts of the Tigris and Euphrates rivers of the Middle East people did what most other cultures of that time did when their food ran out—they moved somewhere else. That is basically what has happened in modern societies; when we ran out of food we moved to a new, fertile land to find a food supply. Then, Mr. Speaker, some fool found that the world was round, and now that we have occupied it all, there ain't no more. This is all we have and it is limited.

I want to conclude by saying that in representing the constituency of Crowfoot I am following a man who as an Indian leader of the prairies recognized very clearly the importance of food, the importance of nature and of living in harmony with it. I would hope that we can somehow imprint upon the minds of parliamentarians and of all Canadians that we must give much greater recognition to the one sure thing we know about soil: they are not making it any more and, by golly, we need it.

Some hon. Members: Hear, hear!

• (2040)

[*Translation*]

Mr. Jean-Robert Gauthier (Ottawa-Vanier): Mr. Speaker, first of all I should like to congratulate and thank the mover and seconder of the Address in reply to the Speech from the Throne. We must admit that it is not easy to shed some of the apprehensions we feel when we stand and speak in the House. We all feel a little nervous. Now that I have congratulated them, I should like to tell these hon. members that tradition compels us to be extremely polite with those who make their maiden speeches in the House and that we will tend to be less and less polite as time goes by.

I should like also to congratulate you and your colleagues on your appointments Mr. Speaker, and wish you the best of luck during this Parliament where debates will no doubt be dramatic at times. Finally and more especially, I would like to say how much I am grateful to my constituents of Ottawa-Vanier who were kind enough to re-elect me as their member. It is an honour which I accept in all humility and, in addition to expressing my thanks, I can assure them that I will try to fill that important position by using my few qualifications with the appropriate dignity.

The part of a member, Mr. Speaker, as we know quite well, is to serve as an intermediary between the individual and the government machinery, that enormous and anonymous institution managing public affairs. Each of us tries to follow and understand the problems and decisions which directly affect him while that enormous anonymous machinery takes decisions for us. In addition to the many requests which they receive, members of parliament write to ministers and officials to obtain information that they will pass on to their constituents. This means that while they listen carefully to get acquainted with the views of their constituents, they must also try to think it over before taking a position which will be that of most of their constituents.

As a member of Parliament, all matters of concern to Canadians concern me. But, Mr. Speaker, my first duty lies with the concerns of my electors of Ottawa-Vanier. I love all Canadians, but I also love dearly the electors of Ottawa-Vanier, and I shall allow myself a few comments on my riding.

The city of Ottawa, Mr. Speaker, and the national capital region have become economically dependent because it is the seat of the federal government. It is quite natural that the main industry of the capital of a country should be the government of that country. However, to ensure economic stability, and bearing in mind the impact on the local economy of the measures announced by the present government, we will

have to seek and find, here in the area, a greater economic stability based on a policy of diversification and growth, in order for the city to have fewer of the characteristics of a one-company town or more of the several-companies town. The cities of Ottawa and Vanier must in the future take fuller advantage of the facilities found in the area. The national capital area must in the future make better use of the natural resources and its partly developed possibilities. There is need for closer co-operation between the numerous municipalities, the various levels of government in the area; the aim should be to draw them all together.

In Ottawa-Vanier, the sustained revival of the lower town area, the city of Vanier and other sectors of downtown Ottawa, will make of it an important centre of attraction for the area. The development of Rideau Centre—God knows it has been discussed in this House—will encourage promoters and small business whether it be restaurants, theatres, both cinema and legitimate, or boutiques. It is a healthy thing for downtown Ottawa to have a shopping centre as a counterpart of the shopping centres which in the last few years have multiplied in suburban areas. City cores should perhaps be given new life in order for our large centres to offer spots where life is worth living. We are also all aware of the fact that the city of Ottawa and the surrounding area are dominated by a private sector which is oriented towards services, many of which are related to the federal government. There is no doubt that if the federal government wants to reduce the number of civil servants—which is the present policy of this government—more entreprises will disappear or run into financial difficulties. So it is very urgent to take measures to alleviate that dependence on the federal government and to endeavour to find other economic generators.

The national capital area offers tremendous opportunities. It can become a research and development centre of first importance. The Government of Canada and the universities in this area—we have two—do a lot of research, especially in agriculture, natural sciences or communication techniques. The activities of the federal government and those institutions of higher learning give Ottawa and the surrounding area the opportunity to attract a private sector in research and development in an area which can hardly be compared with other areas in the country. So we must attempt to diversify, while attracting new industries to Ottawa and the national capital region.

That is why any proposal aimed at growth and diversification opens promising perspectives. The surest way to growth is the development of existing opportunities, and I am not going to speak of all opportunities, because I would not finish tonight. I am thinking of tourism, light industry, small factories, and the like. Mr. Speaker, there is enough potential here to give our region the economic vigour it once had. These ideas, Mr. Speaker, could easily be pursued or implemented through planning and co-operation procedures, action which would involve the private sector, the regional government, the regional municipalities and the National Capital Commission. Meetings to this end have already been held. One in particular was held last August with the President of the Treasury Board (Mr. Stevens) at which time a resolution was passed to have the President of the Treasury Board set up a panel of experts to study the impact of government decisions on the stability of the local economy. The President of the Treasury Board promised to set up this panel before the end of September. Nothing has yet been done, or at least nothing has been said publicly which would show that he has kept his promise. Since he is made to bear the responsibility for public service cutbacks, one is led to believe that he either is not as interested as he should be in this region or else he does not live up to his word. We shall see!

[*English*]

I would like now to turn my attention to other matters dealing with what the Conservative party has led us to believe is their social policy. As Liberals, we on this side are dedicated to the individual. Our dedication to the individual extends to just and equitable treatment of all individual Canadians in matters of human rights and social policy. Pensions, unemployment insurance, universal health insurance coverage, and housing are examples of social policies which respond to the needs of individual Canadians. The government, on the other hand, has spouted only rhetoric about its commitment to equitable social policy.

• (2050)

One minister of the Crown has stated that the government will remove the universality inherent in the national pension scheme. Another minister talks about reforming unemployment insurance and, in doing so, he has advocated drastic cuts which would affect expectant mothers, single individuals, and Canadians in economically underdeveloped regions. Still another minister of the Crown has advocated and implemented measures which will give tax credits to home owners while totally and unforgivably forgetting the poor and those who rent. The government's professed commitment to the individual must be qualified. The government is committed only to some things for some Canadians.

Already the Minister of Employment and Immigration (Mr. Atkey) has redefined the criteria for the Canada Works program to exclude a number of legitimate potential participants in my riding. Under the Liberal government my riding was eligible under the Canada Works program because the labour surplus rate was in excess of 7 per cent. High unemployment was concentrated in small areas of my riding, especially in lower town and Vanier. Today, because of redistribution, several thousand constituents have been added, and my riding became ineligible under the Canada Works program. There are just as many unemployed as there were before. There are just as many unemployed individuals who have not changed except that they have now become statistics. Because of the increased number of people in the riding they have lost

their importance under the Canada Works program and are not eligible for any more grants.

The government says it is currently undertaking a review of the unemployment insurance program. The government's lack of concern for individuals in this domain has been striking, as if somehow they did not count as unemployed. They have been denied eligibility for unemployment insurance. Unattached individuals will be penalized because they are unattached. It does not seem to matter very much that statistics show that unattached individuals are in fact the very people who are in need of unemployment insurance.

The average family income in Canada last year was $20,101, while the average individual was earning somewhat less than $8,254 annually. Is the government aware of the number of working women between 55 and 65 who would suddenly be ineligible for unemployment insurance? How many of our youth will be told that they might as well move back home because now they are ineligible for unemployment insurance even though they have made determined but unsuccessful efforts to find or create employment for themselves? The government will have to answer all these questions in the months to come.

We welcome the measure mentioned in the Speech from the Throne which commits the government to a review of retirement policies and pensions for the aged. We hope, however, that the government will not introduce new measures which would in any way tamper with the universality of the Canada Pension Plan. Madame Pelletier in my riding of Ottawa-Vanier should in no way be penalized because she and her departed husband had the foresight to provide for retirement. There will be no justice for Canadians in any such scheme which removes universality.

I would like to speak briefly about the measures the government has announced to allow mortgage interest tax credits for homeowners. While it is to be applauded that some taxpayers are getting a break, the government can only be condemned for its failure to provide similar breaks for other Canadians. The government gives some money to a select few, and pays for it by taking it away from all of us. The vast majority of constituents in my riding are renters. Are they to be penalized because they are too poor, or because they rent, or because they have decided not to own homes? One hon. member on this side pointed out yesterday that since high interest rates have come in with this government, the $1,500 tax credit on mortgage interest has been completely offset by higher mortgage interest. Young Canadians will have no home at all to look to in the future with such contradictory policies.

My point has not been to criticize the government unduly or unfairly. The government speaks consistently of wanting to cater to the individual and to allow the individual to grow and to prosper. I suggest that the abandonment of a social policy designed to provide a respectable standard of living to those who cannot provide for themselves would be an inequitable and unconscionable act.

As Liberal critic on Treasury Board and on personnel matters as they relate to public servants, I would like to comment now on some of the directions the government has taken. The Prime Minister (Mr. Clark) and his colleagues are trying once again to give the impression to Canadians—and it is the wrong impression—that the rapid growth of the federal public service is something which has got out of control. The fact is that from 1968 to 1978 the federal public service, including Crown corporations, grew at an average yearly rate of 3.1 per cent, in response to demands from a growing economy. In the same period the Canadian economy grew at an average annual rate of 4.4 per cent, after subtracting the effects of inflation. In other words, the federal public service grew less rapidly than the economy.

The Prime Minister and the President of the Treasury Board are trying to hide from the public the fact that the real growth in bureaucracies has been in provincial and municipal governments. Even before the last election the growth of the federal public service had been reduced to zero. Contrast that with Alberta, where the provincial public service grew on an average by 7.4 per cent a year from 1974 to 1977, and in Saskatchewan by 6 per cent. Municipal bureaucracies in Alberta grew by 5.7 per cent yearly during the same period, and in Saskatchewan they grew by 7.3 per cent. The record, of course, is held by a fellow by the name of Lévesque, who sponsored a growth of 13.5 per cent in Quebec's public service in the first year of his administration.

Neither the Prime Minister nor his hatchet man, the President of the Treasury Board, have made it clear yet how reductions in the federal public service can control the growth of these other bureaucracies. Indeed, with their disposition to give away federal responsibilities they may only be adding to these already large bureaucracies. Is this new government trying to make the federal public service pay for the sins of other governments?

Mr. Friesen: Or the previous government?

Mr. Gauthier (Ottawa-Vanier): During the recent campaign we were assured that reductions would be made by selling off Crown corporations and by attrition. How will the government avoid lay-offs when it has implemented a blanket cutback of 2 per cent? We are told in press reports that next year it will be 10 per cent, so evidently people will be directly affected, laid off and looking for work.

On the subject of attrition, in recent times Manitoba, which has one of the only governments which has succeeded to some extent in cutting back on public servants, did it, but it maintained—and I think it was right—that it should never use attrition as a way of reducing its public service. The hints and leaks in recent times about major cutbacks in federal programs and personnel suggest that this new government may be preparing to abandon attrition. With 2 per cent cuts, 10 per cent cuts and all kinds of special interest groups, the word "attrition" will be redefined. It doen't mean attrition any more. Mr. Speaker. They have redefined the word "attrition". I wouldn't be surprised to hear the President of the Treasury Board get up some day and say, "Well, we've abandoned that policy, just as we have abandoned other things such as lower

interest rates, the embassy move, parliamentary secretaries who were not going to be named—what's another promise here or there?"

● (2100)

It has become increasingly clear that the new government has a very low opinion of its own public service. One of the joys of their rigid ideology is that they need not allow facts to stand in the way of their prejudices. Never mind the opinions of well-informed people across the world who think Canada has one of the best public services there is. Public servants in Canada, in my experience, discharge their responsibilities with the greatest of efficiency. I must admit, though, that having read the Lambert commission report I accept most of its recommendations, but if the President of the Treasury Board intends to adopt some of the measures proposed by Mr. Lambert, he must put in hand a policy for the development and training of public servants, especially if he continues to go the route of attrition. I say this because an approach through attrition takes for granted that all positions are equal. But that is not the case.

If you let attrition take its course through the years how can you tell any public servant that he will not be relocated urgently to replace, for example, an inspector on the east coast who has retired, or died, or decided to quit? How does the minister account for the lack of a training or development program, a global approach to look after the staffing of positions which become vacant? I cannot see any logic in the policy of attrition if it is continued without some assurance from the minister, some admission that it does not work and, second, an undertaking that he will try to put forward positive measures of training and developing new talents in the public service.

The government has for several months had its hands on the final report of the Lambert commission on financial management and accountability which was recently made public. It is to be hoped the D'Avignon report on staffing will also become available in the near future. These reports, taken together, might well call for a far-reaching change in the way the public service operates. Can we expect some response from the government to these recommendations in the present session? Or perhaps the government feels the management of the public service is not sufficiently important to merit its attention. We shall see, and we shall constantly remind the government of the importance of review and of putting forward good recommendations to make the public service more efficient and a more efficacious organization.

[*Translation*]

I should now like, Mr. Speaker, to deal with a question which deserves urgent consideration from a government that would like to be responsible and attentive to the actions of individuals who have at heart the major national objectives.

Yesterday in his speech the Leader of the Opposition (Mr. Trudeau) dealt with an important question, namely, that Canada means much more than ten provinces, five regions and thousands of municipalities. He said and I quote:

> The way to build a whole nation is to realize that Canada is more than the sum of its parts; it is more than just ten provincial feudalities which are warring together; it is more than just a piece of geography. Canada exists if there is a national spirit and a national will.

I shall add that that community of individuals which is Canada must also have a common ideal that reflects the aggregate of the values, brings about satisfaction and gives a meaning to the aspirations of the heart and the mind.

Mr. Speaker, this national unity must be achieved in the respect and dignity of the individual. We need enlightened leadership, sensitive to the aspirations of all individuals. What the population needs is strong leadership. The public recognizes that problems exist, but it demands precise indications as to the direction to be taken.

If we read the Speech from the Throne, we find a rather general mention about the various elements constituting our country. I quote:

> Confident local identities are emerging—rooted in language, custom and community—and yielding a cultural vitality unique among nations. My ministers believe that the way to build a whole nation is to respect our individual parts, and you will be invited to consider measures to build upon the diverse regional and cultural strengths of Canada.

We may honestly ask ourselves, Mr. Speaker, what measures the government will introduce to reach this objective. The laissez-faire attitude of the Prime Minister as concerns linguistic minority groups is certainly more than reason for concern. In a few words, the Prime Minister has often repeated that he would leave to the provinces the full responsibility of rectifying 112 years of indifference and neglect as concerns the development of these communities, whether in the field of education, of health, of justice or of social services. The Prime Minister says, "Let us leave all that to the provinces." Of course, several members on this side of the House must oppose this attitude, and we shall constantly raise the issue of national interest with the Prime Minister to make him understand the importance of the mandate that he has received to speak for all Canadians, wherever they may be and whatever their position. We are all Canadians first, whether our official language is French or English, and our whole nation is based on the fact that most Canadians speak one or the other of these languages. Nearly one million Canadians outside the province of Quebec speak French. There is no need for me to relate the epic battles that have been fought in various provinces, such as in my own province of Ontario, in New Brunswick, in Manitoba, in Saskatchewan, and so on. I believe all of the provinces could be included. Apart from Quebec, I believe that their history is rather dark on this issue.

Mr. Speaker, we shall not allow this Progressive Conservative government to ignore the minority groups of one official language, any more than we shall allow it to forget other important minorities, because the fact remains, as we have learned rather painfully in Canada, that when you want to

destroy a minority, you have only to ignore it, because when you ignore a problem, you are hoping that it will disappear. Indeed, this is what has happened in many provinces. The existence of French-speaking Canadians has been ignored and they have been left to be assimilated without any qualms. These minorities have been allowed to survive with difficulty in spite of conditions which were initially well established in 1867: two founding people to be able to develop in a united Canada. This is not the way it happened.

[*English*]

The Acting Speaker (Mr. Scott (Victoria-Haliburton)): Order. I regret to inform the hon. member that the time allotted to him has expired. He would need unanimous consent if he is to continue. Is there unanimous consent?

Some hon. Members: Agreed.

[*Translation*]

Mr. Gauthier (Ottawa-Vanier): Mr. Speaker, I thank the House for this gesture. I will be as brief as possible.

In any case, Mr. Speaker, we could not opt for an egalitarian approach, a just and equitable approach, without the approval of the Canadian people itself since the strength of the majority must be put to use to help the vulnerable minorities, be it the poor, the handicapped, the linguistic groups, the native or all of them. I think that the majority of Canadians are aware of the present problems and that they will generously give their support to remedy the situation and help these people survive in this great country of ours which has been partly built on this very diversity.

Mr. Speaker, I would like to conclude my remarks. I still have a lot to say but I will be very brief because I would like to deal with two or three subjects which have to do with federal-provincial relations. However, I will wait another time to do that.

Mr. Speaker, I just want to say that I think it is time for the Secretary of State (Mr. MacDonald) to shed some light on the programs he is considering implementing with respect to the development of minority linguistic communities, and more particularly I would like to hear from the Secretary of State that he is going to renew the federal-provincial agreements having to do with the matter of the support of the federal government in linguistic matters, that is, encouraging the teaching of official languages in the provinces. Yet I insist at least that there be a formal method of reporting so we, Canadians, in every province will know how the provinces are spending the funds the federal government is giving them to encourage them and support their efforts in the field of education.

In concluding, Mr. Speaker, I would like to say that federal-provincial relations will really improve only if one day this government can understand the importance for us Canadians living in a minority situation to have a constitutional amendment enshrining rights and liberties, including linguistic rights.

Mr. Speaker, I do not want to take too much of the time of the House but, very simply this is something I am very interested in, and I will come back to it from time to time.

• (2110)

[*English*]

Mr. Bill Yurko (Edmonton East): First, I wish to congratulate you, Mr. Speaker, on your election to the position of Speaker of the House.

Second, I wish to pay tribute to the memory of the Right Hon. John George Diefenbaker, the man who walked alone ahead of all of us, always with his head held high and a hand stretched out to the common man, a man who strolled across the face of this nation with an unfaltering gait and a glint in his eye, the glint of eternity. My loss is that I have not had the opportunity to see him perform in this House.

Third, I wish to thank my constituents for electing me to the highest elective office in this country. Democracy is the most brilliant jewel of an evolving civilization. In the course of just 24 hours it reversed the roles of the "ins" and the "outs" in this House. To the official opposition who, just a few months ago, were the government, I dare to quote the last words of Robert Frost's poem entitled "Reluctance". They read:

Ah, when to the heart of man
Was it ever less than a treason
To go with the drift of things
To yield with a grace to reason
And bow and accept the end
Of a love or a season.

I get the distinct impression that some people on the other side of the House still think they are in government.

Some hon. Members: Hear, hear!

Mr. Yurko: I sympathize with all those who have been humbled by democracy. At times I have enjoyed working with them, and indeed I hope to enjoy working with them again.

Perhaps, Mr. Speaker, you will allow me to say something in regard to the former prime minister, now the Leader of the Opposition (Mr. Trudeau), who is not in his seat now. I will simply say this, that the people of western Canada have judged him very harshly.

An hon. Member: They were right, too.

Mr. Yurko: I am glad the hon. member said that because I am quite certain that history will judge him with greater kindness and greater objectivity, and in my estimation, deservedly so.

Some hon. Members: Hear, hear!

Mr. Yurko: To the Prime Minister (Mr. Clark) who sits on this side, and to all of us over here, I say: congratulations, we have done well and we should pat ourselves on the back.

However, we must remember something, and that is the fallibility of human leadership. We should remember that very well as we wrestle with the swift currents of opinion and the tide of progress. We would be wise to remember that the troika that leads all good governments consists of honesty, husbandry, and humility.

Some hon. Members: Hear, hear!

Mr. Yurko: When I resigned from the ministry which I enjoyed in the province of Alberta after literally ten years as an MLA in that province, I wrote to the premier saying "I seek a greater challenge," among other things, to bring regional concerns to the national capital. I had tried to come here some ten years earlier, but this was made impossible by a skinny fellow from Edmonton North, at that time called Steve Paproski.

Some hon. Members: Shame!

Mr. Yurko: He dared to win the nomination, and he has been here ever since.

An hon. Member: Resign!

Mr. Yurko: Mr. Speaker, it is appropriate to say something about one's constituency in one's maiden speech in this House, so let me, first of all, thank my constituents for electing me. My riding resembles the United Nations. Literally, it represents people from every major country in the world. It is the seat of the provincial government and of the municipal government of the city of Edmonton. It was the home of the recent Commonwealth games, that magnificent spectacle of human interaction from almost all the Commonwealth countries.

Some hon. Members: Hear, hear!

Mr. Yurko: It is the home of the new National Hockey League team which is coming to Edmonton and to Alberta.

Some hon. Members: Hear, hear!

Mr. Yurko: It is the home of the mighty Eskimos who recently overwhelmed an eastern team, but not to embarrass them, I shall not name them.

Some hon. Members: Hear, hear!

Mr. Yurko: It is the home of finance, technology, management and sheer enterprise of every kind. It is the home of some 90,000 Canadians possessed of western dynamism who have repeatedly asked me to bring their message to this House. They repeatedly said to me "Let us build a city, a province, a nation of people from every corner of the earth so compatible and magnificent that all the world shall note and follow our example." They said, "We can do that because we are endowed with such gifts, we are a land so big and so bountiful, a people so diverse and talented, with a history so young, invigorating, and so lacking in paralysing dogma." Indeed, if you find a fifth generation Albertan, you are lucky, like my son, and my grandson who is sixth generation. Repeatedly they have said, "Let us be free to determine our future, free from overtaxation and too much government; get the government off our backs".

• (2120)

Some hon. Members: Hear, hear!

Mr. Yurko: Also they said, "Let us be united in prosperity, in diversity, and in seeking the future of brotherhood between different cultures, solitudes and races". Amen.

Some hon. Members: Amen!

Mr. Yurko: I do not believe I can relate to the House what they tried to get across to me, what I saw in their eyes. They sent me to this House of conversation.

An hon. Member: Hallelujah!

Mr. Yurko: Hallelujah! I will get to the hon. member a little later. My concern relates as much to the world society as it does to the Canadian one. It has been my distinct privilege to be a member of the Canadian delegation to Stockholm, the population conference in Romania, Habitat, and the conference of northern nations in Japan. Thus I have developed what I hope is a small appreciation of the world. I look upon the world society and I see it adrift. There seem to be no over-all goals, no consistent philosophy, except that some people would make us believe that it is socialism.

Some hon. Members: Hear, hear!

Mr. Yurko: There seems to be no inspiration, no over-all meaning, not even any hope. The global society seems apprehensive and confused. It was an experience for all of us to witness on television in the last few days the reaffirmation and the restatement of a few humble absolutes by the Pope, a world figure who came to this continent and excited it like no one else has in the last hundred years.

The courage of our Secretary of State for External Affairs (Miss MacDonald) in propounding the concepts of fundamental human rights and freedom from war and the ascension of universal democracy recently at the United Nations, was another beam of hope in these turbulent times. I congratulate the minister for her courage in doing so.

Some hon. Members: Hear, hear!

Mr. Yurko: I am a man of the newer technologies, having cut my teeth on neutrons, electrons, and nuclear energy.

An hon. Member: That explains it.

Mr. Yurko: If one could perch oneself above the earth as one can today—

Mr. Rodriguez: You are blowing.

Mr. Yurko: Some time I will tell the hon. member how much radiation I have had in the last while. If one could witness the growth of technology, its application, its use and its

pervasiveness in the interdependency and interrelationship of individuals, groups, communities and nations in the world itself, one would witness in the unfolding situation the revelation of science to a receptive human mind and the growth and spread of technological application which has accelerated to such vast proportions in the last 50 years or so. Technology has produced serious aberrations in man's own concept of himself and his ultimate destiny and purpose. He has begun to see himself as the ultimate master of his own destiny, as I am sure some socialists have over the last 25 years.

The pervasiveness of technology is so vast and so encompassing that governments at local, intermediate and national levels have increasingly done three things: moved to regulate and control technology, moved to tax the benefits of technology, and moved to redistribute the wealth produced by technology. In doing so governments worldwide have increased all forms of secular authority. In doing so governments and their attendant bureaucracies grew in size explosively and almost irrespective of their political philosophies, whether they be democratic, totalitarian, liberal, conservative, or socialistic in character.

A recent analysis shows the growth of governments in the free nations of the world in the 20-year period from 1955 to 1975. I will not run through all of them, but I should like to refer to a few examples. In the Netherlands the government's share of the gross national product in 20 years grew from 31.5 per cent to 54 per cent; in Sweden from 16.5 per cent to 52 per cent in 20 years; in Ireland from 28 per cent to 50 per cent; in the United Kingdom from 32.5 per cent to 45 per cent; in Germany from 30 per cent to 44 per cent; in Italy from 28 per cent to 43 per cent; in France from 33 per cent to 42 per cent; in Canada from 25 per cent to 40 per cent, now over 42 per cent.

Mr. Rodriguez: What about the United States?

Mr. Yurko: In the United States it grew from 26 per cent to 36 per cent.

Mr. Rodriguez: What about Holland?

Mr. Yurko: I gave the figures for Denmark. In Australia it grew from 22 per cent to 32.5 per cent; in Japan from 17.5 per cent to 25 per cent. This growth in the authority of governments over people's lives has been explosive in just two decades. Indeed a whole new climate of social regulation and cohesiveness developed rapidly. The old authorities of family, community, church and human conscience itself have increasingly been traded and transgressed by the authority of the state. It was and it is a relentless process in virtually all democratic countries. The last 25 years have seen the triumph of *de facto* socialism and a major concentration of authority over people's lives by governments and their attendant bureaucracies.

It is no wonder that a revulsion has set in throughout many nations as a matter of necessity, indeed as a matter of survival. What is now necessary is more production rather than distribution, more frugalness rather than wastefulness, more initiative and incentive rather than doling out the fruits of technology.

Therefore I agree with the trend in Britain and the statements in the Speech from the Throne. I should like to refer to some of them:

> The basic purposes of that change will be to enhance the rights, freedoms and opportunities of individual Canadians—
>
> First, my ministers will reduce the burden of government on the economy by better controlling expenditures.
>
> Second, my government will place greater reliance on individual initiative to generate growth and jobs for Canadians. You will receive proposals for regulatory reform, designed to ensure that the certainty and nature of government regulation encourages individual initiative and planning—
>
> Measures will be placed before you to assist small and medium-size enterprises—
>
> Fifth, my government is committed to making Canada self-sufficient in energy by 1990.

Basically that will be achieved through the private sector. These wonderful statements lead the nation in a direction which is absolutely vital after 25 years of *de facto* socialism which has encumbered each and every Canadian in this vast country of ours to the extent of literally 45 per cent of the gross national product being directly controlled and spent by governments of this nation.

This brings me to the topic of energy. Let me say first that recently because of technology and its complexities a number of hybrids have evolved linking the public sector with the private sector. I have been responsible for some of these myself. One of the most encouraging directions was the formation of the Alberta Gas Trunk Line in Alberta which has become an enormous success, an efficient and imaginative private enterprise tinged with just a bit of government. Indeed, the Alberta Energy Company is an example of the tying together of private enterprise with a bit of government. It is enormously successful and I do not doubt that a few members in this House have a few shares in that company, shares which have gone up quickly from $10 to $40. Indeed, the British Columbia Resources Corporation is another example. There are many examples which have evolved as a result of the power given to a few people through technology. That is what the multinational oil corporations have, a vast pool of technology that gives them access to capital in unlimited proportions enabling them to go anywhere and increase their riches.

• (2130)

Let me say this about Petro-Canada, Mr. Speaker. Petro-Canada as a Crown corporation does not need to be engaged in the operation of service stations, in marketing, in refining, or in LPG plants. Indeed, it does not need to be involved in some of the transportation systems. Petro-Canada can be converted to an instrument of national cohesiveness for the assurance of self-sufficiency in energy in partnership with existing oil companies in Canada, or in partnership, for example, with the provinces, or even through partnership with Canadians, as has been the case with the Alberta Energy Company.

There are a variety of ways that Petro-Canada can be adjusted and tailored to become far more effective in assuring

self-sufficiency in energy down the way than in the manner in which it is structured today. I have had a lot of experience with Crown corporations provincial in scope, and they are not the most responsive type of vehicle for creating wealth.

The industrial world has built a vast productive machine almost totally dependent on what used to be $2 or $1.85 a barrel oil. This made the OPEC cartel not only possible but powerful. That cartel raised world oil prices ten to 12-fold in just six years, and thereby placed in motion an effective system of world wealth redistribution and financial power reallocation. A similar phenomenon is occurring within Canada itself.

Each industrial nation was faced with converting its industrial base from low-cost energy to high-cost energy. During the transition period each nation had to act quickly, and I pity the nation that did not or does not move as fast as it should at the earliest opportunity.

Each nation had three choices in adjusting its economy. The first choice was to do nothing and become poorer, with the people of the nation becoming poorer primarily through inflation, which is nothing more than that process which makes all of us poorer whether we like it or not.

The second choice was to live on debt. They could borrow and borrow and borrow, which the United States and Canada have done, to the extent that we have mortgaged our future with the inflation rate now causing considerable hardship in these nations.

The third choice was to produce more. We could produce more, become more competitive in the world economy, competing with some of those nations that are far more productive.

What this government is trying to do is follow that third approach. It is not following the second approach because we have exhausted our ability to live on debt. This nation has mortgaged its future to the extent that the foreign debt, I believe, is no less than $5,000 per capita.

Inflation is no mystery. The United States delayed its inflationary rate by not becoming poorer for a while and now they are suffering a 14 per cent inflation rate. Canada accepted the brunt a few years ago and now suffers a lesser rate of inflation. As I said, inflation is nothing more than a process for making us all poorer. We have been living beyond our means. The resistance to becoming poorer results in a vicious process of government versus government, community versus community, union versus government and management, corporate entity versus corporate entity, and man versus man. The weak suffer the most. Unemployment relegates many to the redundancy heap, and it is perhaps the most vicious way of making people poorer; the aged on fixed incomes, the sick, the weak, those with the least wealth, power and authority; they are the ones who suffer the most. This is the Canadian situation created by the previous government and inherited by the present government. It is not a rosy situation. It is a most difficult situation, Mr. Speaker.

World oil prices will rise. I spent three days in Washington, and every official I talked with there indicated to me the vulnerability of Mid-East oil. Indeed, some pretty serious projections of the instability in that part of the world were made behind closed doors. World oil prices will rise to between $30 and $50 per barrel before substitutes for conventional oil become economically feasibile.

The United States has little choice. It has to become involved with substitutes through liquification and gasification of coal, and that nation has something like 24 per cent to 30 per cent of the world's coal reserves. There is that potential there, but what the United States will have to do is convert the entire society which was built on $2 per barrel oil to $30 per barrel oil. This will cause a major upheaval in the United States and I can assure all members in this House that the effects will be felt in this nation in a serious way.

The incentives, indeed the requirements for moving this country toward oil self-sufficiency are therefore paramount. Indeed, it is imperative to reduce our imports. The price of petroleum must rise. Oil pricing is now established by the forces of supply and demand in the world. There is a much greater demand than the present supply can meet. The Iranian situation has proved that. Saudi Arabia has cut back a million barrels a day. This winter will give us another example of the supply not meeting the demand.

Oil is a peculiar commodity. It is very difficult to place a value on it. It was produced by nature over a billion years. Man came along in the last 100 years, dug a hole and took it out of the ground and said it was worth $1.85 a barrel. Who is to say that is right? This is one of the most vitally important commodities the world has ever known. What is its value? Does man produce it? He can produce it from coal and from biomass which indirectly is solar energy, and the costs are in the area of the equivalent of $30 to $50 a barrel. The appetite for oil is insatiable. In the United States alone the consumption tripled in a mere 25 years.

Earlier this year I wrote out the four points of what I thought to be a national energy strategy. Let me just read them for you. The first is security of energy supply to all parts of Canada with the potential for no less than 50 per cent of total energy needs for any region from Canadian sources. The second is Canadian energy self-sufficiency, that is, zero net oil imports, because the nation is self-sufficient in energy today. It is not self-sufficient in oil. It is oil that we import, because we are self-sufficient in energy—self-sufficiency within a maximum period of 15 years or by 1990 if possible from diversified energy sources. Three is a Canadian deliverability of oil and gas to all regions of Canada; oil or gas. Four, maintaining a healthy, competitive and expanding primary and secondary manufacturing industry in Canada through appropriate energy pricing policies. However, it should not be to the extent that productivity decreases and the competitive spirit is killed. There should be a small advantage to Canadian manufacturing, but only a small one to make it efficient and productive, because that is the key behind the revival of the economy.

● (2140)

I also laid out six points forming a national energy plan. In it I included the fact that we need a major thrust in energy

conservation through price adjustments and waste use elimination, major new initiatives in increasing conventional energy reserves and supply capabilities including oil, gas, nuclear, hydro, coal, oil sands, heavy oils, enhanced recovery and others.

The third point in my national energy plan was substantive extension of Canada's energy deliverability to and within all regions of Canada; fourth was a program of extensive energy supply and use redeployment on a regional, and use-cost basis. My fifth point was an accelerated program of research, development and the construction of demonstration facilities of new energy forms like gasahol, solar, tidal, wind, biomass and so forth. Finally, my sixth point was a total review and reassessment of present and possible future Canada-U.S. energy intertwinement arrangements. The question which must always be asked is are they always in the Canadian interest?

I do not know how much time I have left. I believe it is very little, but I had hoped to have something to say about the province of Alberta. What does the province of Alberta want? It wants its rights under the constitution. Under those rights it wants to build and to be a dynamic and vibrant part of Canada. It has opened its borders to young men and young women from all across the nation to come and find employment, opportunity, and a future.

In the United States capital and labour move across the face of the land almost unimpeded. In our nation we have a formula process which I support, but it can get out of hand. It is a process called equalization where people are literally forced through economic handouts to stay where they are.

The Acting Speaker (Mr. Laniel): Order. I regret to interrupt the hon. member but his time has expired, and due to the fact that there will be a vote in four minutes and the fact that another member wishes to participate, I regret that I cannot give the hon. member an extension of time.

Mr. John Evans (Ottawa Centre): Mr. Speaker, given the lateness of the hour and the importance of the issue we will decide at 9.45, I would like to take an extract from my speech which deals with the important amendment to the address from the House to His Excellency, that deals with Petro-Canada. I strongly support the amendment which was moved yesterday by my leader. However, with regard to the amendment to the amendment which was introduced thereto, I have strong reservations.

The issue raised in the subamendment was already dealt with by the House on March 20, 1979, and was soundly rejected by a vote of 190 to 13. As the hon. member for Outremont (Mr. Lalonde) said this afternoon, "We have no objections to the retail aspect. The power is currently in the act that governs Petro-Canada but with regard to the importer aspect, we have several problems."

First of all why should we put all our eggs in one basket? Canada's energy flexibility would be greatly reduced as a result. Secondly, we have many existing contracts which would undoubtedly have to be renegotiated, and ultimately at much higher prices for Canadians. Finally, we now have a system which works for Canada, and to alter this system radically would jeopardize rather than enhance Canadian energy security. For these reasons I do not intend to support the amendment to the amendment moved by the Leader of the New Democratic Party (Mr. Broadbent).

If I could, I would now like to start my prepared text. At the outset I would like to add my name to those who have congratulated the hon. member for Erie (Mr. Fretz) and the hon. member for Cardigan (Mr. MacDonald) on the manner in which they moved and seconded the reply to the Speech from the Throne.

I would like to preface my remarks by stating my sincere appreciation to the people of Ottawa Centre for the confidence they demonstrated in me on May 22. Ottawa Centre is indeed a unique riding, and I am honoured to represent its electors. The Parliament Buildings are located within its boundaries, thereby creating a federal presence known nowhere else in Canada. There is another dimension which I believe is characteristic of few other ridings. Ottawa Centre is to me a microcosm of the country itself. It has a wide range of cultural, social, economic, and political groups, making it a true reflection of the the vertical mosaic which is Canada, a mosaic in which each individual contributes in his or her own unique way to the strength and vitality of Canadian society.

The people of Ottawa Centre also represent a group of Canadians who, I believe, are better informed than their peers on matters of public policy and their implication. They feel the intimate presence of the four levels of government and have demonstrated their ability to voice reasoned opinions on the issues of the day. However, while the pervasive federal presence has certain advantages for Ottawans, there are also very real disadvantages.

The advantages are of course the many amenities which accompany the physical location of the seat of government. The Parliament Buildings, the National Arts Centre, the Museum of Man, the canal, the National Art Gallery, the Supreme Court, the National Library, the Garden of the Provinces, the Postal Museum, and the Bank of Canada are all located in the riding of Ottawa Centre and are a source of pride and enjoyment to the people of Ottawa Centre and, indeed, to all Canadians who take the opportunity to visit our beautiful city. May I call it 9.45, Mr. Speaker?

[*Translation*]

Mr. Deputy Speaker: Order. It being 9.45 p.m., it is my duty pursuant to the provisions of Standing Order 38(3) to interrupt the proceedings and put forthwith every question necessary to dispose of the amendment to the amendment that is now before the House.

The question is on the amendment to the amendment in the name of Mr. Broadbent. All those in favour of the amendment to the amendment will please say yea.

Some hon. Members: Yea.

Mr. Deputy Speaker: All those opposed will please say nay.

Some hon. Members: Nay.

Mr. Deputy Speaker: In my opinion, the nays have it.

And more than five members having risen:

Mr. Deputy Speaker: Call in the members.

● (2150)

[*English*]

The House divided on the amendment to the amendment (Mr. Broadbent) which was negatived on the following division:

(*Division No. 2*)

YEAS

Messrs.

Benjamin
Blackburn
Blaikie
Broadbent
de Jong
Faour
Fulton
Hogan
Ittinuar
Jewett (Miss)
Knowles
Lachance
Miller
Mitchell (Mrs.)
Murphy
Nystrom
Ogle
Orlikow
Peters
Rae
Robinson (Burnaby)
Rodriguez
Rose
Sargeant
Skelly
Symes
Waddell—27.

NAYS

Messrs.

Alexander
Allard
Allmand
Andre (Calgary Centre)
Appolloni (Mrs.)
Atkey
Axworthy
Baker (Gander-Twillingate)
Baker (Nepean-Carleton)
Beattie (Hamilton Mountain)
Beatty (Wellington-Dufferin-Simcoe)
Bégin (Miss)
Berger
Binks
Blenkarn
Bockstael
Bosley
Bradley
Breau
Brisco
Bujold
Cameron
Campbell (Sarnia)
Caouette
Chrétien
Clark (Yellowhead)
Clarke (Vancouver Quadra)
Coates
Comtois
Cook
Cooper
Corbett
Corbin
Corriveau
Cossitt
Cousineau
Crombie
Crosbie (St. John's West)
Crosby (Halifax West)
Crouse
Cyr
Darling
Dawson
De Bané
de Corneille
Demers
Deniger
Desmarais
Dick
Dinsdale
Dion (Portneuf)
Dionne (Chicoutimi)
Dionne (Northumberland-Miramichi)
Domm
Dupont
Elliott
Ellis
Elzinga
Epp
Evans
Fennell
Ferguson
Fish
Fleming
Flis
Forrestall
Foster
Fox
Fraleigh
Fraser
Fretz
Friesen
Froese
Gamble
Gass
Gauthier (Ottawa-Vanier)
Gendron
Gilchrist
Gourd
Grafftey
Graham
Gray
Greenaway
Guilbault
Gurbin
Gustafson
Haliburton
Halliday
Hamilton (Qu'Appelle-Moose Mountain)
Hamilton (Swift Current-Maple Creek)
Hargrave
Hawkes
Hees
Herbert
Hervieux-Payette (Mrs.)
Higson
Hnatyshyn
Holmes
Hopkins
Howie
Huntington
Isabelle
Janelle
Jarvis (Willowdale)
Jarvis (Perth)
Jelinek
Johnston
Jupp
Kaplan
Kempling
Kilgour
Killens (Mrs.)
King
Korchinski
Kushner
Lajoie
Lalonde
Lambert (Bellechasse)
Lambert (Edmonton West)
Lamontagne
Lane
Lapierre
Lapointe
La Salle
Lawrence
Leduc
Lefebvre
Lessard
Lewis
Loiselle
MacDonald (Egmont)
MacDonald (Miss) (Kingston and the Islands)
MacDonald (Cardigan)
MacEachen
MacGuigan
MacKay
MacLaren
MacLellan
Malépart
Malone
Maltais
Marceau
Massé
Mayer
Mazankowski
McCain
McCauley
McCrossan
McCuish
McDermid
McGrath
McKenzie
McKinley
McKinnon
McKnight
McLean
McMillan
McRae
Mitges
Munro (Esquimalt-Saanich)
Munro (Hamilton East)
Murta
Neil
Nicholson (Miss)
Nickerson
Nielsen
Nowlan
Nylander
Oberle
Olivier
Paproski
Patterson
Penner
Pepin
Phillips
Pinard
Prud'homme
Reid (Kenora-Rainy River)
Reid (St. Catharines)
Reimer
Richardson (Humboldt-Lake Centre)
Richardson (Beaches)
Ritchie (Dauphin)
Ritchie (York East)
Robinson (Etobicoke-Lakeshore)
Roche
Rompkey
Rossi
Roy (Beauce)
Roy (Laval)
Sauvé (Mrs.)
Savard
Schellenberger
Scott (Hamilton-Wentworth)
Scott (Victoria-Haliburton)
Siddon
Speyer
Stevens
Stewart
Stollery
Stratas (Mrs.)
Taylor (Cowichan-Malahat-The Islands)
Taylor (Bow River)
Tessier
Thacker
Thomson
Tousignant
Towers
Trudeau
Turner
Vankoughnet
Veillette
Wakim
Watson
Wenman
Whelan
Whittaker
Wightman
Wilson
Wise
Woolliams
Yanakis
Yurko—223.

● (2220)

Mr. Speaker: The amendment to the amendment is defeated.

It being ten o'clock the House stands adjourned until tomorrow at eleven o'clock in the morning, pursuant to Standing Order 2(2).

At 10.22 p.m. the House adjourned, without question put, pursuant to Standing Order.

APPENDIX

LIST OF SOME OF THE MEASURES WHICH THE GOVERNMENT PROPOSES TO PLACE BEFORE PARLIAMENT DURING THE FIRST SESSION OF THE THIRTY-FIRST PARLIAMENT

Adjustments of Accounts Act
Amendments to the Adult Occupational Training Act
Legislation respecting Aerial Hijacking
Amendments to the Aeronautics Act
Amendments to the Agricultural Stabilization Act
Bankruptcy Act
Banks and Banking Law Revision Act, 1979
Amendments to the Bretton Woods Agreements Act
Canada Beef Import Act
Amendments to the Canada Elections Act
Legislation to repeal the Canada-France Trade Agreement
Amendments to the Canada Labour Code
Canada Non-Profit Corporations Act
Canada Oil and Gas Act
Canada Ports Act
Amendments to the Canada Shipping Act
Legislation Establishing the Canadian Agripro Corporation
Amendments to the Canadian Film Development Corporation Act
Amendments to the Civilian War Pensions and Allowances Act
Amendments to the Coastal Fisheries Protection Act
Amendments to the Compensation for Former Prisoners of War Act
Amendments to the Corporations and Labour Unions Returns Act
Amendments to the Criminal Code
Legislation respecting Crown Corporations
Customs Act
Amendments to the Customs Tariff
Amendments to the Department of Labour Act
Amendments to the Diplomatic and Consular Privileges and Immunities Act
Legislation to revise the Electricity Inspection Act and the Gas Inspection Act
Legislation amending the Employment Tax Credit program
Essential Services Disputes Act
Amendments to the Excise Tax Act
Amendments to the Farm Credit Act
Amendments to the Farm Improvement Loans Act
Amendments to the Federal Business Development Bank Act
Legislation respecting Fiscal Transfers to the Provinces
Amendments to the Fisheries Act
Amendments to the Fisheries Improvement Loans Act
Legislation repealing Four Agriculture Statutes
Freedom of Information Act
Fugitive Offenders Act
Garnishment, Attachment and Pension Diversion Act
Amendments to the Income Tax Act
Amendments to the Income Tax Act respecting Mortgage Interest and Property Tax Relief
Legislation respecting Income Tax Conventions
Amendments to the Immigration Act
Independence of Parliament Act
Amendments to the Indian Act
Labour Information Bureau Act
Amendments to the Livestock Feed Assistance Act
Amendments to the Judges Act
Amendments to the Land Titles Act
Amendments to the Loan Companies Act
Amendments to the Migratory Birds Convention Act
Migratory Caribou Convention Legislation
Proposals for a Miscellaneous Statute Law Amendment Act
Municipal Grants Act
Legislation to implement the Multilateral Trade Negotiations Tariff Changes
Legislation to implement the Non-Tariff Multilateral Trade Negotiations Agreements
Amendments to the Old Age Security Act
Omnibus Environmental Amendment legislation
Legislation to revise the Patent Act
Amendments to the Pension Act
Amendments to the Petroleum Administration Act
Plant Breeders' Rights Act
Legislation to convert the Post Office into a Crown corporation
An Act respecting certain postal rates
Legislation respecting the Privacy of Individuals
Legislation respecting Public Service Pensions
Legislation respecting Québec and Montréal Port Wardens
Amendments to the Radiation Emitting Devices Act
Consolidation of Regional Development legislation
Legislation respecting the Relocation of Federal Agency Head Offices

Amendments to the Royal Canadian Mounted Police Act
Safe Containers Convention Act
Amendments to the Saltfish Act
Amendments to the Seeds Act
Legislation respecting Sexual Offences
Amendments to the Small Businesses Loans Act
Sunset legislation
Legislation to revise the Trade Marks Act
Transportation of Dangerous Goods Act
Telecommunications Act
Amendments to the Trust Companies Act
Amendments to the Two-Price Wheat Act
Amendments to the Unemployment Insurance Act
Amendments to the War Veterans Allowance Act
Legislation respecting Young Offenders
Amendments to the Yukon Quartz Mining Act

HOUSE OF COMMONS

Friday, October 12, 1979

The House met at 11 a.m.

• (1105)

ROUTINE PROCEEDINGS

[*English*]

VETERANS AFFAIRS

REQUEST FOR FULL-TIME MINISTER OF VETERANS AFFAIRS—MOTION UNDER S.O. 43

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

In view of the fact that the throne speech made mention of amending certain legislation respecting veterans, and given the absolute desire on the part of Canada's veterans to have their own, sole minister of veterans affairs instead of presently having the Departments of Veterans Affairs and of National Defence downgraded to a dual ministry, I move, seconded by the hon. member for Langelier (Mr. Lamontagne):

That the Prime Minister immediately pay proper respect to the veterans of Canada by appointing a minister whose specific responsibility will be the Department of Veterans Affairs, and at the same time give the members of Canada's Armed Forces their own full-time minister.

Mr. Speaker: The introduction of such a motion for debate at this time, pursuant to that Standing Order, would require unanimous consent. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

[*Translation*]

CANADA WORKS

REQUEST FOR RE-ESTABLISHMENT OF PROGRAM—MOTION UNDER S.O. 43

Mr. Donald J. Johnston (Saint-Henri-Westmount): Mr. Speaker, I rise under Standing Order 43 to ask for the unanimous consent of the House to introduce a motion on an urgent and pressing matter.

In light of the changes made by the Progressive Conservative government to the Canada Works program, and in view of the injustices that such changes have produced in many ridings where there exist wide economic disparities, as in Saint-Henri-Westmount, I move, seconded by the hon. member for Saint-Michel (Mrs. Killens):

That the present government abandon this bad policy and that the Canada Works program be reinstated in its original form so that communities and the unemployed who are really in need may benefit from it.

Mr. Speaker: Order, please. The House has heard the terms of the motion put by the hon. member. Under Standing Order 43, such a motion requires unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

[*English*]

FINANCE

CALL FOR CONTROLS ON INTEREST AND PROFIT MARGINS OF BANKS—MOTION UNDER S.O. 43

Mr. Bob Rae (Broadview-Greenwood): Mr. Speaker, I rise, under the provisions of Standing Order 43, on a matter of urgent and pressing necessity.

In view of the fact that with every increase in the Bank of Canada's interest rate, the chartered banks use this opportunity to increase the margin between what they pay depositors and what they charge borrowers, and in view of the fact that these same banks in the third quarter of this year were paying taxes at a rate of just over 10 per cent on ever-spiralling profits, thus increasing the burden on the working taxpayer, I move, seconded by the hon. member for Winnipeg-Birds Hill (Mr. Blaikie):

That this House call for immediate controls on interest and profit margins in the banking industry, and the imposition of a surtax on the banks to bring their effective tax rate to 50 per cent.

Mr. Speaker: Such a motion can be introduced for debate at this time, pursuant to that Standing Order, only with the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

S.O. 43

● (1110)

EXTERNAL AFFAIRS

FOOD AID TO KAMPUCHEA—MOTION UNDER S.O. 43

Mr. Bob Wenman (Fraser Valley West): Mr. Speaker, having recently returned from southeast Asia, I rise on a matter of urgent and pressing necessity pursuant to the provisions of Standing Order 43.

In view of the starvation, war and inhuman suffering vested upon the unfortunate people of Kampuchea, formerly Cambodia, I move, seconded by the hon. member for Waterloo (Mr. McLean):

That the Government of Canada encourage and assist non-governmental organizations and other voluntary groups, the United Nations Food and Agriculture Organization and the International Red Cross, in delivering humanitarian food aid to Kampuchea.

Mr. Speaker: The introduction of such a motion for debate at this time would require unanimous consent, pursuant to Standing Order 43. Is there unanimous consent?

Some hon. Members: Agreed.

An hon. Member: No.

* * *

PETRO-CANADA

CONDEMNATION OF PLAN TO DISMANTLE CORPORATION—MOTION UNDER S.O. 43

Mr. John Evans (Ottawa Centre): Mr. Speaker, I rise under the provisions of Standing Order 43 on a motion of urgent and pressing necessity.

In view of the fact that the multinational oil companies have consistently operated in violation of the public trust, as witnessed by a recent court case and investigations by the federal Department of Consumer and Corporate Affairs under the Combines Investigation Act, I move, seconded by the hon. member for Outremont (Mr. Lalonde):

That the House condemn the government plan to dismantle Petro-Canada and that it instruct the government to cease any actions which would jeopardize the ability of Petro-Canada to operate in the interests and defence of all Canadians and as an instrument of public policy.

Mr. Speaker: The presentation of such a motion for debate requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

[Mr. Speaker.]

IMMIGRATION

REQUEST FOR REFUGEE STATUS FOR SIX POLISH SAILORS—MOTION UNDER S.O. 43

Mr. Jesse Flis (Parkdale-High Park): Mr. Speaker, I rise under the provisions of Standing Order 43 to move a motion of the utmost urgency.

Given the plight of the six Polish sailors who have jumped ship in St. John's, Newfoundland, in the hope of being granted refugee status in Canada so as to escape the burden of oppressive dictatorship in their native Poland, and given the fact that this matter was brought to the attention of both the Minister of Employment and Immigration (Mr. Atkey) and the Secretary of State for External Affairs (Miss MacDonald) more than two weeks ago, with no action having been taken, I move, seconded by the hon. member for York Centre (Mr. Kaplan):

That this House call upon the minister of immigration to exercise his ministerial prerogative and immediately issue permission for these sailors to remain in Canada.

Mr. Speaker: Presentation of such a motion at this time, pursuant to Standing Order 43, can be made only with the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

CANADA WORKS

FUNDING FOR PROJECTS—MOTION UNDER S.O. 43

Mr. Rod Murphy (Churchill): Mr. Speaker, I rise under the provisions of Standing Order 43 on a matter of urgent and pressing necessity.

In view of the fact that the Minister of Employment and Immigration (Mr. Atkey) has unilaterally cut off Ontario, Saskatchewan, Alberta and Manitoba from Canada Works funding, including many regions like the Churchill constituency which has areas of unemployment exceeding 80 per cent, and has justified his actions by counting only the number of UIC beneficiaries rather than the number of unemployed people to determine the qualifying rate, I move, seconded by the hon. member for Selkirk-Interlake (Mr. Sargeant):

That the Minister of Employment and Immigration consider the actual number of people who are unemployed in a riding in determining which ridings in Canada are eligible for Canada Works funding, instead of using the deceptively low figures of the labour surplus rate.

Mr. Speaker: The introduction of such a motion for debate at this time can be done only with unanimous consent, pursuant to Standing Order 43. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

LABOUR CONDITIONS

ATLANTIC CANADA—UNEMPLOYMENT CAUSED BY FREEZE ON FEDERAL ACTIVITIES—MOTION UNDER S.O. 43

Mr. George Baker (Gander-Twillingate): Mr. Speaker, I rise under the provisions of Standing Order 43 to ask for the unanimous consent of the House to debate a matter of urgent and pressing necessity.

In view of the fact that the government decided to freeze and cancel federal construction projects in Atlantic Canada this past summer and terminate hundreds of jobs of term and contractual federal employees, and freeze vacancies, causing inferior government service in vital areas, resulting in rising unemployment during the short construction season, I move, seconded by the hon. member for Grand Falls-White Bay-Labrador (Mr. Rompkey):

That the government reverse its decision to freeze federal activities in areas of high unemployment like Newfoundland, and reverse its policy toward the federal civil service in Newfoundland of fire and retire.

Mr. Speaker: Introduction of such a motion for debate at this time would require unanimous consent. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

● (1115)

FINANCE

CALL FOR MEASURES TO ALLEVIATE ADVERSE EFFECTS OF HIGH INTEREST RATES—MOTION UNDER S.O. 43

Mr. Robert Bockstael (St. Boniface): Mr. Speaker, I rise under the provisions of Standing Order 43 on a matter of pressing and urgent necessity.

Considering the effect of high interest rates on small businesses and food producers in this country and the potential resulting unemployment, I move, seconded by the hon. member for Vancouver Centre (Mr. Phillips):

That the Minister of Finance immediately bring down a budget with measures contained therein to alleviate such adverse effects caused by these high interest rates.

Mr. Speaker: Presentation of such a motion for debate at this time can be done only with the unanimous consent of the House, in accordance with Standing Order 43. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Oral Questions

HOUSE OF COMMONS

PRESENCE IN GALLERY OF GENERAL BERNARD W. ROGERS

Mr. Speaker: Order, please. Before beginning the oral question period, may I invite all hon. members to join with me in signalling the presence in our gallery of a very distinguished visitor who, I am sure, goes with our very best wishes in his immense and important responsibilities on our behalf. I speak of our Supreme Allied Commander in Europe, General Bernard W. Rogers.

Some hon. Members: Hear, hear!

ORAL QUESTION PERIOD

[*English*]

EXTERNAL AFFAIRS

LOCATION OF CANADIAN EMBASSY IN MIDDLE EAST

Hon. Allan J. MacEachen (Cape Breton Highlands-Canso): Mr. Speaker, I have a question for the Secretary of State for External Affairs. Before asking the question, however, I should like to congratulate her on taking over the leadership of a great department of government. I have had the experience of serving in that department and know what a dedicated and professional staff is at her disposal.

Some hon. Members: Hear, hear!

Mr. MacEachen: My question concerns the decision of the government to move the Canadian embassy from Tel Aviv to Jerusalem. I should like to ask the minister, now that she is settled into her job and shows increasing confidence, whether she has been able to reverse the misguided policy of the Prime Minister who has stated that he moved too early, that he moved without being briefed on all the nuances, and that it was a mistake. Is she now able to tell the House that she has succeeded in getting her colleagues to reverse this misguided decision of the government?

Hon. Flora MacDonald (Secretary of State for External Affairs): Mr. Speaker, I know that the hon. member has been spending much of his time in Cape Breton, but I am sure that is not beyond the reach of news of what has been going on in this area.

I should like to inform the hon. member, if he is not aware of it, that the government has appointed a very distinguished Canadian in the person of the Hon. Robert Stanfield as its ambassador at large to look into this question along with many other factors that apply to Canada's relations with countries of the Middle East. He will make recommendations to the Government of Canada on how its relations with those countries can be improved, can be upgraded and, in fact, how we can contribute to the development of peace in that area.

Some hon. Members: Hear, hear!

Mr. MacEachen: Mr. Speaker, a supplementary question. I appreciate the minister's commentary, but she has not told the House whether the policy on moving the embassy will still stand. I take it that policy is still the policy of the Government of Canada, namely, to move the embassy to Jerusalem. I ask the minister if that is right. Will she tell the House and the country—and this is the first time we have really had a chance to ask—what Canadian interests are served politically and economically by pursuing this very misguided policy?

● (1120)

Miss MacDonald: Mr. Speaker, in appointing the Hon. Robert Stanfield to look into this question and to make his recommendations to the Government of Canada, the hon. member should be aware that there were no restrictions placed on Mr. Stanfield's inquiry as to the people with whom he consults, the countries he visits or the recommendations he makes to the government. When those recommendations are made, the government will then further elaborate on that facet.

Some hon. Members: Hear, hear!

Mr. MacEachen: Mr. Speaker, the minister has failed twice to answer whether it is still the decision of the Government of Canada to move the embassy: the answer has not been given.

I ask the Prime Minister whether it is still the decision of the Government of Canada to move the embassy, or has that decision been suspended? I ask him, further, are the terms of reference of Mr. Stanfield—an undertaking of what we regard as quite an unnecessary mission—broad enough to allow him to recommend against the movement of the embassy and the recognition of Jerusalem as the capital of Israel? Are the terms of reference that broad, or are his terms of reference only relating to timing and modalities? Please tell us what the minister has failed to tell us, whether it is still your policy today, never mind hiding behind your former leader, to move the embassy.

Right Hon. Joe Clark (Prime Minister): Mr. Speaker, I understand that the shock of moving across the floor has affected negatively the former minister's ability to understand information transmitted across the House, even if it has not reduced his verbosity.

Some hon. Members: Oh, oh!

Mr. Clark: The Secretary of State for External Affairs has replied to the question. She has indicated that there were no conditions set upon the recommendations that will be made by the Hon. Robert Stanfield as a result of his inquiries in the Middle East. We would not, naturally, send a man of his stature on a mission of this importance if we had told him what to report before he went. We are going to base our decision on the report that he gives when he returns.

Some hon. Members: Hear, hear!

[Miss MacDonald.]

[*Translation*]

MANDATE OF HON. ROBERT STANFIELD

Mr. Marcel Prud'homme (Saint-Denis): Mr. Speaker, my question is directed to the right hon. Prime Minister. Can he confirm that the cabinet has given special envoy ambassador Stanfield an entirely free hand in deciding whether to meet, or not to meet, the PLO representatives as confirmed by the Secretary of State for External Affairs and reported in *The Globe and Mail* dated October 11?

Right Hon. Joe Clark (Prime Minister): Mr. Speaker, it is quite clear, and has been clear since the terms of reference of ambassador Stanfield were released, that he is free to meet all groups, all spokesmen who can contribute to the development of an efficient Canadian policy on the Middle East.

Mr. Prud'homme: Mr. Speaker, I have a supplementary question.

The right hon. Prime Minister knows Mr. Stanfield holds the rank of ambassador; does he not then realize that such a meeting could be interpreted as recognition of the PLO?

Mr. Clark: Mr. Speaker, the position of Mr. Stanfield is that of ambassador extraordinary and I underline the importance of the word "extraordinary". He was appointed ambassador to investigate a very specific situation. Because of the adjective "extraordinary", there can be no implication of official recognition, by the Canadian government, of any group with which he may have consultations, except in the sense that he has the right, the duty to meet such persons as hold enlightened views with regard to the development of a strong and efficient Canadian policy on the Middle East.

* * *

● (1125)

[*English*]

NATIONAL DEFENCE

PURCHASE OF NEW FIGHTER AIRCRAFT

Mr. Terry Sargeant (Selkirk-Interlake): Mr. Speaker, I would like to ask a question of the Minister of National Defence. First, I would congratulate the minister on his appointment and wish him well.

In view of the recent foreign policy review announced by the Secretary of State for External Affairs, will the minister reconsider his own position and introduce a white paper on defence before going ahead with the $2.3 billion new fighter aircraft purchase?

Hon. Allan B. McKinnon (Minister of National Defence and Minister of Veterans Affairs): Mr. Speaker, I thank the hon. member for his good wishes and I extend the same to him as the defence critic of the NDP. As to other defence critics, I hope you will do as well as your predecessors.

Some hon. Members: Hear, hear!

Mr. McKinnon: In so far as the new fighter aircraft are concerned, I have been in correspondence with the hon. member and have made my position rather clear to him, that we intend to go ahead with the purchase of the new fighter aircraft as scheduled.

Mr. Sargeant: In view of the government's welcome initiative on freedom of information, will the minister confirm that a report entitled "DITC, Industrial Benefits Evaluation Report, July 1979", was prepared by members of the negotiating committee in his department regarding the new fighter aircraft and, if so, will the minister table this report in the House of Commons?

Mr. McKinnon: Mr. Speaker, I will table the necessary reports when the final decision has been made and the contract signed. At that time I will give all the information I possibly can without endangering national security.

Mr. Sargeant: A final supplementary question, Mr. Speaker. Since this report, of which I have received a copy, clearly indicates that the so-called plane competition is nothing but a gigantic charade, will the government follow the advice of Dr. John Shepherd, vice chairman of the Science Council of Canada, and delay the purchase of this plane for a limited period in order to avoid placing a major, serious and expensive burden on the people of Canada?

Mr. McKinnon: Mr. Speaker, I do not agree with the philosophy of the defence critic for the NDP that this is going to be something that will not be absolutely necessary. We do not enter into these purchases lightly.

As far as the report is concerned alleging that the competition was a sham, I believe the report was not quite the one that it is purported to be. It was leaked some time ago. I did not find it worth while commenting on at the time. It was turned down at the first level of review. I am sorry the hon. member has taken it so seriously. The leaking of reports on a serious matter like this makes it more difficult to carry on negotiations, but negotiations have been carried on in a fair and competitive manner despite the leaking of that report.

* * *

INTERNATIONAL TRADE

SUGGESTED RELOCATION OF CANADIAN EMBASSY IN MIDDLE EAST—REACTION OF COMPANIES

Mr. Hal Herbert (Vaudreuil): Mr. Speaker, I wish to put my question to the Minister of State for International Trade. I wish to ask if he is aware and if he can inform this House how many companies have expressed their objection to the proposed move of the Canadian embassy from Tel Aviv to Jerusalem?

Hon. Michael Wilson (Minister of State for International Trade): Mr. Speaker, I cannot give a precise number as to how many companies have spoken to me or my department on the question of the move of the embassy from Tel Aviv to Jerusalem. A number of companies have expressed some concern. We are keeping in close contact with them in order to be able to monitor the commercial impact of any policy adopted. This is a policy that is of considerable importance to our department.

• (1130)

Mr. Herbert: I should like to ask the Minister of State whether he is aware that contracts between Bell Canada and the Arab nations worth in excess of half a billion dollars are presently in suspense. Is he aware, also, that Canadian companies need no longer bid on Iraqi projects, more specifically on a major aeroport facility?

Mr. Wilson: The whole question of bidding on contracts in the Middle East, as well as the status of existing contracts in the Middle East, is not entirely clear. There is no question that there has been some hiatus as a result of the announcement in June—

Some hon. Members: Oh!

Mr. Wilson: —but, on the other hand, a number of contracts have been successfully concluded and as far as we are aware no contracts have been cancelled.

SUGGESTED RELOCATION OF CANADIAN EMBASSY IN MIDDLE EAST—EFFECT ON TRADE

Hon. Jeanne Sauvé (Laval-des-Rapides): Mr. Speaker, my question is directed to the right hon. Prime Minister. It concerns a telegram which he has received from the telecommunications trade fair in Geneva sent to him by Mr. Don Cruikshank, president of the Canadian Telecommunications Carriers Association, in which he says that doors are being slammed in the faces of Canadians and that Arab delegates are telling Canadians that contracts worth literally billions of dollars and thousands of jobs will not be negotiated or renewed if Canada does not quickly resolve its position on the possible removal of our embassy from Tel Aviv.

I am aware that the Prime Minister has sent Mr. Stanfield on a mission, but that sort of thing takes a long time. What is the right hon. gentleman doing in the meantime to ensure that Canadians will not lose out to their competitors who, as he knows, are taking advantage in this area at this international trade fair because of the government's stand concerning the removal of the embassy to Jerusalem?

Right Hon. Joe Clark (Prime Minister): I have not seen the telegram to which the hon. lady refers. I will check my files and look at it and, of course, I will reply to it as required.

With regard to the more substantive part of the question, we believe it is now broadly understood by Canadian businessmen and others dealing abroad, as well as by the countries and traders with whom they are dealing, that the mission of Mr. Stanfield has a very broad mandate, that Mr. Stanfield intends

to report as quickly as possible, and that the government intends to act very quickly once we are in receipt of his report. We hope that any suspension of contracts to Canada which might result from the present situation will be brought to an end as quickly as possible.

* * *

[*Translation*]

COMMUNICATIONS

PROGRESS OF NEGOTIATIONS BETWEEN BELL CANADA AND SAUDI ARABIA

Hon. Jeanne Sauvé (Laval-des-Rapides): Mr. Speaker, my supplementary question is directed to the Minister of Communications who seems to be just as complacent as the Prime Minister who, two days after receiving that telegram, said that everything was fine and would be settled and that especially Bell Canada, now busy carrying out a very important $1 billion contract in Saudi Arabia, "were sleeping low".

I understand that not only "they are sleeping low" but they are skating on thin ice, because things are not as satisfactory as the government suggests and immediate action is required. I want to ask the minister whether he knows if the contracts already signed are still being carried out, if payments under existing contracts already signed are made and if negotiations about new contracts worth at least $1 billion are going on at the same pace as before the untimely statement of the government?

[*English*]

Hon. David MacDonald (Secretary of State and Minister of Communications): I have had an opportunity on occasion to speak to representatives of Bell Canada with respect to their contracts in the Middle East. I do know there has been some difficulty during the course of the summer. I had meetings with the president of Bell just before his most recent visit to the Middle East and I expect to be seeing him again shortly. The government will certainly do everything possible to facilitate these important contracts.

* * *

[*Translation*]

EXTERNAL AFFAIRS

INQUIRY AS TO GOVERNMENT REACTION ON RETURN OF HON. ROBERT STANFIELD

Hon. Jean-Luc Pepin (Ottawa-Carleton): The Prime Minister indicated a few seconds ago that he would react very quickly following Mr. Stanfield's return. Could he be a little more specific and explain whether quickly means ten days, 15 days, or what? Will we have to wait until next spring? And has he already received from the Secretary of State for External Affairs some elegant words to create the impression that he is going forward when in fact he is backing up?

Right Hon. Joe Clark (Prime Minister): Mr. Speaker, when I need elegant words, I look for them myself. Some ministers are indeed endowed with elegant eloquence. I can reply directly to this question by saying that no specific timetable has yet been set up. Mr. Stanfield, I think, is about to leave the Middle East. He is expected here in a few days. I hope he will be able to provide us with a report on his mission within the next few weeks and, having looked into it, that we will be able to take concrete measures as soon as possible, maybe before or immediately after Christmas.

* * *

[*English*]

CONSUMER AND CORPORATE AFFAIRS

POSSIBLE PROSECUTIONS UNDER COMBINES INVESTIGATION ACT

Mr. Svend J. Robinson (Burnaby): Mr. Speaker, my question is for the Minister of Consumer and Corporate Affairs. I should like, first, to congratulate him on his appointment and wish him well in carrying out the duties of this portfolio in addition to his other responsibilities.

The hon. gentleman is aware that his department has recently referred two cases of possible criminal violations under the Combines Investigation Act to his colleague, the Minister of Justice, involving the Western Transport Association, based in Alberta, and the Household Goods Company. Will the minister confirm, first, that a meeting took place this morning involving himself, the Minister of Justice and the Minister of Transport and, second, that the Minister of Transport is attempting to intervene personally in this possible prosecution by the Minister of Justice?

Hon. Allan Lawrence (Solicitor General and Minister of Consumer and Corporate Affairs): I thank the hon. member for his good wishes, and I would inform him that the source of his information is completely and totally erroneous.

Mr. Robinson (Burnaby): The minister did not tell us whether, in fact, a meeting did take place this morning. Did a meeting take place with the three ministers involved and, if such a meeting did take place and the Minister of Transport is attempting to squelch any possible prosecution, how does this accord with the concern expressed by his colleagues about the involvement of former Liberal cabinet ministers in the judicial process?

Mr. Lawrence: There has been a whole series of ongoing meetings at both the officials' level and at the ministerial level. At that ministerial level there is on many occasions, obviously, a need for real consultation among the ministers about departmental concerns. There is no question there was a meeting this morning about this matter, but nothing has been squelched by

any means, by anybody. It is one of a series of ongoing meetings.

* * *

[*Translation*]

FEDERAL-PROVINCIAL RELATIONS

INQUIRY WHETHER FEDERAL CONSTRUCTION PROJECTS IN QUEBEC WILL BE IMPLEMENTED

Mr. Yvon Pinard (Drummond): My question is directed to the right hon. Prime Minister. In view of the announcement yesterday by the president of General Motors of Canada of a $2 billion investment in Ontario, and the great hopes the Minister of Supply and Services has raised of an imminent major investment by this firm in the province of Quebec, which now seems to be an illusion, could the right hon. Prime Minister indicate whether he will amend the policy of his government and allow the immediate completion in Quebec of important federal construction projects which are all systematically paralysed just now?

Right Hon. Joe Clark (Prime Minister): Mr. Speaker, there are two aspects to this question. The first deals with the decision of GMC. I understand that this corporation has not finalized its decision concerning alternative investments with major implications in the province of Quebec and this is something the federal government is currently encouraging through its Department of Regional Economic Expansion and other government agencies. As to the second aspect of the question, we want to examine very seriously all major projects in both Quebec and the rest of Canada to make sure they are worth while and useful before committing considerable amounts of public money to their realization.

Mr. Pinard: If we come back to reality, it seems almost evident now that, in the short term at least, GM will not invest a significant amount in Quebec. And the government has been elected for five months and a half. Can we expect that work will resume in a near future at the Guy Favreau complex in Montreal, at the research centre in Boucherville and at the penitentiary institutions in Donnacona, Drummondville South, Mirabel, at the cartography centre in Sherbrooke, and dozens of major construction projects, federal projects which would ensure a federal presence in Quebec and which are systematically paralysed, as indeed confirmed publicly and shamefully by the Minister of Supply and Services?

Mr. Clark: Mr. Speaker, it has not been established that GM will not make any major investments in the province of Quebec in the short term. There has been no official announcement to that effect. I cannot confirm whether such investments will take place, but there has been no such decision concerning investments either in the short term or in the long term.

As for the projects mentioned by the hon. member, it is essential for us not only to ensure a federal presence in the province of Quebec, but also to get efficient projects under way in that province which will answer real needs. That is why we are currently reconsidering the projects the hon. member has talked about as well as others. We hope to be able to come to a decision very soon and then we will implement these projects as soon as possible in a way that will have a true impact.

* * *

● (1140)

[*English*]

EXTERNAL AFFAIRS

CANADIANS HELD IN MEXICAN JAIL WITHOUT BEING CHARGED—REQUEST GOVERNMENT PROTEST TREATMENT

Mr. Eldon M. Woolliams (Calgary North): Mr. Speaker, I would like to ask a question of the Secretary of State for External Affairs. I join with others who genuinely offer her good wishes.

My question arises from the fact that Kirk Thomas and Mark Rollin were arrested in Mexico last June and held in jail for three months without charge under circumstances which John Howard, the prison reformer of the eighteenth century, would have found deplorable and inhumane even in England at that time.

My question is very simple. Would the minister, through the proper diplomatic channels and through her department, once again on behalf of the Canadian people protest this illegal process and abuse?

Hon. Flora MacDonald (Secretary of State for External Affairs): Mr. Speaker, I thank the hon. member for his question and tell him that we have already initiated action in that regard.

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[*Translation*]

INDUSTRY

INQUIRY WHETHER GM DECISION TO INVEST $2 BILLION IN CANADA HAD GOVERNMENT SUPPORT

Mr. Fabien Roy (Beauce): I have a supplementary question for the right hon. Prime Minister relating to the announcement that was made by GM to invest $2 billion in Canada. First, I would like to know if that decision of GM was approved by the government and, second, considering that when Ford Company had also announced important investments they got a generous subvention from the federal government, I want to ask the Prime Minister if in the case of the investments announced by GM there was a contribution from the federal government.

Right Hon. Joe Clark (Prime Minister): Mr. Speaker, that was not a decision which involved support or opposition from

the government. It was a private decision by the company. There is another decision which is going to be taken by GM concerning the province of Quebec, and in which the federal government, particularly the Minister of Regional Economic Expansion, is deeply involved. That is the kind of decision which is similar to the one concerning Ford Company in the case of Ontario.

INQUIRY WHETHER GM RECEIVED SUBSIDY TO INVEST IN QUEBEC

Mr. Fabien Roy (Beauce): I have another supplementary question, Mr. Speaker.

I would like to address a very precise question to the Prime Minister. Is this $2 billion project financed by the federal government in any way?

Right Hon. Joe Clark (Prime Minister): Mr. Speaker, I do not think so. As I am not sure, I can look into the matter and give a more precise answer on Monday. According to the minister, the Canadian government had absolutely nothing to do with the decision announced yesterday by GM.

* * *

[*English*]

CULTURAL AFFAIRS

FUNDING OF PROGRAMS—GOVERNMENT POLICY

Mr. Jim Fleming (York West): Mr. Speaker, my question is addressed to the new Secretary of State. On this my first opportunity to question him, I would like to congratulate him on his new responsibilities.

In view of the Secretary of State's own statement back in November of last year, during a budget debate, that our institutions of culture are starved for funding, that such neglect of culture can only seriously jeopardize the well-being of this nation, and that we must bring a new vigour to federal responsibility, can the Secretary of State now bring vigour or even adequately cope with the very complex and troubled cultural field when his responsibilities also include communications as well as inner cabinet responsibility for the whole onerous area of social policy? Surely, no individual can do justice to any one of these while carrying responsibility for all three.

Hon. David MacDonald (Secretary of State and Minister of Communications): Mr. Speaker, I thank the hon. member for his kind comments and for his encouragement. I am delighted that he is rereading some of my old speeches. Many officials have been rereading my old speeches, as well, in the past few months.

I welcome the support of the hon. member, particularly in his important role as spokesman on behalf of his party with respect to cultural responsibility and Secretary of State matters in this country. I very much share with him the important concern we all have with respect to adequate funding for artistic activity. The hon. member will know that we have already moved to restore the $2 million which was cut from the Canada Council by the former government last summer.

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FINANCE

DETERMINATION OF MONEY SUPPLY BY BANK OF CANADA

Mr. Donald J. Johnston (Saint-Henri-Westmount): Mr. Speaker, my question is for the Minister of Finance. The minister is purported to have expressed some frustration—which I suppose is understandable—but with regard specifically to the fact that interest rates are continually increasing and yet consumer spending, borrowing and credit expansion seem to be ever present—in other words, we have a circumstance where there appear to be high interest rates but we do not have tight money—I am wondering whether it would not be appropriate for the Minister of Finance to discuss with the Bank of Canada the question of revising, among other things, the monetary aggregates which are currently being used to determine money supply.

I understand that the bank is still adhering to M-1, and it seems that in periods of high interest rates such as we are experiencing there is a tendency to move into term deposits included in M-2, so could that matter be taken up with the governor of the Bank of Canada to determine whether new criteria might be introduced at this time?

Hon. John C. Crosbie (Minister of Finance): Mr. Speaker, as the hon. gentleman knows, the Bank of Canada pays particular attention to the M-1 category of monetary aggregate. I will certainly discuss with the governor and the Bank whether they think there is any change needed or whether they should consider any other ranges, M-2 or whatever. However, at the present time the Bank does not see any need to consider anything other than M-1, which is its primary target.

By the way, I had my regular weekly meeting with the governor of the Bank of Canada this morning, and we discussed this and other issues.

* * *

● (1150)

[*Translation*]

POST OFFICE

GOVERNMENT ACTION TO AVOID DISRUPTION IN POSTAL SERVICE

Hon. J. Gilles Lamontagne (Langelier): Mr. Speaker, my question is for the Postmaster General. I should like to take the opportunity of this first question to congratulate him for

his appointment and at the same time wish him the best of luck. I hope he will demonstrate in his negotiations both firmness and tolerance, as we have done in the past.

The Postmaster General is undoubtedly aware of the fact that we are rapidly approaching the deadline when most collective agreements in the Post Office come to an end, that is December 31, 1979.

In view of some statements, press releases and comments to the effect that negotiations are dragging on and considering that in some circles the possibility of a strike has been raised, and also in order to reassure Canadian businessmen for whom postal service is essential and vital in certain cases, not to mention the general public—

[*English*]

—do the hon. Postmaster General and the government intend to take vigorous and responsible measures, before it is too late, to ensure that there will be no slowdown or disruption of postal service at such a crucial moment? If so, what form will that action take?

Hon. John A. Fraser (Postmaster General and Minister of the Environment): Mr. Speaker, first of all I wish to thank my hon. friend, the former postmaster general, for his kind congratulations. I want to assure him that those problems with which he wrestled before being moved to the other side of the House are being attended with considerable diligence by his successor.

Specifically, there are pre-negotiations taking place with several of the unions. The contracts in a number of unions expire December 30. There is an issue of importance, and that is that probably this will be the last contract negotiated under the Public Service Staff Relations Act.

I have suggested to the unions that possibly they would want to enter into short-term contracts to carry over into the period in which the Crown corporation would be established. My discussions with the union leaders have been amicable. I am sure the hon. member would want me to go into negotiations with a note of optimism, as I am sure he would be doing if he were in my place.

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EXTERNAL AFFAIRS

FORTHCOMING VISIT OF PRESIDENT CARTER—CONSIDERATION OF SALT II AGREEMENT

Mr. Bill Yurko (Edmonton East): Mr. Speaker, my question is directed to the right hon. Prime Minister. Regarding his announcement yesterday that we will be honoured with a visit by the President of the United States and Mrs. Carter to Canada, and that he will be addressing a joint session of Parliament, obviously the government will be evolving appropriate receptive initiatives.

Is any consideration being given to formal endorsation of the President's initiative with respect to the SALT II agreement? If yes, perhaps it may even be appropriate for such endorsation to come from both Houses of Parliament.

Right Hon. Joe Clark (Prime Minister): Mr. Speaker, that is an excellent suggestion.

Some hon. Members: Oh, oh!

Mr. Clark: But I know—

Mr. Allmand: You have set aside time for that.

Mr. Clark: I know hon. members on the other side, accustomed to other habits, will not believe this, but that question was not arranged.

Some hon. Members: Hear, hear!

Mr. Clark: Let me say, on the serious question of substance, that shorlty after the conclusion of the arrangement I wrote on behalf of the government and the people of Canada to President Carter expressing my support for the initiative he had taken. I think it would be a very useful initiative for the House to consider, on the occasion of his visit, having the letter which I sent as the head of the government endorsed by unanimous resolution of both chambers.

Some hon. Members: Hear, hear!

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ENVIRONMENTAL AFFAIRS

GOVERNMENT POLICY RESPECTING DISPOSAL AND TRANSPORTATION OF CHEMICAL WASTES

Mr. Bill Blaikie (Winnipeg-Birds Hill): Mr. Speaker, my question is directed to the Postmaster General and Minister of the Environment. Can the minister tell the House what the intentions of the government are regarding the urgent problem of establishing a policy respecting the disposal and transportation of dangerous chemical waste? Specifically, my concern is for the people of Winnipeg and Birds Hill who, like people in other cities, have the main line of a railroad running through their neighbourhoods. Does the government intend to bring back for passage the transport of dangerous goods act and, if so, when?

Hon. John A. Fraser (Postmaster General and Minister of the Environment): Mr. Speaker, yes, and soon.

Mr. Chrétien: That is the first answer we have had today.

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ROYAL CANADIAN MOUNTED POLICE

INVESTIGATION BY McDONALD COMMISSION—ACCESS TO DOCUMENTS

Mr. Mark MacGuigan (Windsor-Walkerville): Mr. Speaker, my question is for the Solicitor General and Minister of

Consumer and Corporate Affairs. I should like to welcome him to his responsibilities by directing this question to him: it arises out of a reply given by the Prime Minister to the hon. member for Leeds-Grenville on Wednesday concerning the custody of Privy Council documents. The House will recall that the Prime Minister stated at that time that he was satisfied with the order in council passed by the previous government and also satisfied with what he called the arrangement in place with respect to the transmission of documents to the McDonald royal commission.

In light of this statement by the Prime Minister, may I ask the Solicitor General if it is still his intention to try to change the arrangement for the transmission of documents to the McDonald royal commission and, in particular, what is now the role of the cabinet committee which he allegedly informed the press was set up to make recommendations on this matter?

Hon. Allan Lawrence (Solicitor General and Minister of Consumer and Corporate Affairs): Mr. Speaker, I thank the hon. member for his good wishes. In respect of the production, accessibility and declassification of all documents outside of those physically under the control of the Privy Council office, we are devising new schemes, a new methodology as far as procedure for the declassification.

I may say I have been terribly disappointed and surprised to learn that there was no regular system whatsoever in respect of the previous administration's policy, or lack of policy, regarding declassification of documents. We are attempting to set up a streamlined procedure for that type of document outside of the control of the Privy Council office, that type of document which does not fall within the bounds of any constitutional convention so that these matters can be discussed in a sensible way instead of there being an ad hoc decision which I gather has been the practice in the past.

Mr. MacGuigan: Mr. Speaker, there might be some dispute as to whether there was not an arrangement in the past for doing the same thing. May I ask the Solicitor General whether he intends to attempt to declassify documents of the previous government?

Mr. Lawrence: Is the question, am I attempting to declassify documents of the previous government?

Some hon. Members: Yes.

Mr. Lawrence: The answer is most emphatically yes.

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NATIONAL SECURITY

DECLASSIFYING OF GOVERNMENT DOCUMENTS

Right Hon. P. E. Trudeau (Leader of the Opposition): Mr. Speaker, there are many new parliamentary and constitutional theses being put before the House. First we have the Prime Minister telling one of his backbenchers that perhaps we should endorse a treaty between the United States and the Soviet Union which has not been endorsed by the United States Senate. Then we have the theory that an ambassador—

Some hon. Members: Order.

Some hon. Members: Hear, hear!

An hon. Member: Question.

Mr. Trudeau: —because he bears the title "extraordinary", does not talk on behalf of the government.

I think the most urgent question, from the point of view of parliamentary practice, is to the Solicitor General to inquire if his answer about declassifying documents of previous governments or administrations will go counter to the undertaking given by the present Prime Minister to myself, by Mr. Pearson to Mr. Diefenbaker and by Mr. Diefenbaker to Mr. St. Laurent to respect the confidentiality of documents of previous administrations, and that they be made public only with the consent of the previous administration.

Some hon. Members: Hear, hear!

Hon. Allan Lawrence (Solicitor General and Minister of Consumer and Corporate Affairs): Mr. Speaker, if that was a question and if it was directed to me, I am sure the previous prime minister appreciates that documents covered under the constitutional convention, which the present Prime Minister has directed will be explicitly honoured, cover cabinet documents, judgmental opinions of cabinet ministers and matters such as that, which certainly I feel—and I believe my cabinet colleagues feel—we have no business inquiring into. There is no question about that.

• (1200)

But when we are talking about other types of administrative and governmental documents, if the Leader of the Opposition is now indicating to me that there was a very set procedure for the declassification of documents in the past, then I must admit to him my failure, after having attempted now for about three months to find out what that procedure was, in finding no case or very few cases in which there has been legitimate declassification of entirely redundant and unnecessary documentation within that previous administration. If he can tell me that there was a system, I would very sincerely appreciate his outlining to me some day what that procedure was.

Mr. Trudeau: Mr. Speaker, there was a system, and I suggest to the Solicitor General that he get the information from his officials, particularly from the secretary of the cabinet. If he is indicating that he is going to respect the undertaking given by the Prime Minister, which does cover the documents that he seemed to include in his declassification process, by his answer to the hon. member for Windsor-Walkerville, I am satisfied with that undertaking.

TRANSPORT

REQUEST FOR REINSTATEMENT OF CERTAIN RAIL LINES

Mr. Les Benjamin (Regina West): Mr. Speaker, I have a question for the Minister of Transport who is the first one in 11 years that I could call friend.

Some hon. Members: Hear, hear!

Mr. Benjamin: I hope he will remain that way and will become a friend to the millions of travelling public in this country. I hope he is anxious to undo some of the outrageous doings of the previous minister of transport.

Some hon. Members: Hear, hear!

Mr. Benjamin: Will the minister undo the act of the previous administration in that they agreed to the abandonment of daily VIA Rail transcontinental passenger service between Capreol and Winnipeg, and either order the permanent retention of that route, or at least extend the present order in council that expires at the end of this month which has prevented the abandonment of that route? Will he do that at least, and will he order the CTC to hold the hearings that were never held in respect of that 930 miles of track where there is no alternative form of transportation available?

Some hon. Members: Hear, hear!

Hon. Don Mazankowski (Minister of Transport): Mr. Speaker, I want to thank the hon. member for his kind words. I presume that his actions will back up his words.

The matter of northern Ontario rail passenger service to which the hon. member referred is being referred back to the Railway Transport Committee and I understand it will be dealing with the issue next week.

* * *

[*Translation*]

FARM CREDIT CORPORATION

REQUEST LEGISLATION BE AMENDED TO ALLOW FARMERS PREFERENTIAL INTEREST RATES

Mr. Marcel Ostiguy (Saint-Hyacinthe): Mr. Speaker, my question is directed to the Minister of Agriculture. We know that the Farm Credit Corporation is now celebrating its fiftieth anniversary of foundation; there is, however, a lack of available funds to grant loans to farmers because, of course, of increasing farm selling prices and increasing plant building costs in the hog industry. Could the Minister of Agriculture tell us if he intends to introduce soon a new bill to amend the Farm Credit Corporation Act in order to help farmers borrow money at preferential rates for the good operation of Canadian agriculture?

[*English*]

Hon. John Wise (Minister of Agriculture): Mr. Speaker, I certainly appreciate the hon. member's question and his interest in the agricultural industry, particularly as it relates to the Farm Credit Corporation. I am sure he is aware that employees from across Canada met last evening at their convention and to celebrate their fiftieth anniversary.

I appreciate the hon. member's interest. We are studying the situation very carefully. I can indicate to the hon. member and the House that within a matter of days, hopefully next Monday or Tuesday, I will have some very positive things to say on behalf of the Farm Credit Corporation to the agricultural industry.

[*Translation*]

PORT OF MONTREAL—INQUIRY WHETHER CORPORATION WILL DELAY PAYMENTS RESPECTING THOSE ADVERSELY AFFECTED BY STRIKE

Mr. Marcel Ostiguy (Saint-Hyacinthe): Mr. Speaker, I should like to ask a supplementary question.

Could the minister take action to help farmers, particularly in Quebec, who are being seriously prejudiced by the strike in the port of Montreal and who have to pay $30 to $35 more a ton for grain and thus suffer losses of $20 to $25 on the production of each hog? Could the minister tell us if he intends to ask the Farm Credit Corporation to delay the payments the farmers have to make since they are now producing at a loss?

[*English*]

Hon. John Wise (Minister of Agriculture): Mr. Speaker, I appreciate the hon. member's supplementary question, though it bears little relationship to his first question. He refers to a very serious situation that has been with us for quite some time.

I want to assure him that I have met on a very frequent basis with people affected by the strike at the port of Montreal, including the Canadian Livestock Feed Board. In addition, that strike not only affects livestock producers in the area serviced by the Montreal elevators; it also very severely affects feed manufacturers and even domestic millers.

Let me indicate to the hon. member, as I did in response to his first question, that because of the importance and the priority this govenment places on the agricultural industry, I hope to be in a position next week to have some positive things to say with reference to the livestock people who have suffered so severely over the past number of months as a result of that strike.

Introduction of Bills

POINT OF ORDER

MR. CLARK—EXPLANATION OF ANSWER GIVEN DURING QUESTION PERIOD

Right Hon. Joe Clark (Prime Minister): Mr. Speaker, I rise on a point of order simply because the right hon. Leader of the Opposition (Mr. Trudeau) may quite probably have misinterpreted something I said in response to a question by the hon. member for Edmonton East (Mr. Yurko). What I indicated as having done as the Prime Minister of Canada immediately after the meeting with Mr. Brezhnev and Mr. Carter was to send a letter to both Mr. Brezhnev and Mr. Carter approving and endorsing the initiative that both had taken.

Right Hon. P. E. Trudeau (Leader of the Opposition): Mr. Speaker, on the same point of order, I of course think this is proper and correct, and I myself have done the same thing in the past. However, I was indicating my surprise when the Prime Minister (Mr. Clark) indicated to his backbencher that the suggestion of having both Houses of this Parliament endorse that treaty, to use—

Some hon. Members: No, no.

Mr. Baker (Nepean-Carleton): No, he did not say that.

Mr. Trudeau: Mr. Speaker, the question was, would the Prime Minister consider having this House and the Senate endorse the SALT agreement? That was the question and the Prime Minister said it was an excellent suggestion. He may not have understood the question or he may not have understood his answer, but I indicated my surprise at that answer.

ROUTINE PROCEEDINGS

[*English*]

DEPARTMENT OF LABOUR ACT

AMENDMENT RESPECTING CESSATION OF PUBLICATION OF "LABOUR GAZETTE"

Hon. Walter Baker (for the Minister of Labour) moved for leave to introduce Bill C-2, to amend the Department of Labour Act.

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

* * *

MUNICIPAL GRANTS ACT, 1979

MEASURE RESPECTING GRANTS TO CERTAIN MUNICIPALITIES, PROVINCES AND LOCAL GOVERNMENT BODIES

Hon. John C. Crosbie (Minister of Finance) moved for leave to introduce Bill C-3, respecting grants to municipalities,

[Mr. Wise.]

provinces and other bodies exercising functions of local government that levy real property taxes.

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

* * *

• (1210)

SPEECH FROM THE THRONE

CONTINUATION OF DEBATE ON ADDRESS IN REPLY

The House resumed from Thursday, October 11, consideration of the motion of Mr. Fretz for an address to His Excellency the Governor General in reply to his speech at the opening of the session, and the amendment thereto (Mr. Trudeau) (p. 37).

Mr. John Evans (Ottawa Centre): Mr. Speaker, at the risk of repeating myself, I would like again to add my name to those who have congratulated the hon. member for Erie (Mr. Fretz) and the hon. member for Cardigan (Mr. MacDonald) on the manner in which they moved and seconded the Address in Reply to the Speech from the Throne.

I would also like to preface my remarks by stating my sincere appreciation to the people of Ottawa Centre for the confidence they demonstrated in me on May 22. Ottawa Centre is indeed a unique riding, and I am honoured to represent its electors. The Parliament Buildings are located within its boundary thereby creating a federal presence known nowhere else in Canada, as I mentioned last night.

There is another dimension which I believe is characteristic of few other ridings. Ottawa Centre is, in my mind, a microcosm of the country itself. It has a wide range of cultural, social, economic and political groups making it a true reflection of the vertical mosaic which is Canada, a mosaic in which each individual contributes in his or her own unique way to the strength and vitality of Canadian society.

The people of Ottawa Centre also represent a group of Canadians who I believe are better informed than their peers on matters of public policy and their implications. They feel the intimate presence of four levels of government and have demonstrated their ability to voice reasoned opinions on the issues of the day.

However, while the pervasive federal presence has certain advantages for Ottawans, there are also very real disadvantages. The advantages are, of course, the many amenities which accompany the physical location of the seat of government. The Parliament Buildings, the National Arts Centre, the Museum of Man, the canal, the National Art Gallery, the Supreme Court, the National Library, the Garden of the Provinces, the Postal Museum and the Bank of Canada are all located in the riding of Ottawa Centre and are a source of pride and enjoyment for the people of Ottawa Centre and, indeed, for all Canadians who take the opportunity to visit our truly beautiful city.

Much credit should be given to the National Capital Commission which has played, and continues to play, a vital role in the beautification and maintenance of the region. However, the actions of the National Capital Commission have also created in the past problems arising as a result of the commission's taking decisions without fully involving the citizens who are affected. To overcome this problem, Mr. Speaker, I urge the government to direct the National Capital Commission to establish an effective consultation mechanism and to take essential decisions on land use or other matters only after full and extensive consultations have taken place with the municipal and regional governments.

I also urge the government to follow the lead of the former minister of finance and to bring forward much needed amendments to the Municipal Grants Act. This is a matter of great concern to the municipalities in the National Capital Region, as well as to municipalities across Canada where there is a federal presence. However, the inadequacy of current grants in lieu of taxes is of paramount importance here in Ottawa due to the degree to which the federal government permeates our lives. Ottawa is heavily dependent on these grants for operating revenues, and local property taxes, which are among the highest in Canada, reflect the extent to which the federal government has failed to pay its fair share. Let me again urge the government to move expeditiously on this matter in order to alleviate the unfair financial burden which has fallen on the citizens of Ottawa.

Turning to another point, one of the main concerns of the constituents of Ottawa Centre is the government's intention to cut the public service by 60,000 jobs over the next three years. This is a part of the government's austerity program, and I cannot emphasize strongly enough the need to approach this matter carefully. This action by the government will not only affect public servants in Ottawa but those across the country. My riding in particular will be hard hit due to its large percentage of public servants. This, in turn, will have a spillover effect on the private sector in Ottawa. The small businesses in my riding are heavily dependent on the purchasing power of public servants as well as on services obtained by the government on a contractual basis. The unemployment figures in Ottawa will, without question, rise significantly under this policy and it will take years for the city to recover its present financial base.

The people affected, some of whom have been in the employ of the federal government for decades, will never recover. We are talking about people; they are not merely numbers to be thrown around at the whim of the government. These are people who have dedicated their lives to providing valuable services to their fellow Canadians, and this is hardly the thanks they deserve. The citizens of Ottawa Centre, my constituents, represent the backbone of the federal public service. It is the responsibility of the government to ensure that their efforts are recognized and that they receive fair and equitable treatment. This is not accomplished by perpetuating uncertainty about their employment future nor by implementing poorly conceived policies in the name of restraint.

The lack of certainty about job security is having a very real negative impact on all public servants and certainly is affecting the quality of service provided to the public. The prospect of unemployment during these difficult times is serious indeed.

In the Speech from the Throne, the government indicated its intention to bring forward special measures to assist youth, women and native Canadians. I urge this government to expand these measures to include assistance to the public servants who will be affected by these reductions and who will require retraining to ensure continuing employment opportunities. It is the very least they can do for those who have proven their loyalty and their commitment to the federal government and the people of Canada.

The President of the Treasury Board (Mr. Stevens) has met with all local area members of parliament as well as with the representatives of the cities of Ottawa and Hull, the regional municipalities of Ottawa-Carleton and the Outaouais and the local business community. At this meeting, the minister publicly acknowledged the adverse effects which the government's restraint program would have on the region and on public servants. He also stated that a compensation program would be established to offset these effects. Further, he agreed to form a task force to identify problems being encountered by the business community and to aid in preparing a plan of economic diversification for the region.

This task force was to have been established by the end of September. To date, we have heard nothing further from the President of the Treasury Board. I wish to remind him of his commitment to the people and local governments of the region. He must assume his responsibilities immediately. He must establish the promised task force and he must clearly define the nature of the financial assistance he is prepared to grant to affected communities and their citizens. To this end, Mr. Speaker, I call upon the President of the Treasury Board to act now. I also urge the President of the Treasury Board to reintroduce the equivalent of Bill C-12, which was introduced in the last session, dealing with public service pensions. This would provide a safeguard for indexed public service pensions and an opportunity to examine the feasibility of the indexing of pensions in the private sector.

The question of public servant involvement in the political process is also a matter of concern to my constituents. It is my strong belief that public servants should be entitled to the same rights as other Canadians and should be permitted to support and work for the party of their choice. This would involve amending the Public Service Employment Act, and I call upon the government to do so at the earliest possible opportunity.

I listened with anticipation to the Speech from the Throne for new things to come for Canada, for the promised "new directions" in economic policy which would bring forth growth and development. While I was heartened by the promises of an early introduction of freedom of information legislation and reforms to improve the efficiency of Parliament, I was totally disappointed in the lack of direction shown by the government in the economic area. After 16 years as the official opposition

and four and one half months as government, it would seem reasonable to expect a clear definition of the economic policies which the government intends to employ in leading us to the "promised land".

However, what was said indicates without a doubt that there is no new economic policy to be introduced and no economic leadership on the horizon. The government appears to be experiencing technical difficulty in forming any clear ideas, as witnessed by their reluctance to bring down a new budget. The Minister of Finance (Mr. Crosbie) indicates that the earliest he could bring down a budget is at least a month away, which will mean the government will have been six full months in power. This is a sad commentary for a party which when in opposition boasted of having all the answers.

The global community is experiencing hard times, Mr. Speaker, and Canada is no exception. Canada needs specific policies, not the vague generalities presented so far by the government, policies which will provide the leadership necessary to ensure that the 1980s is a period of economic growth and prosperity.

● (1220)

Canada needs specific policies today, Mr. Speaker, not in months or years after endless study and consultation. The government has decided that, rather than explore new ideas and give priority to the economy, it is far more beneficial to spend its time undoing what has already been done in the interest of all Canadians. Examples of that to which I allude are Loto Canada, Petro-Canada and offshore mineral and petroleum rights. In all cases, the government's actions represent, to my mind, a total disregard of the rights of all Canadians in an attempt to placate the provinces. This is closely related to the stated promise of provincial status for the Yukon. Does this mean the tiny population of 23,000 people will be given full ownership and control of the vast resources of the Yukon, resources which up to now have belonged to all Canadians? If so, Mr. Speaker, it is the greatest sell-out of all time and a total derogation of the government's responsibility to the nation.

Mr. Speaker, this government does not appear to have a vision of Canada as a unified whole; rather it sees Canada as a conglomerate of fractional parts. In the Speech from the Throne, Mr. Speaker, this government raises serious questions as to its grasp of the dynamics of nationhood, how, in fact, all parts of the country should strive to work together in harmony, to achieve its collective as well as individual goals.

I sense a growing uneasiness, Mr. Speaker, among Canadians over the apparent lack of concern by the central government for the interests of Canada. Its concern seems to be for the parts rather than for the unified whole. Mr. Speaker, I feel that this dangerous lack of national perspective is leading to policy formulation which will seriously hinder the ability of the central government to speak effectively for all Canadians.

I am in full support of consensus rather than confrontation when such consensus is possible and consistent with the national interest. As an example, Mr. Speaker, I will draw upon energy policy. This is a matter which touches all Canadians. It is a case of such pressing importance that whether or not consensus can be reached with the provinces, the federal government must, as the representative of all Canadians, take action. With this government, Mr. Speaker, I have yet to see any indication of a willingness to take such action, even though it is becoming abundantly clear that a consensus is likely to be impossible to achieve. Indeed, it may not be possible to reach any multilateral solution.

Mr. Speaker, there is a train of thought which appears to permeate the Speech from the Throne: that is, a lack of confidence by this government in themselves and in their fellow parliamentarians' abilities to represent the needs of their constituents. As members of parliament, we represent ridings from all regions. Our role is to represent the interests of our electors within a national context. These same electors vote for representatives in the provincial legislatures to represent their interests falling under provincial jurisdiction. It puzzles me that this government appears to have come to the conclusion that provincial representatives and premiers can better appreciate and serve the needs of Canadians than can federal representatives and the Prime Minister (Mr. Clark), even in areas of federal jurisdiction.

Under this illusion, the government is apparently prepared to extend rights to the provinces which will undermine the effectiveness of the federal government and reduce the mandate given to it by the Canadian electorate. Mr. Speaker, I totally reject the notion of decentralized power when it will compromise the work being done by Parliament on behalf of all Canadians.

Another point which indicates the undoing philosophy of this government, Mr. Speaker, is found in a recent speech given by the minister of social programs. He indicated the new direction the government is planning to take with regard to pensions. He said and I quote, "We will be placing more emphasis on selectivity than on universality". Mr. Speaker, this raises a whole host of questions and demonstrates a naive view of the operation of social programs. Does he realize, Mr. Speaker, that it is often less costly to run a universal program than a selective one, due to the substantial cost of administration, monitoring and policing? Apparently not, since no mention of these considerations was made in his speech.

My estimation is that in the case of pensions, a regulatory body would have to be established which would all but eliminate any potential savings, not to mention the invasion of privacy which would result from monitoring and the concern which would be caused senior citizens. These are who are having a difficult time now and who may be short-changed with the introduction of a new system. Senior citizens must be assured financial security. I have already heard from many senior citizens in my riding on this matter. Their concern is great, and they are extremely worried about their future under this government. Mr. Speaker, to harass the elderly with such off-the-cuff statements is not only irresponsible but cruel. Our senior citizens have given the best years of their lives to the building of this country. All they ask is basic financial security

in their retirement years. Mr. Speaker, I implore the government to rethink this whole matter.

I also call upon this new government to bring forward legislation in the competition field, especially as it relates to corporate mergers. Canada must have effective competition law, especially in view of the heavy private sector emphasis of this government.

The lack of a clear policy on energy in the Speech from the Throne is of deep concern to me. With the inevitability of rising energy prices the serious question of transfers of wealth and their implications for the economy comes to the fore. How does the government intend to offset increased prices for low income groups and small businesses whose expenses are often dependent on the price of oil, and how will they ensure the availability of renewable substitutes? Mr. Speaker, it is hoped the government will in fact take an aggressive stance with regard to research and development in the energy field, a stance which will not rely totally on the private sector, which has lacked the motivation in the past.

My final point, Mr. Speaker, relates to language training for newcomers to Canada. This has become a matter of some concern to me. A large number of my constituents speak neither English nor French. It is my belief that the government of Canada has a responsibility to such newcomers; a responsibility to ensure that adequate facilities and training are available to allow their learning of one or the other official language. Language training is essential if people new to Canada are to feel at home in their new country and are to participate fully in Canadian life. I call upon the government to review the situation and to bring forward policies to resolve the problem.

In closing, Mr. Speaker, I wish to state again what an honour it is to represent the people of Ottawa Centre in this House. Ottawa Centre has had a tradition of good, solid and effective representation and I intend to do my very best to maintain that tradition.

Some hon. Members: Hear, hear!

Mr. Fred McCain (Carleton-Charlotte): Mr. Speaker, may I first congratulate you on your selection as Deputy Speaker and compliment you on the work you have done in the past. I am sure it will be of a comparable standard in the future.

I should also like to compliment the mover and seconder of the motion in reply to the Speech from the Throne. I have heard several of these speeches and I feel their calibre and their recognition of the significance of their position deserves special mention. When they read the records of this House I am sure they will read what they have said with pride compared to maiden speeches by other members of the House with the same responsibility. Their constituents have every right to be proud of the manner in which they conducted themselves.

One of the things which seems to be typical of this House at the moment, Mr. Speaker, is an assumption by those on your left that there is absolutely no problem in the government placing itself in a firm position; that every minister should have every policy in place and ready to proceed; that everything should be running exactly as members opposite think it should, as if no change had ever taken place and as if it were not necessary to become acquainted with new responsibilities. Of course, such is not the case. I believe that exploiting the problems of the short period the government has been in office does not do credit to those who make such comments.

Let me give you an example, Mr. Speaker, of the complete lack of attention to important affairs which was exhibited by the former government. Perhaps those who criticize will then show more consideration if everything does not happen exactly at the moment they think it should.

● (1230)

During the summer, members of the government were plagued with problems. Backbench members of the government were the communicators of these problems to the responsible ministers. My first problem arose from the fact that in my constituency there is a laboratory structure, Huntsman Marine Laboratories of St. Andrews, which is not an arm of the government but which does operate in fisheries research as a contract agent for the Government of Canada.

In December, 1978, after long negotiations, it was agreed by the then minister of fisheries, by the Huntsman Marine Laboratories and by the research branch of the department of fisheries that the Huntsman Marine group should go forward with their experimentation in salmon, particularly genetic research. This research included trying to trace down where salmon will best propagate, where it will best spend its summers, how it winters in the sea, how we can get salmon to return to its spawning grounds, and to find out what are the hardiest and healthiest species of salmon that we can develop. In May this group had not been assured that money was available and were having to go to the bank to borrow money.

Bear in mind that this contract was completed in every detail in December. It was approved by the minister of fisheries. In June I received a call from the director of that branch and he said, "We have not received any money from Ottawa." He told me they had had to go to the bank to borrow money because the money was not voted by the government prior to the election call. The money may have been in the budget, but what had not happened was that necessary applications had not been made to the Treasury Board. Therefore, the actual expenditure was never authorized by the government for a contract negotiated in December, and the government went out of office on May 22.

Mr. Lefebvre: Mr. Speaker, I rise on a point of order. I hate to interrupt the hon. member but there is a precedent being created in this House at this time. One of the members who has responsibility for the chair is taking part in a partisan debate. There is nothing in the rules to stop this, but as the member has been nominated to a position of quite some importance in this House as Deputy Chairman of Committees of the Whole House, I would like to caution him. In order to protect the integrity of the Chair, he should try to constrain his remarks and express them in a non-partisan manner.

Mr. Kempling: Mr. Speaker, we are aware of this situation. We did consult with the Chair and we put the hon. member ahead of a previous speaker in order that he could speak before taking his place in the Chair and not after. This will not be followed as a general practice. The hon. member had asked to speak in the debate before his appointment and we decided to let him do that.

Mr. Lefebvre: Mr. Speaker, I wish to make it quite clear that there is nothing personal in the intervention I am making. Mine is an endeavour to protect the position of the hon. member, who now has the floor, in future debates which will be taking place when he will be sitting in the chair occupied by Mr. Speaker.

Mr. Lambert (Edmonton West): Mr. Speaker, concerning the worry expressed by the opposition whip, may I say that for many years I have expressed serious reservations about the role of the Deputy Speaker—and I say this without any comment or reflection on the present incumbent—in that in his usual role the Deputy Speaker occupies the chair during much of second reading debates and is not necessarily involved at the Table. Unfortunately, it has been the practice of this House, to me a matter of serious regret, that the Deputy Speaker votes in a partisan way.

I hope that one of the reforms of the House this year will include a clear indication that if he is to preside in the chair rather than presiding at the table as Chairman of the Committee of the Whole, on those occasions the Deputy Speaker will not vote as does Mr. Speaker. It is better to appear to be fair than to be fair and yet come down and vote in a partisan way.

Mr. Chrétien: Mr. Speaker, I am very surprised that this is the second time in two days that we on this side of the House, and especially two members from the province of Quebec, who are the ones who have stood up to defend a British tradition. Yesterday, the President of the Treasury Board tabled some estimates without recommending them. This is not in the British parliamentary tradition. We have to remember that the party in power follows the British tradition—

Some hon. Members: Oh, oh!

Mr. Deputy Speaker: Order, please. Maybe those remarks are partisan too.

Mr. Baker (Nepean-Carleton): Mr. Speaker, I appreciate the remarks made by the hon. member for Edmonton West with respect to the difficulties which I know are difficulties that you share. I think all of us in this House want to ensure that the position of the Chair is inviolate in this House. I am certain that view is shared as well by the hon. member for Carleton-Charlotte. I hope my friend, the opposition whip, understands the significance of the remarks made by the government whip and our willingness to abide by those traditions.

While we are talking about traditions, I understand that Mr. Speaker is prepared to rule on the point of order raised yesterday with respect to the estimates. Perhaps the opposition whip could find the opposition House leader and that matter could be dealt with now.

An hon. Member: He is here.

Mr. Deputy Speaker: Order, please. On the point of order raised by the hon. member for Pontiac-Gatineau-Labelle (Mr. Lefebvre), I must say that as much as I appreciate the concern of all members for the protection of the Chair, including its incumbents, as the hon. member has said there is nothing in the rule book. There is nothing other than what Standing Order 10 says, which I will read to the House:

10. Mr. Speaker shall not take part in any debate before the House.

Of course, in the process of our debate hon. members always address themselves to the Speaker, whoever is the incumbent at that time—either the Deputy Speaker, Deputy Chairman of Committees or Assistant Deputy Chairman. Precedent has been created to the effect that incumbents of the chair refrain from speaking. However, there are other assemblies where they do. Perhaps this is something for the House to resolve if members want this question to be decided and included in the Standing Orders.

In the meantime, I know that the hon. member for Carleton-Charlotte was aware of the situation even before the hon. member for Pontiac-Gatineau-Labelle made his remarks. The hon. member for Carleton-Charlotte insisted on making this speech before stepping up to the Chair to support us in our work. It is for that reason that I have to allow him to complete his remarks.

* * *

● (1240)

PRIVILEGE

MR. MACEACHEN—SUBMISSION OF ESTIMATES TO THE HOUSE—RULING BY MR. SPEAKER

Mr. Speaker: Order, please. I am sorry to interrupt the hon. member for Carleton-Charlotte (Mr. McCain) before he starts his speech, but I had overlooked earlier today resolving a point of order that had been raised yesterday by the hon. member for Cape Breton Highlands-Canso (Mr. MacEachen). I was reminded of it and I thought I should try at this moment to regulate it because the House, I believe, depends on some resolution of the problem in terms of future business, perhaps even later this day.

The point of order raised concerned the tabling yesterday of the spending estimates by the President of the Treasury Board (Mr. Stevens) and the absence of having a declaration by the President of the Treasury Board that he recommended the estimates to the House. The estimates carried with them the usual recommendation from His Excellency but no statement was made by the President of the Treasury Board upon the tabling of the estimates.

When the point was raised yesterday, there was participation in the discussion by the President of the Treasury Board

who indicated that he was confirming his action specifically. His action was an intentional one of tabling the estimates and taking no further action.

During the course of the discussion, one of the participants was the hon. member for Winnipeg North Centre (Mr. Knowles) who suggested something that would have been somewhat an inevitable course in any research of the matter, that is to examine what had been done by previous finance ministers. From research going back 20 years, I can report to the House that on several occasions, in fact on most occasions, a statement was made by the minister of finance on the tabling of the estimates. That is to say, during the tabling of documents, the estimates have been tabled by the President of the Treasury Board and then followed by a statement.

Under our present practices, upon the calling of "Statements by Ministers", a statement was made by the minister which had some explanatory effect in respect of the estimates. However, I am not able to discover in any of those that those statements contained the recommendation of the President of the Treasury Board that these estimates be accepted by the House, certainly not in a formal way. While that may have been inferred from some of the statements, it was not done in a formal way.

Furthermore, and I am going from memory here, I believe that upon the change of government in 1957, the President of the Treasury Board or whoever was acting at that time, on the tabling of the estimates, did precisely the same as was done yesterday by the President of the Treasury Board. I can be more specific here. It was the Hon. Donald M. Fleming, then minister of finance, who, as reported on Tuesday, October 15, 1957, took precisely the action that was taken yesterday on tabling the estimates, taking no further action.

Whatever arguments that may lead to in terms of discussion or debate, of course, remains open. I only have the responsibility to deal with the point of order as to whether it is a requirement and an essential part of Parliament and its practices and parliamentary responsibility for the finance minister or the President of the Treasury Board, upon the tabling of estimates, to indicate at that time in a specific declaration that he asks for the approval of the House of those estimates. I cannot find any authority for that proposition. Therefore, in regulating the narrow point of order which was raised yesterday, I have to set it aside.

Hon. Allan J. MacEachen (Cape Breton Highlands-Canso): Mr. Speaker, I accept fully everything that you have said. There is no difference at all between us. I believe the situation that developed yesterday is quite different from any situation to which you have alluded, namely that we had a message from His Excellency recommending the estimates to the House. The simple point is that I asked the President of the Treasury Board (Mr. Stevens) whether he recommended these estimates to the House and he would not tell us. That puts in doubt whether the message of His Excellency in recommending the estimates to the House carries with it the advice of his ministers. That is all.

The hon. member for Winnipeg North Centre (Mr. Knowles) missed the point also, because the point arose when the question was asked and no answer was given. Today we do not know from any member of the government whether this message came from Government House, as it were from His Excellency, without the advice and recommendation of the ministry.

I have raised that question and I am asking why it is that yesterday the President of the Treasury Board would not say that they were recommending the estimates to the House. Are they or are they not, or is His Excellency acting on his own? That is the only point.

The position is as clear as crystal in Erskine May, which says that the Crown, acting with the advice of its responsible ministers, makes known to the Commons the pecuniary necessities of the government. Yesterday the Crown made known the pecuniary necessities, but we have not yet been told, and it arose when the question was asked, whether he was acting with the advice of his ministers. If he is, of course, it means that the ministry is recommending these estimates to the House.

May I say that I am not going to pursue it procedurally and ask Your Honour to do anything further, but I intend to pursue it at a later stage when it comes to putting the estimates to committee, because we do not intend to accept any procedure until we know whether the government is recommending these estimates to the House.

I accept fully what you have said, Mr. Speaker, but I must say respectfully that it does not deal with the political question that I raised of how the House can receive estimates until it knows whether they are recommended by the responsible ministers.

An hon. Member: Nit-picking.

Mr. MacEachen: The hon. member talks about nit-picking. This is a very fundamental point that will become apparent to members opposite as we go on into this session.

Mr. Speaker: Order, please. With respect, I think the hon. member for Cape Breton Highlands-Canso capsulized the matter. It is a political matter, not a procedural one. The procedural one has been regulated and he will have opportunity to do what he says he will do, pursue it when the matter is again touched upon. In any case, the point of order is now resolved and we can now return to the continuation—

Mr. Baker (Nepean-Carleton): Mr. Speaker, I rise on a point of order. I wonder if I might set something clear. The point of order has been resolved. The estimates are now appropriately tabled. It has been the custom in this House when that occurs, and I understand that custom is to be observed on this occasion, that the estimates are referred on consent to the standing committees of the House. I spoke to my learned friend with respect to whether that would be appropriate following whatever Your Honour's decision might be on these estimates.

Are we now in the position of having to obtain the consent of the House in order to move that motion, because it might be appropriate if we did move the motion to send the estimates now tabled to the appropriate standing committees. Is the House prepared to give its consent, which has been normal in every session that I have been here—I have been here a number but not as many as my friend, of course—in order that the House can properly deal with the expenditures of government, that the estimates go to committees? Can I ask for the consent of the House, and if I ask, will that consent be received now and I can go ahead and do that?

● (1250)

Mr. Speaker: It would appear that the President of Privy Council (Mr. Baker) is exploring the possibility of consent, first of all, to start committees and then to refer the estimates to them, because at the moment the committees have not been established. Since both these things have to be done it would seem to me that consent might be explored while we continue with the debate on the Speech from the Throne.

Mr. MacEachen: Mr. Speaker, we are prepared to give consent the moment the ministry accepts its constitutional responsibility and tells the House it is recommending the estimates to the House, and that it put the words in the mouth of His Excellency that this House take the estimates and pass them. If that is done we will be very co-operative.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, we, too, are quite prepared to give consent to the making of the motion to refer the estimates to the standing committees provided the condition to which Your Honour has referred has been met, namely, that the committees have been established. I understand that the report from the striking committee is ready—obviously I understand that because I am a member of the striking committee. If that report can be made some time this day and approved, then the estimates could be referred to the various committees. Perhaps that could be done at two o'clock or at five o'clock or at some time today and we would give the required consent.

While I am on my feet, Mr. Speaker, I feel I must say a word about some of the remarks made by the hon. member for Cape Breton Highlands-Canso (Mr. MacEachen). We are often on the same wave length, but whatever wave length he is on today I think he is drawing an awfully long bow. After all, if it were true that His Excellency the Governor General, without the approval of the government of the day, was recommending estimates to this House, we would have a constitutional revolution on our hands. The Governor General whose capacities some of us know quite well, has no way of communicating a message to this House except through a minister.

The President of the Treasury Board (Mr. Stevens) has tabled the estimates and has given with them a message from His Excellency the Governor General approving those estimates. That surely implies that the President of the Treasury Board or somebody else in the government asked the Governor General to do so. He could not do it on his own.

Hon. Sinclair Stevens (President of the Treasury Board): Mr. Speaker, I hope I shall be able to clarify this matter. With all due respect to the hon. member for Cape Breton Highlands-Canso (Mr. MacEachen), I felt he was being overly technical when this point was raised yesterday. I was relying on a ruling by yourself, Mr. Speaker, on February 18, 1976, when the then president of treasury board, the hon. member for Saint-Maurice (Mr. Chrétien), in the process of doing precisely what I was doing yesterday, namely, tabling estimates, went on to elaborate on the tabling. Your Honour interrupted him and said:

> Order, please. I feel the hon. President of Treasury Board is making a statement as a minister and this calls for an answer from representatives of all political parties in the House. In addition, there will be a question later. If such is the minister's intention I urge him to continue. If not, we shall have to remain at the document-tabling stage.

Your Honour went on to say:

> I have an indication, now, from the minister that it is not his intention to make a statement at this time but simply to table the document.

Some hon. Members: That is not the issue!

Mr. Stevens: Yesterday when I was asked whether I recommended the estimates I felt I did not wish to make a statement and had no further comment other than to say I had tabled the main estimates.

If I might deal now with the point which has been reiterated, I would draw Your Honour's attention to Standing Order 62(1) which requires that the House not deal with supply matters without the proposal first being recommended by the Governor General. This indicates that the President of Treasury Board must transmit the message from the Governor General to the Speaker to be read to the House, which I did yesterday. There is absolutely no indication, constitutional or otherwise, that we have to recommend the estimates or make any comment at that stage.

Perhaps I might briefly outline the process. I might add I am very surprised that the hon. member, with his long experience, is not aware of it. I did sign the letter to His Excellency the Governor General in Council in which I said:

> The undersigned has the honour to submit to His Excellency the Governor General in Council the estimates of sums required for the service of Canada for the year ending on the thirty-first of March, 1980, and advises that His Excellency may be pleased to recommend these estimates to the House of Commons in accordance with the provisions of the British North America Act, 1867.
>
> Respectfully submitted

That letter was signed by myself and I am willing to table it. In due course the Governor General did respond with the message which I transmitted to Your Honour yesterday.

Mr. Speaker: The matter is now fully resolved. The question of consent both to the reception of the report of the striking committee and then, in turn, to the motion to send these estimates to the committees will have to be dealt with by consent on returning to those separate aspects of our routine

proceedings, which consent I am sure the House will facilitate at the appropriate time.

Mr. MacEachen: All I say is this, Mr. Speaker. If the minister would say to the House what he has said to the Governor General, namely, that he recommends the estimates to the House, we would be happy to give consent now.

Mr. Speaker: Order. It seems to me we are continuing to discuss something which is resolved.

In fairness to the hon. member for Carleton-Charlotte (Mr. McCain), I should say to him that either he should begin his speech now and take two or three minutes, or call it one o'clock and start it at two o'clock.

Mr. McCain: I would prefer to call it one o'clock, Mr. Speaker.

Mr. Speaker: It being one o'clock I do now leave the chair until 2 p.m.

At 12.58 p.m. the House took recess.

• (1400)

AFTER RECESS

The House resumed at 2 p.m.

SPEECH FROM THE THRONE

CONTINUATION OF DEBATE ON ADDRESS IN REPLY

The House resumed consideration of the motion of Mr. Fretz for an address to His Excellency the Governor General in reply to his speech at the opening of the session, and the amendment thereto of Mr. Trudeau (p. 37).

Mr. Fred McCain (Carleton-Charlotte): Mr. Speaker, I hope the opposition whip will not mind if I say that he and I have known each other for a while. We have both carried out our partisan duties, but one of the capabilities which must be inherent in a member if he is assigned a responsibility in the chair is that he must shed his partiality while sitting in that chair. I wish to assure the government whip that I am capable of that, and I will do that.

Mr. Lefebvre: "Opposition" whip.

Mr. McCain: Old habits die hard, and I guess I am in some ways a slave of habit!

Mr. Evans: Don't get out of the habit.

Mr. McCain: Let me come briefly to the subject matter I was touching on before, the difficulties of the takeover and the delays which sometimes occurred. The instance which I have already cited can again be exemplified by three others, one at the port of Saint John, and another with respect to the dredging of the Miramichi.

It is the habit of government to say, "Yes, we will do a job". Having said that the job will be done, the final proof that it will be done is when the order of the Treasury Board which actually authorizes the expenditure of the money for the particular project has been passed. That money was not authorized for the port development in Saint John, nor was it completely authorized for an expenditure by the Treasury Board for the dredging of the Miramichi. I would like to draw to the attention of the people of New Brunswick that while a promise of a government had been made, it could only be kept by the actual authorization of expenditure and approval of that expenditure by the Treasury Board. This was not done, yet the people of New Brunswick are under the impression that the money indeed had been authorized, and it should indeed be.

There are a number of problems in Atlantic Canada. I was very interested in listening to the hon. member for Humber-Port-Au-Port-St. Barbe (Mr. Faour) yesterday when he suggested that Petro-Canada should take over the refinery at Come-by-Chance. I think that can only be considered in light of the fact that in the six eastern provinces of Canada there exists today a refining capability of 750,000 barrels in excess of Canada's consuming capability.

If Petro-Canada were to assume responsibility for Come-by-Chance at this moment in time, where is the market to be found? I submit that one of the objectives any government of Canada should have had historically and must have in the future is to arrange for transfer of some energy between Canada and the United States, including the transfer of that energy which can be refined in that excessive refining capacity which exists in eastern Canada. Then and only then can Come-by-Chance become viable for Petro-Canada or any company.

I might say in passing that one of my concerns about Crown corporations in any sphere is that public and political pressures to take on non-viable operations may very well strangle Crown corporations. They may very well get into the heavily debt-ridden position experienced by the CNR. It may be necessary down the road, if we succumb to the political pressures expressed in this House, for a corporation such as Petro-Canada to have to rely on taxpayers to bail it out as we bailed CNR out last year and as we bailed it out on two earlier occasions to the extent of something in excess of $2 billion in total. I think this is the result of political pressures to have Crown corporations meet political needs. This is not the way to serve the nation effectively and efficiently.

The agricultural industry of Canada has experienced a great many difficulties. One part of that industry which is experiencing a very serious difficulty at the moment is the potato industry, which has over-produced on a national basis, according to Statistics Canada, and which may be deprived of a part of its export markets by virtue of a decision made by some authority in the European Economic Community. That decision was that Canada should not ship seed potatoes to Italy from this crop year's production. This has been a market which has been taking an increasing quantity of seed potatoes

from Atlantic Canada, and if this market is denied us for phyto-sanitary reasons, that will simply add to the surplus which must be disposed of in Canada.

I implore the Government of Canada to use every possible effort to get a renewal of the privilege to export seed potatoes to Italy this year and also to undertake ongoing negotiations to get a long-term and not an annual permit for their shipment. This decision has a very serious impact upon Prince Edward Island and New Brunswick production, but it also has an impact on Ontario, Quebec and perhaps even Manitoba production because what does not leave the shore as seed will most certainly have to be marketed as table stock or dumped.

This is a very unfortunate picture, but it is precisely the way it is. I understand that there are ongoing negotiations, that Italy is making the strongest possible political representations to the European Economic Community to have it accept Canadian seed potatoes into that market, and that there will be a meeting within the next ten days to two weeks between the trade officials of this country and the community. Along with the influence and the expertise of the Department of Agriculture, I hope that the trade representatives of Canada will be able to get the concession needed to ship seed potatoes to Europe.

● (1410)

An hon. Member: Send the minister.

Mr. McCain: The minister is a very competent guy. I would be happy to entrust the potato industry into his hands. I hope he will have time, and if it becomes that serious, I am sure he will go.

The plight of the fishing industry in Atlantic Canada is rather serious in many ways. As a result of over-exploitation and a failure to supervise the catch of many species in adjacent waters to our shores, the population was depleted to the point that it was very difficult to make a livelihood. It became necessary to impose catch and licensing restrictions upon the industry. These licensing restrictions have been carried to excess. As the stock is replacing itself as a result of more controlled catch, I believe the time has now come when licences must be issued to more fishermen.

I want to compliment the hon. member for South Shore (Mr. Crouse) on his remarks yesterday in the House. There is no man in the House who has as practical a knowledge of the fishing industry as the hon. member for South Shore. He epitomized that in his remarks—his expression of interest and his pursuit of a more generous treatment by the Department of Fisheries of the fishing industry.

How serious is this situation? In the last ten years the cost of boat replacement has risen threefold. That is out of all proportion to the inflation rate affecting Canada in general. The cost of gear and equipment has risen an equal amount or more. On top of those factors, today the fisherman is faced with an interest rate—and has been for the past two years—which, if he must finance the boat by means other than his own catch, pyramids the cost of that boat by another one, two or threefold depending upon the terms of the financing. Then it becomes a very expensive operation. Coupled with that is the fact that young people are not allowed to get licences because there are restrictions and limitations upon those who can be licensed. Also there is a restriction upon the transfer of the licence from an older fisherman to a younger one.

These restrictions must be re-examined. As we have attempted to keep young people on the farms, there must be some way to attempt to keep young people in the fishing industry. But under the regulations which we inherited, this is virtually impossible. If we are to replace the existing generation of fishermen, there must be a relaxation of the licensing procedures. In view of the tremendous increase in the cost of boats and equipment, it is imperative that some kind of reasonable financial operation be set up to make it possible for fishermen to buy boats and make the necessary payment arrangements without interest as burdesome as it is in the open market.

As I have suggested many times in the House, we must have a Central Mortgage and Housing or a Farm Credit Corporation-type of lending agency in government which will permit young fishermen, and even some of the older ones, to obtain short-term financing for the improvement and replacement of their equipment and boats. I beseech the government to give this serious consideration in its future deliberations.

There is a particular problem in my constituency respecting transportation. The commitments of confederation were that products in any part of Canada should have transportation costs which would permit that part of Canada to trade with the rest of Canada. Recently freight rate increases on the roads and by rail have risen to the point where many commodities are no longer competitive in what were the historic markets in Canada when rail rates were at a different level. This requires serious examination as does the transportation of wheat. On a smaller scale it is as vital to the Atlantic economy as is the transportation of wheat to the western economy.

Earlier it was said in the House that if there is a weak section in Canada economically, it weakens all of Canada. As long as transportation costs remain at the present level, or as long as by international trade agreements we have to trade within Canada and not overseas or with the neighbouring country to the south on a basis which would be competitive with them, then we must have transportation structures and costs to allow us to resume the trade which was historically ours in this nation.

In particular I should like to refer to the ferry service which runs from the mainland of New Brunswick to the Island of Grand Manan. Historically the Government of Canada assumed quite a large responsibility for ferries operating in salt water. Except in the St. Lawrence and in one or two of the Great Lakes areas, it did not assume any financial responsibility for ferry services required in fresh water. Some years ago an agreement was signed between the Government of Canada and New Brunswick that the Grand Manan ferry would be subsidized to the extent of $150,000 by the province of New Brunswick, in round figures, and $267,000 by the federal

government. But there was no clause for indexing the cost of the federal subsidy. As inflation has stormed down on us, the cost of operating that ferry has risen immensely. Since there was no indexing in the federal subsidy, there has been no increment in the payment to the province of New Brunswick. The province of New Brunswick will find itself in a position this year where it will probably pay $1,600,000 as subsidy. That is a tenfold increase from the original $150,000 subsidy, partly as a result of inflation and partly as a result of an increase in Grand Manan fishing and its fish processing industry.

This matter must be reconsidered. I will not take the time of the House to go into all the details, but if the Department of Transport will examine its records it will find that subsidies are paid for comparable ferries in other Canadian provinces in a much more generous fashion. That much more generous fashion should be applied to this particular ferry. When one looks at CN Marine, one will find that not only have we assisted by tax dollars the operation of ferries in Canada, but also the operation of an international ferry on the Bay of Fundy. I submit Grand Manan should come first; the province of New Brunswick should come first. The burden of financing this service certainly should be assumed to a greater extent by the Government of Canada.

There has been a great deal of discussion about the maritime energy commission. It was a proposal by the former government based on the philosophy that certain gains could be obtained by co-operation on the part of the commission and the maritime provinces. Initially it was hoped that it would be the Atlantic provinces, but that was not going to work out. I urge the government of Canada to take a very long and hard look at the possibilities of developing electrical energy in the maritime provinces. It is absolutely imperative that every Atlantic province seek the lowest possible cost of energy.

● (1420)

The Government of Canada has in the past seen fit to extend the credit rating of the Government of Canada to developments in Canada without subsidizing them, but by merely guaranteeing a loan or by borrowing and lending the money to the operation in Canada. This happened initially with the Beechwood dam on the Saint John River and resulted in a very extensive saving for the province of New Brunswick without costing the Government of Canada a dime.

It is from this base that the Government of Canada should commit itself, not necessarily to gifts to Atlantic Canada, which is not what I am asking and not what I am proposing. I am proposing that it would be propitious for the Government of Canada to guarantee to the maritime energy commission the loans it would have to float in order to build the projects which are available.

One of the things which I think might very well be profitable to Canada, and particularly to the maritimes, at this moment in time is the construction of enough generating capability that some of this energy could be exported to the United States eastern seaboard. I propose this because I believe there is a market there and a fair profit to be obtained from this, a profit which might very well make a major contribution to the reduction in energy costs both for the New England seaboard and for the maritime provinces. I think we should take a look at this as a business proposition.

I have heard members of this House and people in New Brunswick scream about the idea that we would export electric energy or that we would build in excess of immediate demand, but in every instance where this has happened, and it has in three or four instances in New Brunswick, the exporting of energy has in the long run contributed to a lower cost supply of energy for New Brunswick.

I believe it is along this course that the Government of Canada should move in a serious way with negotiations for the establishment of the maritime energy commission, and that it should plead with the premiers of the maritime provinces to sit down around the same table in order to arrive at a common goal, and thus save money both for Canada and for the provinces.

The forest industry in eastern Canada to a greater degree than in the rest of Canada, but also the forest industry in all of Canada, has had a very heavy withdrawal of capital resources by cutting, which has been excessive in some areas. Coupled with this it has had an insect and bacterial infestation which is reducing the live and useful wood in this country. I plead with the minister responsible for forestry and the minister responsible for the environment to act in consultation particularly with the province of New Brunswick, which has had no choice but to spray, and to arrive at the best possible scientific way to control the infestation which is depleting our forest resources in Canada. This is a matter for research and it may be a matter for financing.

There has been circulated to all members of the House of Commons a very definite and detailed picture of the depletion of this industry, showing the necessity for protection from fire and pests and the necessity for reforestation. In view of the fact that it is our largest single employer and our largest single exporter, and in view of the fact that it is one of our largest taxpayers, paying directly or indirectly to the Government of Canada almost a billion dollars, and paying to the municipalities and the provinces of Canada more than a billion dollars in taxes, it is a vital aspect of our economic picture, both to the workers in the field and to their representatives in the House of Commons.

An industry of this magnitude must receive more attention and more consideration by the Government of Canada than it has in the past. I have been encouraged by the remarks I have heard to date from this government, and somewhat discouraged by some of those I have been accustomed to hearing over the past few years.

I will not bore the House any longer, Mr. Speaker, with the needs of my constituency or with things I feel the government should do. I very much thank the opposition whip for his tolerance and I assure him that I will respect the recommendation he made earlier in the day.

Miss Pauline Jewett (New Westminster-Coquitlam): On a personal note, Mr. Speaker, may I say what a pleasure it is to be back in this House. It is a particular pleasure to be here as a British Columbian and as a member of the NDP, and to follow my distinguished predecessor, Stuart Leggatt, in both respects.

Some hon. Members: Hear, hear!

Miss Jewett: I had not yet seen the light in either respect when I was here before, although on looking again at my first speech given in May, 1963, I thought how close it came to the NDP position on almost all matters. Of course, those were the days of relatively enlightened Liberalism, days long since past as the events of last evening once again showed.

That first speech of mine was also made during a throne speech debate. Like the hon. member for Erie (Mr. Fretz), I moved the address in reply. I hope I acquitted myself as well as he and the seconder, the hon. member for Cardigan (Mr. MacDonald), did the other day. Not that they had much to work with. They were robbed of guidance in many fields, those relating to the economy, the constitution, the Quebec referendum and the entire field of international affairs, and it is the latter I want to say a few words about, first, this afternoon.

I believe there has been no occasion, certainly in my memory, when international affairs has not been mentioned in a Speech from the Throne. Not only was this subject not mentioned in this Speech from the Throne, it was not mentioned at all in the address of the Prime Minister (Mr. Clark). As I say, surely this is the first time in a very long while that this has happened.

It may well be that the difficulties the government got into by making too early, too premature and too unthought-out pronouncements, particularly in the matter of moving the embassy from Tel Aviv to Jerusalem, caused it to shy away completely from the whole field of Canada in the world today. Surely this cannot be because the government does not know that Canada has a position. Members of the government talked about this, not so much during the election campaign but on many occasions during the last Parliament. It must be because of the premature move they made and to which once again today in question period they could not either say, "Look, it was a mistake. We do not intend to move the embassy", or "Yes, we have this ambassador looking at everything, but as I, the Prime Minister, remarked right after the election, it is only the timing of the move that is in question". Surely the government and the Secretary of State for External Affairs (Miss MacDonald), who did her best to help the Prime Minister on an earlier occasion, could have said one or the other.

● (1430)

This government wants very much to restore confidence. It wants very much to restore the faith of the private sector in which it very strongly believes, in the Government of Canada and in Canada itself. How can it restore that faith when it does not make clear to business concerns what its position in relation to the move of the embassy is. It should not be made some time down the road, but now. The government's lack of position, obviously, is creating uncertainty. The answers of the minister and of the Prime Minister this morning, although they may have been further amplified at a press conference since then, have not been satisfactory.

The other reason why the government made no mention of international affairs must be that the government does not know, particularly in the fields of aid and perhaps I should also mention peacekeeping—two of the cornerstones of foreign policy in the past years—in what direction it wishes to go. There are conflicting signals. In her speech at the United Nations, my hon. friend the Secretary of State for External Affairs, who I know would have been here this afternoon because I told her I would be speaking but has been otherwise engaged, said that Canada was still concerned about the human rights of all people; that the human rights of all people were what mattered more than anything else; that specifically as we look into the decades before us, it is the countries at the bottom end of the economic scale which face the bleakest future and the lowest growth.

I believe she spoke at that time in her compassionate, humanitarian, progressive spirit about the problems of the poorer nations and the need for respect for human rights everywhere. That was expressed in the minister's speech at the United Nations. A few weeks later in a speech to the Empire Club, the minister did a complete turn-around. She then suggested that it was not the poorer nations that needed our continued compassion and concern, but it was those nations on the brink of development which were breaking through and which would soon become established as strong economic units. She suggested that we had not been taking into sufficient account the economic returns which Canada could expect in both the short and the long term. She suggested that we should also look very closely at our political and economic relations before we decided with particular countries whether aid should be extended.

The minister said in her speech at the Empire Club:

> Is it really the right thing to do, to divorce aid policy entirely from the rest of our relations, both political and economic, with the country concerned.

In the speech which the minister gave a few weeks before at the United Nations she said:

> There is growing recognition that development assistance does not imply the foisting of one country's economic and social philosophy on another.

What had caused the change in the intervening weeks?

Mr. Rodriguez: The slasher.

Miss Jewett: The slasher's friend.

Mr. Rodriguez: The tough guy.

Mr. Nystrom: The happy hacker.

Miss Jewett: The Minister of Finance.

The Minister of Finance (Mr. Crosbie) at a meeting of the IMF and the World Bank spoke out very strongly against

Canada's aid policy. The minister suggested that not only should aid not be increased, but that it should be diminished. Somehow or other the message got to the Secretary of State for External Affairs because her speech at the Empire Club might well have been written by another hand—

Mr. Rodriguez: By the slasher.

Miss Jewett: —compared to her speech at the United Nations. In any event, the message got to her or, to mix the metaphor, a terrified mouse came into her office pursued by the financial cat from Newfoundland to tell her that it was no longer possible for Canada to continue its aid policy of the past, and that it must now only look to countries on the brink of self-sufficiency.

In this proposed switch the Secretary of State for External Affairs has bypassed CIDA's own twin objectives, the assistance of countries in the achieving of self-sufficiency and the meeting of basic human needs; in other words, concentration on the poorest in the poorest countries. These CIDA priorities were approved by the Science Council, the International Food Policy Institute and donor countries such as Sweden, the Netherlands and the United Kingdom.

She also ignored the recommendations of the Pearson Commission, OECD, the North-South Institute, and her most knowledgeable colleague on these matters, the hon. member for Edmonton South (Mr. Roche), who is now also her parliamentary secretary. She ignored, as a friend of mine said, the many Canadians who are not ashamed to proclaim their humanitarian priorities, and whose support is so necessary if Canada is to live up to her proclaimed objectives.

She tried to excuse this change of approach toward the Third and Fourth World countries by accusing many Third World countries of having branded us as imperialists and, therefore, not worthy of Canadian interest and concern. Even if this were true, that they had branded us as imperialists, I hardly think that this should be the reason for deciding to no longer care about the poorest in the poorest countries. But I am told that her comment that Pakistan led the attack of the non-aligned countries in Havana is not in fact true, that Pakistan did not lead the attack on the so-called imperialist countries. Even if the remarks were true, it is a pretty feeble reason to give for changing one's full approach to foreign aid.

The minister also indicated, as had the Minister of National Defence (Mr. MacKinnon) some time earlier, that we should take another look in our role in peacekeeping, presumably also to save money, presumably also because we are a nation that cannot afford enterprises such as peacekeeping any more than the level of aid that we have been giving. To suggest that we take another look at peacekeeping, particularly in Cyprus where there are 30,000 Turkish troops at present, is to me highly irresponsible.

● (1440)

It is because of these conflicts among members of the government on matters of foreign aid and peacekeeping, as well as on the embassy question, that the government presumably decided to say nothing about international affairs in the Speech from the Throne and the Prime Minister decided to say nothing about it in his own speech. We are told that a standing committee of the House of Commons will have a report from the Department of External Affairs referred to it. I certainly do not deplore that; on the contrary, there will be useful discussions. That does not save the minister from saying now, in October, what direction we should be moving in—preferably not conflicting directions. We want a foreign policy not only for the 1980s but right now. We want some indication of where the government is going.

Some hon. Members: Hear, hear!

Miss Jewett: Some time ago I wrote to the minister to ask what the government was doing to help in the reconstruction of Nicaragua. This is a country which has had a democratic revolution, the very kind of country that Canada should befriend after it has gone through this democratic process. At that time we had provided only three Hercules aircraft, I think—

Mr. Friesen: Six.

Miss Jewett: —three Hercules flights to carry the economic aid and other supplies provided by the private sector in Canada, chiefly by the Canadian labour movement. I received a letter from the minister yesterday saying that this aid has now been increased to five flights carrying $400,000 worth of material, again mainly provided by the Canadian labour movement. She said:

> I had hoped to be able to provide you with details of planned reconstruction efforts in addition to our emergency relief activities but I am not in a position to do so yet. I can assure you, however, that officials in my department, in co-operation with those of other departments, are working strenuously to determine what further assistance can appropriately be given.

The letter is dated October 10. I ask the minister, as a friend whose progressive and humanitarian views I know well, what has happened in the last few weeks that she should abandon all her enlightened, progressive and humanitarian views in a speech to the Empire Club?

Mr. Fraser: She is a lady of abandon.

Miss Jewett: Finally, Mr. Speaker, I want to say on a happier note how very kind and generous with their time were the embassies in Tokyo and Peking when I recently took a trip there under the leadership of Tommy Douglas. We thought very highly of the staff of the embassies in those two capitals. On our trip we discovered that there is a marvellous opening for Canada in trade with these two countries.

It is my own feeling that the government has not been pushing our trade with Japan very strongly and has not made any inroads at all in what will become a huge market in China except, of course, with wheat and rape seed. Trade is a two-way street and there are many kinds of goods that the Chinese could provide to us, but at the moment, as hon. members know, we export far more to China than they export to us. Not only should we encourage trade with China, a

country that should appeal to the minister because, although it has a very low standard of living, it is on the brink of self-sufficiency, but we should extend our relations in one particular and important area, that of our scientific and technical knowledge.

The Chinese spoke to us about this a great deal and gave the example of gold mining, which is only half as efficient in China as it is in Canada, as well as oil extraction and reforestation. They would also like to develop even further the program now under way of exchanging students, scholars and experts between our universities. I would ask the minister to facilitate this program by ensuring that exchange scholars from China can have their health certificates approved quickly. I talked to one Chinese scholar on September 21 who was two weeks overdue at his post in Canada because he had been waiting three months for final approval of his health certificate from our mission in Hong Kong. Why does everything have to go to Hong Kong, already a very busy mission? Surely it would not be too difficult to attach a medical doctor to our embassy in Peking. If we are serious about this interchange of students and scholars, that is what should be done.

I hope that when the standing committee is established a coherent set of policies will be placed before it, policies in which all members of the government concur. I hope to play as constructive a role as I can on that committee and, through its efforts, to see Canada take an even greater lead in its relations, in its aid, in its trade with other countries that are on the brink of self-sufficiency as well as those that are still poor.

There is one other matter of importance to me and, I hope, to all members of the House, Mr. Speaker, that I should like to address this afternoon. At least there was one sentence about it in the Speech from the Throne, which is better than nothing at all. It was promised that there will be an employment strategy for women. I was very glad to hear that and will be glad to see it fleshed out.

● (1450)

It concerns me, however, that during the four and one-half months the government has been in office it has not done any of the things it promised in the election campaign. When the government referred to women in the public service during their election campaign they promised that the reduction in the federal public service would have no disproportionate effect on women, as had been the case under the Liberal government. In February, 1979, the number of women laid off was greater than the percentage they formed of the work force in every single branch of the public service. The same seems to be happening now although it is too early yet for all the details to be known. I mentioned one case yesterday where 12 women in the agricultural stabilization board have been laid off. One can find examples everywhere. What did the President of the Treasury Board (Mr. Stevens) mean when he said yesterday:

> Our guideline is no lessening of the number of women working in the public service.

[Miss Jewett.]

That is simply not what is happening. Obviously he does not know what is happening to women in the public service. Perhaps he does not care.

A second example is women and the unemployment insurance amendments. Referring again to the campaign literature of the Progressive Conservative Party, and I am speaking of its document about strategy for women, it refers to the previous government, and I quote:

> The government's changes to unemployment insurance eligibility discriminated significantly against women at the same time as the level of benefits received by persons such as single parents was reduced.

According to this article the Progressive Conservative Party will

> (a) keep the existing eligibility criteria for part-time and seasonal workers, who are disproportionately women, and
>
> (b) maintain the existing level of benefits for men or women with dependents.

That promise was violated immediately after the election.

I am particularly concerned in what this government is doing, following in the footsteps of the previous government, in eventually eradicating the Outreach program as it affects women. The outreach program has been one of the most successful programs we have had. It is a program designed to meet the special needs of women entering or re-entering the labour force. It has trained, counselled and placed a large number of women who had been on social assistance most of their lives. There is one Outreach program in my own constituency, called AWARE, which has trained, counselled and placed hundreds and hundreds of women. Indeed, in British Columbia and the Yukon together the number of women reached by the Outreach program is 6,000. They have been trained and placed at a cost of $250 per job placement while the Canada Employment Centre cost is $700 to $800 a person. The Conservative party have said:

> A Progressive Conservative government will restore the necessary funding ($3 million) cut by the Trudeau government from the Department of Employment's Outreach program for women.

The government has restored $300,000. It has said that there will be an additional amount up to $1.3 million, but the government will not say whether this is for the Outreach program for women, the special program for women and their special needs. The government has said nothing that I am aware of about the remaining $1.7 million.

So many of these programs have been cut back that there are only about half a dozen left. One is in my constituency and I believe there is one in the constituency of my colleague, the hon. member for Nanaimo-Alberni (Mr. Miller). No one knows whether these programs will be retained or not. What is so incredibly shortsighted about this is not only the unfairness to women, but the fact that the government will pay more for social assistance and unemployment insurance—if it does not cut back unemployment insurance even more—than it would pay to train and help these women enter the labour force. Even on the sort of "hacker grounds" you would not abandon this program.

The government also promised, again in its pre-campaign literature, that it would strengthen the role of the National

Advisory Council on the Status of Women. On page 5 of that literature the following is to be found:

> The advice of the Advisory Council on the Status of Women is frequently ignored by government, most recently on the changes to unemployment insurance policy. We will first improve the credibility of the council by seeking nominations to its board from national women's organization.

I have inquired and there are still—

The Acting Speaker (Mr. Scott, Victoria-Haliburton): Order, please. I regret to inform the hon. member that her time has expired. In order that she may continue, she must have the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Miss Jewett: Thank you, Mr. Speaker; I shall not crave your indulgence too much longer.

There have been no new appointments yet to fill the vacancies on the National Advisory Council. I respect very highly the Secretary of State (Mr. MacDonald), another good friend, and I know he is personally sympathetic to strengthening the role of the council. I am sure he is sympathetic to developing the Outreach program and genuinely changing the unemployment insurance amendments. Is he having any influence, inner cabinet or no inner cabinet, when he has not yet been able to change those matters or to put people on the council? Nor has there been any additional money granted to the council, as I understand was promised them some time ago.

The government also said in its election campaign literature that it would further provide that the council report directly to Parliament on any legislation or lack thereof which it feels is of importance to the status of Canadian women. Nothing has yet been said about that.

There are a number of matters I could raise. One need only read the recent report on women and poverty to learn that 16 per cent of adult women in Canada live in poverty. This government said it would address that problem so as to bring about genuine equality of women. Next week is persons' week. This is the week commemorating the famous persons decision when the judicial committee of the privy council said that "women" were "persons", yet the backward steps that seem to have been taken by the government set us back further even than in the last few years under the Liberal administration, which really gave up doing anything after international women's year. As members of parliament we must address ourselves at last to treating women as persons, not as secondary wage earners, not as uninterested people that you can push around, as was done recently in Ontario. Of course, the Tories are in power in that province and that government has just voted that domestics should not come under the minimum wage regulations.

I hope that the minister and the other ministers concerned, the Minister of Employment and Immigration (Mr. Atkey) and the President of the Treasury Board, will at last give substance to their campaign rhetoric.

• (1500)

[*Translation*]

Hon. Jean Chrétien (Saint-Maurice): Mr. Speaker, first of all, I wish to take this opportunity to congratulate you most sincerely on your re-election as Speaker of this House. It is a most happy precedent for the House to have decided to re-elect a member who served it so well in the previous Parliament. I would also like to offer my most sincere congratulations to the officers of this House and to yourself, Mr. Speaker, and my best wishes in your new responsibilities. I also wish to congratulate the movers of the Address in Reply to the Speech from the Throne. Nearly 16 years ago, when I was a new member, I myself had the opportunity to play the same role and I was very proud for the voters of my constituency to have been chosen to make a speech and to be able to represent them in the House in the first moments of a new Parliament. I also wish to congratulate all the new ministers who have been appointed by the right hon. Prime Minister (Mr. Clark). During the last 12 years I was able to sit on the treasury benches, and I believe that we should give members opposite an opportunity to prove themselves. As the Leader of the Opposition (Mr. Trudeau) said, their task is certainly not an easy one and our role in this House is not necessarily to make their life any easier. For my part, I intend to co-operate with my hon. friends on the treasury benches, but it is to be expected that I might be somewhat mischievous at times because we have often seen in this House the people who are now on the treasury benches and who used to be on this side of the House take a malicious pleasure in keeping me in the House for hours and days at a time on points of order, questions of privilege or debates which took longer than I could give them in view of the work I had to do. I have no intention of being as extreme as they were and I will let them do their work as, having sat on the treasury benches for 12 years, I am well aware that ministers have a very difficult task and that we should give them as much sympathy and assistance as possible.

[*English*]

It is a tremendous pleasure and privilege for me to take part today in the throne speech debate. I must admit that for me and for many of my colleagues it is a strange experience to be sitting on this side of the House. I intend to enjoy completely this experience while I can, because the government's record to date suggests that we will be put back on the other side very quickly.

The Prime Minister told us that Canadians voted for his party because they wanted a change. That is exactly what they got. No political party ever changed so fast as the Tory party did between May 22 and May 23.

Do hon. members opposite remember something called the stimulative deficit? The people of Canada remember hearing about the stimulative deficit in the months preceding the election. The present Prime Minister told the electorate of Canada that the only way to revive the economy was to have

more government spending and bigger tax cuts. He said that was the only way to produce the larger revenues which would eventually reduce our deficit. In other words, we could not hope to balance the budget somewhere down the road if we did not drive up the deficit now. I objected to that. I am very pleased that today they have come to realize that either they did not know what they were talking about or they were trying to mislead the population. Within two months of their election victory, the stimulative deficit was no more. It was an idea whose time had come and gone. Suddenly we need cutbacks.

I am sorry the Minister of Fisheries and Oceans (Mr. McGrath) is not here because, being from the province of Newfoundland, he was always on his feet complaining about the bad effect of cutbacks on that province. However, we suddenly need cutbacks in unemployment insurance and federal transfers to the provinces. We need to eliminate the universality of old age pensions. I could go on and on with the programs being slashed by the President of the Treasury Board (Mr. Stevens).

In spite of all the great speeches made by the President of the Treasury Board over the past four months about all the programs he was going to slash and how he would bring everything under control, the headline in this morning's paper read "Ottawa deficit will jump by $500 million". For months we have been told that expenditures were being brought under control. The President of the Treasury Board blames this on the increase in the price of oil. We knew that last winter when the OPEC nations raised their prices.

In July the President of the Treasury Board made a pronouncement on the deficit. In August he did the same. Today we realize he did not know what he was talking about. Either he did not know how to forecast expenditures, or he has already lost control over the bureaucracy. Today he is telling us the deficit will be $500 million more than he said before.

Despite the fact we were facing an election, I stood in my place as minister of finance and stated that I was not going to try to buy the votes of Canadians, that even though we might be going to the polls we were prepared to face reality. The then leader of the opposition and all his friends talked about stimulative deficits, not cutting unemployment insurance and so on. Now that they are in power, they have completely changed their policies.

I cannot criticize the Minister of Finance (Mr. Crosbie) that much. He has now seen the truth. After waiting for months, I was pleased to see him rise in his place yesterday and say that he supported the Governor of the Bank of Canada. Under the act, the minister has to assume full responsibility for the actions of the governor of the bank. Despite the pressure I was under, I never tried to create the impression that I was not responsible. I always said that I subscribed to the policies of the governor because monetary policy comes under the government.

I wish the Minister of Finance well. I know he is finding it quite difficult. However, I was a bit embarrassed when he said that Mr. Bouey had his absolute confidence, that he had perfect confidence in the governor, because I am sure that Mr. Bouey is not yet out of the woods. The last person in whom the minister had perfect confidence was the former deputy minister of finance. As the hon. member for Stormont-Dundas (Mr. Lumley) informed this House only yesterday, it was only a couple of hours after the minister expressed complete confidence in his deputy that the Prime Minister fired Mr. Hood.

As the hon. member for Stormont-Dundas stated, the minister was reduced to apologizing to his senior staff for having to place on them the burden of a new deputy minister, a man the minister did not choose, a man the minister did not want as a deputy minister. I like the new Minister of Finance very much, but to see him being humiliated like that in the first days of his tenure in office was unbelievable. I do not know of any minister of finance since I have been around, or even before, not Mr. Fleming, for example, who would have accepted being humiliated in that way by his prime minister.

• (1510)

You know, they used to talk about our Prime Minister's Office—there were supposed to be a lot of people in there who were running things and the ministries were not running things. In fact the new administration have increased the number in that office by 25, or something like that, and ministers nowadays do not even have the freedom in some cases, I am told, to choose their own executive assistants. It is unbelievable that a minister with responsibilities to discharge should be told by some guy from the Prime Minister's office whether a certain person is or is not acceptable to be in his office.

I was glad to see that the Minister of Finance took responsibility for the increase in the interest rate and gave his full support to the governor of the bank. That is the right decision. It reflected the position he had to take. He is responsible. If he does not agree with the governor he can write him a letter and give him instructions. There were a lot of people in Canada who, during the election campaign, gave credence to a speech made at his first press conference by the then leader of the opposition, the present Prime Minister. During that conference he said that in the future a government under his leadership would rely not on monetary policy but on fiscal and budgetary policy—monetary policy would not be used to cure inflation. But the government has no chance. Today, after five months in office, the President of the Treasury Board has to admit that the deficit will be $500 million more than predicted. That leaves the government no room; the business community and the market will see that, despite all the great speeches he made about cutting expenditures, he has failed miserably.

I congratulate the government for permitting the opposition to raise this question in committee, because I should like to ask a few questions on the subject. But I hope the Minister of Finance will be given the free hand he needs in order to discharge his responsibility. This business of imposing upon him a deputy minister he did not want, creates a very bad precedent in the history of the ministry. It is one of the frustrations besetting a minister of finance to find that he has very little control over many of the problems with which he

must deal. Nevertheless, it is his responsibility to create the proper climate of confidence, a sense that matters are under control, and nothing could be more dangerous in any administration than to see the prime minister pull the rug out from under his minister of finance.

Of course there is no way in which a minister of finance can deal with inflation overnight, notwithstanding those who, during the last campaign, said there was. I went through that for two years. I do believe that, in order to give confidence to the nation, the Minister of Finance has to be in control of his ministry, and not be forced to have a deputy minister who was not his choice, not be forced to go to the senior people in his department and tell them "Sorry, but I don't control the department," to the point that even in his own office, I am told, an executive assistant or an assistant had been imposed on him. This is the way to destroy a minister of finance, and I urge the government to act more sensibly in this regard.

The minister has not produced a budget, and that is a big mistake. When I brought down my budget last November I did so in very difficult circumstances. We were going into an election within months—there was no choice—and I put forward a budget which was seen by many people as being very dangerous politically for a government in power. The leader of the opposition at that time was talking about a stimulative deficit and what not, but I stood firm. Since then, good results have flowed from that budget. We have seen the unemployment figures falling from month to month to a point which is the lowest in many years. We are reaping the benefit of the two budgets which were brought down, one in April, 1978, and the other in November, 1978. But I must tell the Minister of Finance that there is a big time lag between new initiatives and the point at which they are felt in the economy.

It was a great mistake for the government not to bring down a budget earlier adjusting to the new circumstances because, since my last budget, inflation in the world economy has risen sharply and there has been a huge increase in the price of oil bought from the OPEC nations. This increase has been much larger than was anticipated by most observers.

I remember being at a meeting of the World Bank in Washington almost exactly a year ago, and talking to my colleagues there. The feeling was that the price of oil would probably increase by some 10 per cent or 15 per cent, perhaps by 20 per cent. It was much more than that, and there were wide fluctuations in the open market which pushed the price very high, in some cases 40 per cent higher. This meant a big change in the economic postures of all the nations concerned, and the effect has driven the United States economy into what some people regard as deep recession. In this situation the government hesitates and cannot make up its mind on anything.

I feel sorry for the poor Minister of Finance who has to prepare a budget this month while the Prime Minister and the minister of energy are unable to agree on the price of oil as they attempt to please either Mr. Davis or Mr. Lougheed. And the poor Minister of Finance has to write a budget not knowing what the compensation to offset the price of that commodity in eastern markets will be. We do not yet know what the policy will be. I recall I was involved in changing the pricing policy a year ago for the month of January, when I felt it was my duty to ask the government of Alberta and other producers of oil not to increase the price of oil by $1 because we were under too much pressure from inflation. I talked with them, and eventually they agreed. Of course, there were some rumblings. Of course, there were unfavourable editorials in some parts of Canada. A lot of people gave me hell, but I didn't give a damn because I felt that the job required someone who was a bit thick-skinned and could "take it". But I would point out that we are now in October.

I heard the Prime Minister on television the other day. He did not know what was going to happen. I guess he had a plan—he was to come out last Sunday with news of a big agreement after he and Mr. Lougheed had met in Montreal. The meeting failed. There can be no doubt that, when you are the Prime Minister of Canada, when you are the leader of a national government, you have to arbitrate the differences which arise in this land. There is no way in which consensus will be reached, because it is not in the nature of things that Mr. Lougheed should say he doesn't want a higher price for Albertan oil—after all, he has to get elected in Alberta—and it is not in the nature of things for Mr. Davis to say he does not want a lower price. Eventually, the leader of a national government has to take a stand in the best interests of the nation as a whole. Of course ministers opposite have not done this, so the poor Minister of Finance will have been operating under my 13-month old budget before he brings in another.

Do not forget, Mr. Speaker, that these are the same people who were asking me last March when a budget would be brought down. As I say, we are already in October. They hope to give us a budget in a month or two, but the poor Minister of Finance has no clue about the probable cost to the treasury of maintaining the government's compensation program for oil imports. I hope he and his colleagues realize it is not possible to study these problems ad nauseam.

● (1520)

Mrs. Thatcher did not like the policies of the previous government in England. She moved, in the first week after her election, with a speech fron the throne. There was a budget within a month. I do not know whether it was a good one or a bad one, but she had some convictions and she showed them. Here we have the contrary.

For me it is rather a pleasure to be standing up here after so many months. Hon. members opposite have not found a way to change the policies we enunciated. They have fed for the last five months on my budget, which was supposed to be terrible. This is fun for me, but it is not fun for the nation. I know that there is a time lag of six months to a year before the effects of fiscal or budgetary measures are felt in the economy. Results do not happen overnight. On the night of a budget big pronouncements can be made, but it takes six months or a year before millions and millions are affected by the implementation of measures.

By the time we have a new budget it will already be too late, because we have known since the month of April that the Americans are in a recession.There was a big debate among all the economists of the world as to whether the Americans were or were not going into a recession. Now it is evident that they were. Perhaps the Tories will be happy to see the Canadian economy go into a recession, but I would like to tell them that it is not necessary. Even if there is a recession in the United States now, for 27 months during the last recession in the United States we managed to maintain some growth in the Canadian economy. It was not enough, but there was some growth.

During the election campaign the Prime Minister promised that there would be an average rate of growth of 5.5 per cent should he come into power. Yet right away we are told that it looks as though, next year, growth will be under 2 per cent. Hon. members opposite were going to reduce the deficit, but it will be $500 million higher. It would be better for hon. members opposite to tell the truth to the people.

During the campaign we said that there was no room to make promises. That was not easy. I wish we could have made promises. Perhaps we lost the election, but I am proud that, despite the fact we did not make many promises during the campaign, we got more votes than the present government, and we kept our respectability. I do not see much respectability in the present government.

[*Translation*]

And now, Mr. Speaker, I would like to devote a few minutes to federal-provincial relations, a new field assigned to me by the Leader of the Opposition. I was pleased to accept, because I believe that we are now going through a very dangerous period in Canada. However, I am somewhat discouraged when I see the government believing that with appeasing policies, they will succeed in solving problems in the area of federal-provincial relations, especially when we Canadians in Quebec where most of us are Canadians know that in a few months we will have to vote in the referendum. In addition, we are being told by the Prime Minister of Canada that since he may have concluded an agreement on Loto Canada—it has not yet been ratified—that problem of relations between Quebec and the remainder of Canada will be solved. It is a big joke, Mr. Speaker. What was the matter with Loto Canada? It is an organization which the federal government had set up specifically to help the province of Quebec because of the Olympic Games deficit and which, therefore, is not a provincial responsibility. In order to make the first lottery possible in Canada, the Parliament of Canada had to introduce legislation and amend the Criminal Code to allow Jean Drapeau to hold his Olympic lottery, and as this scheme was to expire in the month of August following the Olympic Games, I personally introduced in the House a bill calling for the continuation of the scheme. And now the government is talking about turning it over to the provinces and trying to negotiate a return of the money from the provinces to the federal government.

Mr. Speaker, I hear that one of the stumbling blocks which is delaying the signing of the agreement—I can hardly believe it—is the fact that the province of Quebec, although willing to take part in a lottery with the other provinces, does not want it to be called Loto Canada, because the word Canada is there. And the Progressive Conservative government agrees on that. It is Loto Canada. I am not ashamed to say it. I am a Canadian. I like the word "Canada", and most people in Quebec like it; it represents the obstacle to the settlement of, that little problem.

I could talk about the other so-called successes of the right hon. Prime Minister in the area of federal-provincial relations, namely, offshore rights. He made a nice gift to the provinces. He kept six or eight jurisdictions for the federal government. Furthermore, it will be necessary to amend the constitution. In another case either they give or they do not. And why have that debate which is going to create all kinds of controversies while governments concerned, besides the federal government, found a formula which avoided the conflict of jurisdictions, and which was found to be very favourable by the provinces? Even today, the Conservative premier of New Brunswick, Mr. Hatfield, says he is not convinced that the action taken by the right hon. Prime Minister of Canada is really in the interest of the maritimes, because even if they have oil revenues they are going to lose on equalization payments. So as the saying goes, they will have changed "four quarters for a dollar". They may not have gained anything. But in the meantime there are oil companies that want to search for oil at this point in that area, and they find themselves in the situation where one holds a provincial licence, while another holds a federal licence for the same area. There will be no oil finds there for quite some time because of that hassle. And if they are in doubt because of a constitutional amendment we will have to go to London and have the agreement of all provinces because the Prime Minister stated he would never amend the constitution without agreement from all provinces. So that situation will prevail for months. People in Newfoundland will believe they got a gift, but the Prime Minister will be unable to deliver.

In conclusion, Mr. Speaker, I will have an opportunity to come back on this. First I would extend my best wishes to the Minister of Federal-Provincial Relations (Mr. Jarvis). This is a very difficult task, and I know he is committed to devoting all his energy and talent. So I wish him good luck. However, as I said on the oil situation, that kind of problem will never be solved through some kind of meeting where everyone is in agreement. This is impossible by the very nature of things. If you are the mayor of a community and have a problem, you blame the provincial government. If you are a provincial premier and have a problem, you blame the federal government. But we up here, Mr. Speaker, we cannot blame the Queen of England. Occasionally we blame the Americans, when we have a chance. All that is in the nature of things. So I wish him good luck, but at some point he will have to face the

facts and say, "We are the government, and must take a decision in the interest of all Canadians".

I should like to deal for a few minutes with one of the attitudes of the party in power which concerns me greatly. We held a debate in this House before the election on the bill we had introduced dealing with referendums: the bill gave the federal government the power to hold referendums. Both the Progressive Conservatives and the New Democrats supported the measure, the Conservatives saying, "We do not want the bill in that form but will accept a referendum on the Quebec issue". Today, the Prime Minister claims that by withdrawing his own plan for a referendum, he has done what was needed to incite Quebeckers to remain Canadians. Come on! That is sheer naïveté. What is the number one priority of the Parti Québécois program? What is it? To separate Quebec from Canada. They are trying to find some formula or other, just the way they did in the last election, to trick the voters. They got themselves elected then by saying, "Now, we will give you good government." Then, they spent the last three and a half years talking only about separation and getting ready for it. Now they are free. We set them free and enabled them to put the question they want to ask. They want a mandate to negotiate something or other. Only after the election will Mr. Lévesque tell us exactly what that mandate is. What worries me is that I have heard several hon. members opposite say that they have a plan. That plan, believe it or not, is that if the question is not the right one, they will come in at the last minute with a bill. That will be provocation of the worst kind! For months they will have worn the mask of the jolly good fellow, of the pleasant guy. Then, when there is maximum tension in Quebec, without notice, without warning, they will club them with a federal referendum. Why not be honest with the people of Quebec? If Mr. Lévesque asks an honest question, there will be no problem.

An hon. Member: He will be beaten.

Mr. Chrétien: He will be beaten. But the Minister of Supply and Services (Mr. LaSalle) knows full well that he will not ask an honest question. He knows that and I am happy to hear him say so.

But get ready, because there are millions of citizens in Quebec who want to stay in Canada. There are some 680,000 to 700,000 Anglophones there. I met a few in Montreal recently who were telling me that they felt totally abandoned, that they at least had the hope that the Government of Canada would assume its responsibility to protect them in this debate, where they feel like floating in a nutshell over a stormy sea, but that now, in an attempt to smooth things over, they were being totally neglected. There is nothing wrong with having a bill here, at the federal level, which, if Mr. Lévesque's question is honest, can be left dormant, but to come at the last minute, underhandedly, that is dishonest towards the people of Quebec.

Mr. Deputy Speaker: Order, please.

Mr. Chrétien: There is only one thing that matters: to be honest with the public. That is all I ask of the government.

• (1530)

[*English*]

Mr. Don Cameron (Kamloops-Shuswap): Mr. Speaker, it is a pleasure to address this august House. First I should like to congratulate Your Honour on your appointment to position of Speaker. It is a high office, and it goes without saying that I will abide by Mr. Speaker's rulings. I am sorry the last speaker, the hon. member for Saint-Maurice (Mr. Chrétien), has left so soon because I have a message for him.

Mr. Chrétien: Who, me?

An hon. Member: He is right here.

Mr. Cameron: He spoke about our Minister of Finance (Mr. Crosbie). He cautioned him about the rug being pulled out from under him. I want to assure the House that there is no one in Canada who would know better than the man who was the minister of finance in the last government. He has more experience than anyone.

Mr. Chrétien: Merci.

Mr. Cameron: I should like to speak for a moment about the Speech from the Throne. We have heard comments indicating that it was not much of a speech, that there was nothing in it. I was delighted with it. It was a positive speech. It emphasized what we on this side said during the election campaign. Throughout my remarks I will bring that out.

Canadians today are looking for credibility. In short that is what defeated the last government, the lack of credibility. Canadians are looking to a government which will set policies that will be carried on for some time in the future, so that industrialists and entrepreneurs can make their plans and go ahead with them. That will be a change from what they have had in the past.

The riding of Kamloops-Shuswap was named for its two beautiful lakes. I should like to thank personally the voters of that constituency for choosing me to be their representative here and for the confidence they have placed in me, confidence which I do not take lightly. Kamloops is the regional centre of the south central part of British Columbia. The Trans-Canada highway and the Yellowknife highway pass through it. Also it is a divisional point on both the CN and CP railways. It has a large shopping centre or district upon which 130,000 people depend. Approximately 60,000 people live in the town of Kamloops itself. Salmon Arm is a small town on the banks of Shuswap Lake. It is a beautiful spot, it is a beautiful lake. The active industries in that part of the country are forestry, mining, agriculture, ranching, tourism, and some light industry. I should like to spend most of my time talking about these industries.

There are three producing mines in this area. In the case of two mines they export their concentrate, and in the case of the third one it is smelted down and they export approximately an 1,100-pound ingot. The primary metal is copper. There is molly, as it is known in the industry, or molybdenum, with something more than trace elements of gold and silver in the area. Since May 22, which is an interesting date to note, one new mine has started. At present they are stripping overburden, pouring concrete, erecting steel, and putting up a new concentrater. The new mine is bigger than any two of the three operating at the moment. Also heavy equipment is moving into the area to begin construction of another new mine which will be larger than all the others put together. This shows the confidence industrialists have in the present government. They have known of this ore for several years. It has sat in the ground, it has never been developed. Studies have been done on it and there have been drilling reports which have sat there for years. Since May 22 the industrialists have confidence in the government because they know its policies, and they are going ahead.

I should like to refer to a newspaper clipping which I received today from the area. It reads as follows:

Anderson, formerly Afton Mines mine manager, estimates that full development by all four copper mining companies would mean a combined annual payroll of $56 million for 2,600 persons employed in the mining industry in the Highland Valley by 1982.

Also I should like to refer to some specifics respecting what these mines produce. The milling capacity of Afton Mines Limited is 8,500 tons of ore per day. Its annual production is just over 57 million pounds of copper. Also it produces just under 58,000 ounces of gold and 290,087 ounces of silver. In the case of Bethlehem Copper, its milling capacity is 20,000 tons per day. Its annual production is 47,761,191 pounds of copper and just under 500,000 pounds of molybdenum.

In the case of Lornex, its mining capacity is 48,100 tons per day. Its annual production is 135,422,000 pounds of copper and 3,985,000 pounds of molybdenum. Perhaps these figures do not seem like very much, but in the industry what that adds up to is quite substantial and relieves some of our balance of payments.

British Columbia produces over $450 million worth of the copper which is sold on the export market per year. It produces over $45 million worth of gold a year. It produces just under 30 million pounds of molybdenum which is worth over $160 million a year. This has a very good effect on our balance of payments.

● (1540)

In this country we have so much in the way of resources, in greater quantities than in almost any other country in the world. We have the skills and the know-how to develop and to extract those resources, whether they be timber or minerals. One of our problems is that most people, and I say "most", cannot see the trees for the forest. It is to be hoped, now that we have a change in government and that more positive, long-range plans are in effect for the industrialists, that we will have greater participation by them in these industries.

[Mr. Cameron.]

The forestry industry in our area is a primary economic producer. We have ten large sawmills and one pulp mill employing a force of about 9,300 people. This industry produces an export commodity that we ship in great quantities, helping to relieve our balance of payments.

We also have tourism in the area. It is a great hunting, fishing, skiing, and sports area. I am sorry that the Leader of the Opposition (Mr. Trudeau) is not here as he would be interested in this. A couple of years ago he was out in our area and skied at a place called Todd Mountain. Two entrepreneurs have taken over this area and spent $1.5 million improving it this year. They started out in a business-like manner. They had Snow Engineering carry out their study, the same people who designed the Aspen, Colorado development. They found that we have greater potential on Todd Mountain than in Aspen, Colorado.

These people have located and marked 21 ski runs on the mountain. I am pleased to say that the mountain will not be denuded of its trees. The course will be cut down the mountain with trees left between the different runs. There will be slopes for beginners, for the average person, and for the expert. They are also planning to build a lodge at the foot of the ski lifts to accommodate people while in the area. They have installed a third lift in there this year. I had the privilege of driving over the new ski run with them. They have cleared an area some 200 feet in width which is tapered on both sides and curves down the mountain. This is an excellent area. It has been raked free of boulders by hand, and sown in grass, so that with three, four or six inches of snow people will be able to use the runs.

That is the kind of thing I want to see developed. I am not interested in handout projects for the riding. Much more is to be gained through private enterprise, with government-set stable conditions so that entrepreneurs can go ahead and make their plans. Let us put private industry to work, as I am sure this will pay great returns.

I am sorry the hon. member for Saint-Maurice is not here as he had some direction in respect of what I wish to talk about now. There is a railway relocation problem in the riding of Kamloops-Shuswap. This is a problem that goes back a number of years to when the then minister of transport, Mr. Lang, decided there should be a rail relocation study. Certainly in respect of railway relocations Kamploops and Regina are the two worst cities in the country.

The former government said we should go ahead and conduct a study. The former minister said to spend up to $200,000 with the government paying half and the area paying half. That was fine, and we went ahead with the study. As it was nearing completion we experienced one of the customary restraint programs, and there was no more money. Within a month or so the former government made another promise, saying there would be money and we should complete the study. The former minister said that we were so near to completion and that this was such valuable information we should go ahead and the money would be forthcoming. We went ahead, completed the study and turned the study over to

the government. Again we experienced a restraint program, and again no money was forthcoming. To this date that small city of Kamloops is stuck with that cost of $100,000, the federal government's share of the bill which the former government left hanging. Surely that is a poor way to establish any kind of co-operation or to get negotiations going. This is a very sad situation.

Let me make a few remarks about a prison that was to be established in the area. This was first suggested some four or five years ago. A former solicitor general came out and announced that the government was going to build a prison in the Kamloops area. There is nothing else in the world that we need like we need a prison. We were told to pick out a site, and a site was chosen. The government purchased 38 acres up on the west hill just at the edge of Kamloops. They could have chosen a site a lot further out and still been within the city boundaries. In any event, the government bought this 38-acre site for $160,000. It did not seem to make any difference that there was a crude oil pipeline running through the area. Nor did it matter that there was a natural gas pipeline running through the same area along with a hydro line. We were told this was no problem and the government would have them moved. The federal government moved them and paid another $200,000.

I would like to know who owned that land. I did not bother to find out, but I could pretty well tell you who it was. We were told many times during the election campaign that the prison was to be built there. I am not all that enamoured with a prison in the area; I could live with it, or do without it, but certainly it should not be that close to the town. I am sure the people who made the decision in years gone by to establish the prison a number of miles outside New Westminster have now had after-thoughts. It is now located within city boundaries, and the people do not like it. There are many better places where a prison could be located than at that spot in Kamloops.

Another matter I should like to refer to, Mr. Speaker, relates to the airport at Kamloops. We have our problems at the airport. Kamloops is situated in the bottom of the river valley in that area. We have a pulp mill on one side of the airport and a refinery on the other. We do experience some air inversion in winter, and quite often we have over-flights. I think there were 29 in the month of December last year.

This matter was judiciously brought up during the last election campaign. We were told we were going to get some improvements to our airport almost immediately. We were given to understand the improvements would be started even before the vote. The amount involved started at $1.1 million, increased to $2 million, then to $2.5 million, and finally $2.95 was settled on. We heard other figures up to $5.5 million and $6 million. Needless to say, nothing has been done. The money was set aside in the budget but, as a previous member, the hon. member for Carleton-Charlotte (Mr. McCain), has said, what the government failed to do was go to Treasury Board and obtain approval.

Those are some of the facts I picked up when I took over in the area. Another situation that was brought to my attention relates to the Thompson River system. This system includes the two lakes for which the riding is named. It also includes the two Thompson rivers. The North Thompson flows generally from the area of Jasper, and joins the South Thompson at Kamloops. The South Thompson flows from Shuswap Lake. The river then flows down to Lytton where it joins the Fraser.

Studies have been done on the Thompson River system for as long as we have had studies, and I think we could produce almost any type of study you would care to see. The thing that the people of my riding are concerned about is the condition of the water in the Thompson and Fraser rivers all the way down to the coast.

• (1550)

In B.C. most cities are unable to get water by drilling. They pump their water out of the rivers. At one time it was good drinking water, but today most of the towns along the Shuswap, Kamloops, and most of the towns down along the Thompson and Fraser system, dump their sewage into it. It was announced during the election that we would have a $60,000 pre-planning study done on the problem. We are in the throes of receiving that report now, and if there is one point I would like to make today emphatically it is that we do not need any more studies on the Thompson River. In the first place, we did not need studies to tell us not to dump sewage into the rivers, we needed action.

That river system is also the run for the famous Pacific sockeye salmon. They come up the Fraser River into the Thompson River, into the Shuswap and into the Adams River and Adams Lake. It is one of the largest sockeye spawning runs in the world. In fact there is a sign along the run that advertises the one section of the run as the world's richest 300 acres. So, not only are the citizens of the area in danger, but the salmon are facing the danger of being wiped out.

I would like to speak for a moment about the Yellowhead highway system. I was pleased when the Prime Minister (Mr. Clark) said that he was interested in having some of that highway system upgraded. The part I am interested in runs from Tête Jaune Cache down through Kamloops, on down to Merritt and over the whole Hope-Princeton highway. Generally speaking, it is a good highway, but there is a section from Kamloops north for some 40 miles to Barriere, and in particular a 15-mile section within the boundaries of Kamloops, which is now approaching an unstable condition at speed levels of 30 miles per hour. This is from the Pacific Rim highway study. The traffic on that road is not ordinary traffic. The grades on that highway for truckers going to and from the prairies are the best we have through British Columbia. There is only one bad hill to pull in the whole system. Consequently all the heavy freight trucks use it, to say nothing of the log trucks, approximately 100 of them a day, and I would venture as many chip trucks in a 24 hour period. These trucks carry in the vicinity of 80,000 to 90,000 pound loads or, in other words, 40 to 45 tons. To have loads like that travelling a highway which is approaching an unstable condition at speed levels of 30 miles an hour is hardly a situation we appreciate.

I would like to say a few words now about energy, and in particular Petro-Canada. We have heard on several occasions from both parties opposite about Petro-Canada. It is only right that they should explain their side of the coin, but there are two sides to every coin. I would like to take a moment to run over our side now.

If my memory serves me correctly, and I believe that it does, Petro-Canada was originally set up when we had a minority government. In fact only yesterday they were talking about a paternity suit over it, and maybe there will be a divorce later and an alimony suit later. When PetroCan was set up with the use of taxpayer's money in the amount of approximately $1 billion, I can remember reading the reports each year in *Hansard* before I came to the House, and the government of the day would seem to come at budget time for $200 million to $250 million for running expenses. That was fine. Then they started acquiring some properties. The first thing that was done was that Petro-Canada began buying up shares in pipeline companies or oil companies, shares which you and I or some senior citizen might well have had and from which they could get a small dividend, while some portion of it flowed to the treasury. However, we do not have that today. The company bought up the shares and they are going into a conglomerate. The NDP are always talking about multinationals and conglomerates. This company is approaching that size.

The NDP also talk about having a window on the oil industry in order to know what is going on. From what I hear from the NDP and the Liberal party, when they get down to have a look in that window they must have their rose-coloured glasses on. I have not heard any reports about the oil Petro-Canada is producing. The purchase of Pacific Petroleums has not produced one drop of oil for Canada, and it is the same with the other oil company which was purchased. Petro-Canada has not produced any oil for Canada in order that it may have shares in the pipeline, shares away from which the government of the day pushed some poor little senior citizen. That has not helped Canada.

I am interested to hear from the NDP spokesman on what that party's policy is on uranium. During the election they said that there would be no mining of uranium in British Columbia. I guess the party has taken a different position in Saskatchewan, but that is their problem. Their leader went across the country on what he called a crusade, but I noticed that he was always speaking to the committed, the unions and so on, saying that Petro-Canada must be kept. It is interesting to note that one of the subsidiaries of Petro-Canada is busy in B.C. exploring for uranium in the area of Peachland, Penticton, and up toward Merritt. Apparently they are also interested in buying claims in the Adams Plateau. I am sure that we over here would all like to know just what their position is on that matter.

There is another angle to Petro-Canada with which I am not happy. No Canadian would object to the taxpayers' money being spent to find oil in the north or on the heavy oil in the sands on the Saskatchewan-Alberta border, nor do they particularly object to the importing of oil from other countries. But I am sure they do object to their money being spent through Petro-Canada on drilling for oil in Pakistan, off the Norwegian coast, or in China. It will not produce one drop of oil for Canada. Those are some of the things on the other side of the coin, and the things which the parties opposite missed when they were looking through the window on the energy industry.

[Mr. Cameron.]

I have emphasized some of the characteristics of the Kamloops area, the beautiful climate and the once beautiful farming country. I was particularly interested in the remarks of the hon. member for Crowfoot (Mr. Malone) about the agricultural lands, particularly the better classes of soil which are fast disappearing. Kamloops is a prime example. We once had on the north shore of the Thompson a beautiful flat that was all in orchards producing beautiful crops. But today there is only one small orchard of some 15 or 20 acres left. The whole area is now housing. I certainly think that the hon. member's remarks were to the point and worth considering, and I agree with him.

Lastly, I would like to say that my riding of Kamloops-Shuswap is proud to be part of this great Canada, this Canada from sea to sea, and we certainly believe that it should and will stay as one country.

Hon. Walter Baker (President of the Privy Council and Minister of National Revenue): Mr. Speaker, may I have the consent of the House to revert to presenting reports from special and standing committees?

Some hon. Members: Agreed.

* * *

STANDING COMMITTEES

Hon. Walter Baker (President of the Privy Council and Minister of National Revenue): Mr. Speaker, I have the honour to present the first report of the committee appointed to prepare and report lists of members to compose standing and standing joint committees of the House, notwithstanding Standing Order 65(1), if the House gives its consent.

Some hon. Members: Agreed.

• (1600)

Mr. Speaker: The House consents to receive this committee report at this time. The House, I am sure, will want to know that it is in the usual form. As we know, it is a lengthy report containing the names of all members on all of the standing committees. Does the House insist that the entire report be read at this time?

Some hon. Members: Dispense.

Mr. Baker (Nepean-Carleton): Mr. Speaker, I move, seconded by the hon. member for Burlington (Mr. Kempling):

That the report of the committee appointed to prepare and report lists of members to compose the standing and standing joint committees of this House be concurred in notwithstanding the provisions of Standing Order 65(1).

Mr. Knowles: Mr. Speaker, I assume that the list will appear in *Hansard* at this point even though the minister does not read out all those names.

Mr. Speaker: The House can be assured that upon passage of this motion the report will be printed as it has been tabled and as though it had been read.

The House has heard the terms of the motion. Is it the pleasure of the House to adopt the said motion?

Some hon. Members: Agreed.

Motion agreed to.

[*Editor's Note: The report above referred to is as follows:*]

Your committee recommends that the standing committees of this House be composed of the following members:

No. 1
Agriculture

Messrs.

Elzinga
Greenaway
Hamilton (Swift Current-Maple Creek)
Hargrave
King
Korchinski
MacDonald (Cardigan)
McKnight
McKinley
Mitges
Murta
Neil
Patterson
Schellenberger
Taylor (Bow River)
Whittaker
Whelan
Lessard
Bockstael
Daudlin
Dion
Lapierre
Leduc
Ostiguy
Tardif
Tessier
Corbin
Benjamin
Nystrom
Peters
Lambert (Bellechasse)—31

No. 2
Broadcasting, Films and Assistance to the Arts

Messrs.

Cook
Friesen
Graham
Hawkes
McMillan
Scott (Hamilton-Wentworth)
Beattie
Wenman
Fleming
Sauvé (Mrs.)
Appolloni (Mrs.)
De Bané
Herbert
Joyal
Roy (Laval)

Standing Committees

Lane
Reimer
Rose
Waddell—19

No. 3
External Affairs and National Defence

Messrs.

Binks
Cooper
Crouse
Darling
Fennell
Forrestall
Fretz
Hamilton (Swift Current-Maple Creek)
Higson
McCuish
McKenzie
Munro (Esquimalt-Saanich)
Reimer
Ritchie (Dauphin)
Roche
Wenman
Buchanan
Hopkins
Prud'homme
Dionne (Northumberland-Miramichi)
Duclos
Dupras
Lachance
MacEachen
Lapointe
MacLaren
Robinson (Etobicoke-Lakeshore)
Blackburn
Jewett (Miss)
Sargeant—30

No. 4
Finance, Trade and Economic Affairs

Messrs.

Clarke
Corbett
Gilchrist
Gustafson
Kilgour
Lambert (Edmonton West)
Ritchie (Dauphin)
Ritchie (York East)
Richardson (Beaches)
Thomson
McDermid
Gray
Evans
Johnston
Andras
Chrétien
Kaplan
Lumley
Jewett (Miss)
Rae
Roy (Beauce)—21

No. 5
Fisheries and Forestry

Messrs.

Brisco
Darling
Gass
Haliburton
Crouse
Nickerson
Rompkey
Baker (Gander-Twillingate)
Bujold

Standing Committees

MacDonald (Cardigan)
Munro (Esquimalt-Saanich)
Taylor (Cowichan-Malahat-The Islands)
Siddon
Reid (St. Catharines)
Cyr
LeBlanc
Rooney
Breau
Miller
Skelly
Allard—21

No. 6
Health, Welfare and Social Affairs

Messrs.

Bradley
Darling
Dinsdale
Fish
Hawkes
Halliday
Kushner
Schellenberger
Richardson (Beaches)
Yewchuk
Fennell
Bégin (Miss)
LeBlanc
Buchanan
Hervieux-Payette (Mrs.)
Munro (Hamilton East)
Lalonde
Cousineau
Knowles
Ogle
Gauthier (Roberval)—21

No. 7
Indian Affairs and Northern Development

Messrs.

Holmes
Nickerson
Oberle
Fraleigh
Greenaway
Hawkes
McCuish
Taylor (Bow River)
Taylor (Cowichan-Malahat-The Islands)
Stewart
Allmand
Penner
Watson
Chrétien
Portelance
Corbin
Veillette
Ittinuar
Murphy—19

No. 8
National Resources and Public Works

Messrs.

Andre
Cameron
Campbell (Sarnia)
McKinley
Reimer
Taylor (Bow River)
Jarvis (Willowdale)
Neil
Thomson
Lalonde
Caccia
Roy (Laval)
McRae
Foster
LeBlanc
Phillips
Fulton
Symes
Siddon
McMillan
Caouette—21

[Mr. Speaker.]

No. 9
Justice and Legal Affairs

Messrs.

Crosby
Halliday
Kilgour
Speyer
Woolliams
Cooper
Baldwin
Beattie
Ferguson
Vankoughnet
Blais
MacGuigan
Allmand
Daudlin
McLellan
Marceau
Hervieux-Payette (Mrs.)
Faour
Robinson (Burnaby)—19

No. 10
Labour, Manpower and Immigration

Messrs.

Binks
Halliday
Hawkes
Kushner
McCrossan
Ritchie (Dauphin)
Wightman
Dick
Lane
McLean
Fox
Olivier
Appolloni (Mrs.)
Breau
Dupont
Savard
Nicholson (Miss)
Mitchell (Mrs.)
Rodriguez—19

No. 11
Regional Development

Messrs.

Darling
Domm
Ferguson
Gass
Janelle
Brisco
Cooper
MacDonald (Cardigan)
McMillan
Nowlan
De Bané
Breau
Bussières
Foster
Harquail
Lessard
MacLellan
Hogan
Peters—19

No. 12
Transport and Communications

Messrs.

Forrestall
Gass
Graham
Jelinek
McDermid
Reid (St. Catharines)
Ritchie (Dauphin)
Taylor (Bow River)
Towers
Whittaker
Lumley
Dionne
(Northumberland-Miramichi)
Deniger
Campbell (LaSalle)
Turner
Roy (Laval)
Harquail
Benjamin
Waddell—19

No. 13
Veterans Affairs

Messrs.

Beattie
Gass
Hamilton (Swift Current-Maple Creek)
McKenzie
McMillan
Mitges
Taylor (Bow River)
Whittaker
Fraleigh
Taylor (Cowichan-Malahat-The Islands)
Hopkins
Parent
Robinson
(Etobicoke-Lakeshore)
Turner
Herbert
Leduc
Bockstael
Knowles
Peters—19

No. 14
Miscellaneous Estimates

Messrs.

Blenkarn
Bosley
Coates
Andre
McCrossan
Towers
Gamble
Haliburton
Hawkes
Lambert (Edmonton West)
Nicholson (Miss)
Joyal
Johnston
Kaplan
Lumley
Gray
Chrétien
Miller
Orlikow—19

No. 15
Miscellaneous Private Bills and Standing Orders

Messrs.

Binks
Kushner
Duquet
Campbell (LaSalle)
Mayer
Nickerson
Nylander
Vankoughnet
Gustafson
Greenaway
Hawkes
Scott (Victoria Haliburton)
Gendron
Parent
Yanakis
Savard
Johnston
Knowles
Nystrom—19

No. 16
Privileges and Elections

Messrs.

Domm
Fraleigh
Patterson
Scott (Hamilton-Wentworth)
Dick
Halliday
Hawkes
Elzinga
Lambert (Edmonton West)
Friesen
Blaker
Duquet
Pinard
Hopkins
Johnston
Reid
Rossi
Benjamin
Peters—19

No. 17
Public Accounts

Messrs.

Cameron
Clarke
Gamble
Hawkes
Ritchie (York East)
Fennell
Halliday
McDermid
Taylor (Bow River)
Wakim
Deniger
Desmarais
Dupras
Herbert
Lamontagne
Joyal
Johnston
de Jong
Rae—19

No. 18
Procedure and Organization

Messrs.

Domm
Friesen
Munro
Baldwin
Malone
Fraleigh
Lewis
De Bané
Pinard
Reid
MacEachen
Knowles—12

Standing Committees

No. 19
Management and Members' Services

Messrs.

Domm
Ellis
Halliday
Lambert (Edmonton West)
Nowlan
Coates
Clarke
Comtois
Daudlin
De Bané
Duquet
Rose
Lambert (Bellechasse)—13

No. 20
Northern Pipelines

Messrs.

Crosby
Munro (Esquimalt-Saanich)
Oberle
Malone
Neil
Taylor (Cowichan-Malahat-The Islands)
Nickerson
de Corneille
Foster
Chrétien
Corriveau
Symes-12

Your committee further recommends that the Members to serve on the Standing Joint Committees of the House be as follows:

Printing

Messrs.

Mitges
Binks
Bradley
Ellis
Gurbin
Clarke
McLean
McCuish
Elzinga
Hawkes
Lambert (Edmonton West)
Appolloni (Mrs.)
Killens (Mrs.)
Daudlin
Loiselle
Parent
Pelletier
Reid
Turner
Ethier
de Jong
Mitchell (Mrs.)—22

Regulations and other Statutory Instruments

Messrs.

Baldwin
McKinley
Wightman
Hawkes
Nickerson
[Mr. Speaker.]
Herbert
Daudlin
Joyal
Robinson (Etobicoke-Lakeshore)
Wakim
Crosby
Robinson (Burnaby)—12

And that the following Members be named to assist Mr. Speaker and to act as Members of this House on the following Joint Committees.

Library of Parliament

Messrs.

Mitges
Binks
Bradley
Ellis
Gurbin
Kushner
McLean
McCuish
Elzinga
Hawkes
Lambert (Edmonton West)
Bussières
Daudlin
De Bané
Lachance
Lapointe
Nicholson (Miss)
McCauley
Evans
Blaikie
Jewett (Miss)—21

Restaurant of Parliament

Messrs.

Clarke
Darling
Mitges
Elzinga
Halliday
Scott (Victoria-Haliburton)
Crouse
Haliburton
McLean
Scott (Hamilton-Wentworth)
Gauthier (Ottawa-Vanier)
Prud'homme
Roy (Laval)
Stollery
MacLellan
Lefebvre
Turner
Murphy
Peters—19

And your committee also recommends that a message be sent to the Senate requesting that House to unite with this House in the formation of the Joint Committees on Printing, the Library of Parliament, Regulations and other Statutory Instruments and the direction of the Parliamentary Restaurant and that the members to serve on each of the said committees on the part of this House will be as contained in this report.

Mr. Baker (Nepean-Carleton): Mr. Speaker, the House has now struck the standing and standing joint committees of the House of Commons, one of the purposes of which is to deal with the estimates. There are estimates on the table. Now that we have struck the committees, I think it would be appropriate if we made the work of the committees worthwhile. With that in mind I wonder if I have the consent of the House to revert to motions?

Some hon. Members: Agreed.

Mr. MacEachen: No.

Mr. Speaker: The House could revert to motions at this time only with unanimous consent. I understand there is not unanimous consent according to the expression I have just heard. There is therefore no alternative but to revert to orders of the

day, which is the resumption of the debate on the address in reply to the Speech of the Throne.

* * *

SPEECH FROM THE THRONE

CONTINUATION OF DEBATE ON ADDRESS IN REPLY

The House resumed consideration of the motion of Mr. Fretz for an address to His Excellency the Governor General in reply to his speech at the opening of the session, and the amendment thereto (Mr. Trudeau) (p. 37).

Mr. Arthur Phillips (Vancouver Centre): Mr. Speaker, I was beginning to feel a little like a jumping jack, getting up and down. If the other business has been concluded I want to thank you, Mr. Speaker, and all the members here because it is a genuine honour to give my first address in this chamber. It is a chamber with a great deal of history. Anyone coming here feels that history and cannot help but be honoured by the process that brought him. In my case I want to thank the voters of Vancouver Centre for the landslide victory they gave me. I had 94 more votes than I really needed to be elected and I appreciate every one of them. I want to assure all the voters of Vancouver Centre, even the 65 per cent who voted against me, that I am going to do my best for them in this chamber.

I understand it is traditional to speak about one's riding at this time and tell everyone what a fine place it is. As a former mayor of Vancouver I certainly know the riding well. I love it and I enjoy speaking about it. I see the former mayor of Toronto sitting opposite as a minister of the government, and I am sure he shares these feelings.

I have found, however, that it is not a good idea to tell people of all the virtues of Vancouver. When we do that we find that easterners somehow descend on it. We refer to anybody beyond the Rocky Mountains as easterners, of course. Those from Alberta are mid-easterners, and I think the House is beginning to understand, as is the country, why we refer to them that way. People who live beyond Alberta are referred to as far easterners. When all these people find out the truth about our city, they flock to it. They crowd our beautiful, unpolluted sandy beaches, and Stanley Park which is partly in my riding. They jam the ski slopes just 15 minutes away from my riding which, unfortunately, are represented by two members on the other side, the hon. member for Capilano (Mr. Huntington) and the hon. member for Burnaby (Mr. Robinson). They will be ably represented, I am sure. In any case, Mr. Speaker, visitors come flocking. The virtues of Vancouver attract them too well, so the best thing is to say nothing. For that reason I will say no more about it tonight.

I should like to speak about a part of my riding that is of great national importance, and that is the port of Vancouver. I see the Postmaster General and Minister of the Environment (Mr. Fraser) who represents Vancouver South, and other members who represent parts of greater Vancouver, in the House, and I am sure they will agree, as would members from the prairies and other parts of Canada, that the port of Vancouver is a national institution of great importance to us all. During the time I was mayor of the city, and since, I have wanted to see changes in the administration of the port. Unfortunately, it has been a long distance administration over the years, coming under the authority of the National Harbours Board in Ottawa. That is simply not the best type of administration for a local port which should have more local input and more local autonomy. There is a very fine port manager, but the port needs to have more control over its own affairs in the area, and this is one of the interests I propose to pursue in this House.

I know bills have been brought before the House in earlier days which would give a great deal of local control to the port of Vancouver, but they have not been passed. I hope that members from the other parties will join with those who represent the greater Vancouver area in trying to bring about this important and necessary change at the port of Vancouver for the benefit of the city of Vancouver and for the benefit of all Canadians. We feel saddened when we see the port of Seattle taking away some of our container business because our port has lagged behind in development. We feel we can do better. In my judgment this is a non-partisan issue and one that I would like to pursue with the other parties in this House. I believe there are many occasions in this House when members can pursue issues in a non-partisan fashion while representing regional interests. I should like to do more of that myself as it fits in with my municipal background.

I believe we should be providing this type of constructive opposition. Our leader has commented many times that our role is to provide such constructive opposition—criticizing when there are things to criticize, and certainly the government has given us many such occasions so far, and there will be others—but offering constructive suggestions and positive proposals from the position of opposition.

The Liberal opposition has been organized in the form of a number of caucus committees. It is my great pleasure to be chairman of the committee on resources and small businesses. The resources involved, mining and forestry, are of great importance to British Columbia and western Canada. The small business aspect fits in very well with my personal background in business, small business and finance. I am delighted to represent those areas in the opposition and look forward to participating in the debates.

The hon. member who spoke ahead of me referred to mining and forestry in Kamloops, the area he represents, and said that both industries are strong. It is true that both are doing well. In the case of mining, however, stable taxation policies are needed so that those involved in it know where they stand and do not have surprises sprung upon them.

The forestry industry is also in good shape. It is true that the lower Canadian dollar has helped it a good deal, as has the task force established by the previous government. There is a great need for further reforestation programs, Mr. Speaker, if this country is not to run out of timber by the end of this century, and plans should be laid for them. You cannot suddenly just plant 100-foot trees. This is an area in which I

want to see the government take further action. There was considerable improvement as a result of the task force initiated by the previous federal government. Joint federal-provincial programs are catching up part of that backlog, but more needs to be done.

● (1610)

I want to talk about small business for a moment. Small business is growing and flourishing in Canada. What many of us forget is that two-thirds of the job growth in the last five years has come from small business. Small business has been doing well. There has been quite an upsurge in the feeling of entrepreneurship among young people in their late twenties and early thirties. What you are seeing is the "do your own thing" generation reaching an age where they want to do their own thing, but they also want to earn a good living doing it. There is no better way of doing your own thing and earning a good living while doing it, than being your own boss and in your own small business.

I am delighted to see people taking a greater interest in running their own businesses. There is a shortage of entrepreneurship in this country, but this is improving. There is a great interest in the colleges and community colleges in courses designed to help people run their own businesses. We must encourage that and ensure that sort of thing is easier for people to do. There is no greater freedom, creativity, pure fun as well as opportunity than one can find in running one's own business. However, it is tough to get started.

About 60 per cent of small businesses fail in their first try. Small businessmen starting something usually fail, and that is a great pain. Instead of giving government handouts to people in order to encourage them to go into business, because that type of thing is almost impossible to administer at the very small business level, we can ease that pain to some extent. We can do this by looking at better capital loss right-offs for small businessmen initiating their own small businesses—starting their own businesses and failing. That is part of the process. A lot of us have scars to show that we have started some businesses and failed. If we can ease that pain, we could get many more people started in the system at relatively low cost to the treasury.

I have seen proposals for a $5,000 tax credit for investment in small businesses. I have seen proposals from the Canadian Manufacturers' Association, the Chamber of Commerce, and others. We on this side concur with that idea. The former prime minister suggested in the last election campaign a $5,000 tax credit for people investing in their own businesses, for example by buying shares in their own businesses for employees. This is easily extendible to people starting in a new business of their own, and is a worth-while idea for the government to pursue.

The Federal Business Development Bank has been an instrument of great benefit to small business people. It has not made money because its mandate is not to make money. It has broken even, which is what it should do. It has taken on high risk loans, made money available to small businessmen, and enabled them to grow. It has been one of the primary sources of financing for small business.

I hear disturbing rumours that people want to cut back on this program. There is talk of privatizing part of it, of restricting it and making it into a much more profit-making organization. I suggest all this would destroy the mandate of the Federal Business Development Bank, and I do not want to see that happen. We on this side will fight any threat to restrict, cut back, shrink or privatize the Federal Business Development Bank. This is not because we are against privatization. We are not against privatization per se. We believe that the whole process of looking at government Crown corporations should be a selective one. We should look at corporations that have either been acquired or developed by the government and ask, are these still serving a function for the government, or are they not, and if they are not, would they be better sold to private enterprise in some way? We should look at this question selectively and not dogmatically. In that way I think we will find there are some cases.

The former government had intentions to return to private investors some of the companies that it owned. It bought Canadair, and a good thing it did too. Canadair was a very successful investment. It saved many jobs in Canada and it developed a viable industry. But there may come an occasion when it is sensible and when an appropriate buyer is available when that can be turned back to private industry. We have no objection to examining those sorts of things on their merits, and I think they should be examined.

There is one company we have examined on its merits and that is Petro-Canada. Petro-Canada should not be privatized. Privatizing that company is all wrong, and we oppose it in any form.

Petro-Canada has been a huge success. As the hon. member from the opposition who spoke before me mentioned, about $1 billion in taxpayers' money has been invested in Petro-Canada. True. That investment is now worth approximately $2 billion to $3 billion. Petro-Canada has been a fine investment and a fine use of taxpayers' money. In only four years it has grown to be the largest Canadian oil company operating in Canada. This company has taken high risks in the Arctic, offshore Labrador and so on. It has done very well. It has produced new fields of oil and it has helped solve some of our energy problems. It has been incredibly successful, no matter how you look at it. This company has even helped small business, Mr. Speaker.

Petro-Canada has come to the rescue of many independent retailers, particularly in the province of Quebec, who are being squeezed out of business by the large multinationals. It has come to the rescue and helped many independent oil producers in the province of Alberta who could not afford to participate in drilling syndicates under normal circumstances but who were pulled together by Petro-Canada, and assisted. It would be a tragedy to privatize Petro-Canada. It has been too good, and it is needed under government ownership.

The previous speaker mentioned that Petro-Canada had been started by the minority government. This is not so. The

bill was initiated, and royal assent was given under the majority government in late 1974, early 1975. The company was created by a majority Liberal government, expanded by a majority Liberal government to where it is now, and it has been one of the most successful undertakings of the previous Liberal majority government of the last five years.

I want to talk a little bit about the proposals to privatize Petro-Canada. There have been several proposals, and we are not sure where the government stands, whether it is to privatize part of it, all of it, to cut it up, keep the unprofitable parts for some obscure reason and sell off the good parts that turn a profit. All these sorts of plans have been heard and the question is now in the hands of a committee which, I understand, reports next week. One of the suggestions that I think will come out of this is to what we call "BCRIC" it.

Those of us who come from British Columbia know what "BCRIC" means. It refers to the British Columbia Resources Investment Company. This company was a corporation owned by the provincial government containing mainly forest products companies, some minority shareholdings, Westcoast Transmission, some oil and gas rights, and so on. It was a profitable, mature package, and it was turned over to individuals in the province of British Columbia by the provincial government in two ways. First, free shares were given to each resident of British Columbia, even to newly born babies; then each individual was given the right to buy up to approximately $30,000 of the stock additionally. This type of venture has been a tremendous success in British Columbia, and I personally applaud this whole approach. It was a success in two ways.

The investors poured in money far in excess of what people had expected. Almost $500 million came in when about $100 million was expected. Eighty-seven per cent of the citizens took advantage of their free shares. More than that, it has been a dramatic educational experience for residents of British Columbia. Every school child owns shares in BCRIC. They talk about it in the classrooms and thousands of citizens have, for the first time, become shareholders and investors in a viable corporation, namely, BCRIC. It has been an outstanding success.

This is a success that could be applied at the national level, but for PetroCan it is all wrong. For Petro-Canada this whole idea makes no sense, for a couple of reasons. Once a company is a shareholder company, it is a different kind of company. The interests of shareholders must be thought about and concern over potential dividends become important. A company is much more cautious once it becomes a shareholder company. It cannot afford to take the kinds of risks that this government-owned company has taken. It simply cannot do that. It requires government clout behind it to give it the kind of strength it needs to offset the fact that our oil industry is so totally dominated by foreign multinationals.

● (1620)

We do not need just another Canadian owned company. We need a company with clout. That is what we have. We now have a company that is an instrument of national policy. That is most important to remember at all times. This is an instrument of national policy. It has been highly successful.

Even Premier Bennett, who is not part of our party, said just the other day during a radio interview that to "BCRIC" PetroCan would make no sense. It makes no sense to "BCRIC" a company that is an instrument of national policy. Those were the words of Premier Bennett, and he knows of what he talks in this case. His advice should be heeded by members across the aisle when it comes to PetroCan.

I suggest there is a candidate for "BCRICing," the Canada Development Corporation. An article in the *Journal* a day or so ago suggested that this company is being considered for privatizing and turning back to private investors. I commend the government for considering that. It makes sense. This company is diversified in mining, petrochemicals, oil and gas. It has 32 per cent of its shares now held by individual investors. It is a shareholder company, not an instrument of government national policy.

The intention of the government at all times with the Canada Development Corporation has been to turn it back eventually to the private sector, reducing the government holding from 68 per cent to 10 per cent. They have embarked on that course. I suggest to the government that "BCRICing" PetroCan makes no sense, that it would just be a way to get out of an embarrassing commitment which all of us know is wrong. The public knows it is wrong, we know it is wrong, and you know in your hearts it is wrong. Do not "BCRIC" PetroCan. "BCRIC" the Canada Development Corporation. That makes sense.

If the government wants to add some other corporations that should be returned to the private sector, do so. That makes sense. You have a perfect vehicle; use it. The Liberals will support intelligent privatization. We will examine the Crown corporations to see which, if any, should be returned to the private sector. However, we will not support a dogmatic, narrow-minded approach which says that everything owned by the government should be privatized.

In the case of PetroCan every sensible observer, even Conservative observers such as the *Globe and Mail*, recognize that this company should be kept together, kept strong and an instrument of national policy. Don't "BCRIC," dismember, sell off or mess up PetroCan in any way. Show some vision. Have some pride in Canadian ownership of an outstanding Canadian enterprise. Keep PetroCan and expand it.

Mr. Tom McMillan (Hillsborough): Mr. Speaker, may I begin by congratulating most heartily the hon. member for Sudbury (Mr. Jerome) on being chosen Speaker in this Parliament. His is a most difficult responsibility, which he performed admirably and with a great deal of distinction and grace in the previous House. I am sure all hon. members join me in wishing him well as he faces the substantial responsibilities that are produced because of our minority government situation.

I congratulate as well the mover and seconder of the Address in Reply to the Speech from the Throne, the hon.

member for Erie (Mr. Fretz) and the hon. member for Cardigan (Mr. MacDonald). Theirs were first-rate speeches which set a very high standard for every member of this House. If I may be allowed a personal note, Mr. Speaker, I was particularly delighted with the speech given by my friend and colleague from Prince Edward Island, the hon. member for Cardigan. His address was a credit not only to himself, his constituency and the Island, but indeed to Parliament itself.

It is a great honour for any member to sit in this chamber where sat also the great parliamentarians of modern Canadian history, men like Arthur Meighen, M. J. Coldwell, and Ernest Lapointe. It is a pleasure to be seated in this House, and much more a pleasure to be making a speech here for the first time. I am particularly delighted to be standing here in this Parliament as the successor to a distinguished Canadian, Dr. Heath Macquarrie, who represented Hillsborough with enormous distinction for over 22 years.

Some hon. Members: Hear, hear!

Mr. McMillan: I acknowledge his presence in the House and am delighted both to succeed him and to see him here today. He made a most valuable contribution to Canadian affairs, to Hillsborough, to the Island, to Canada, and indeed to the world community through his interest and expertise, and his knowledge in the field of international affairs. I am glad that the Parliament of Canada will have the benefit of his formidable talents in the Upper Chamber, as a result of his appointment last week.

Some hon. Members: Hear, hear!

Mr. McMillan: The riding of Hillsborough of which I am the representative is essentially the greater Charlottetown area including West and East Royalty, Sherwood and Parkdale. It is not only the capital city area of Prince Edward Island, it is also the cradle of confederation itself. It is small geographically and by population, but its contribution to national affairs belies its very size and small population.

Hillsborough has a long and distinguished tradition of excellence in the field of higher education. It boasts a relatively new university, the University of Prince Edward Island, which was fathered by two established institutions, St. Dunstan's University and Prince of Wales College, which were older than Canada itself. Hillsborough has a first-rate community college for vocational and technical training, Holland College, and good primary and secondary schools. A special interest of mine is architecture and restoration and heritage, and my riding has some of the finest examples of early Canadian architecture to be found anywhere in the country.

I might mention also that the Confederation Centre of the Arts was built in 1964 as a result of taxpayers' contributions from every part of Canada, all ten provinces, the territories, and the dominion government. The Centre is now, and has been for some time, producing original Canadian musicals that are excellent by world standards.

We in the riding of Hillsborough, and in Prince Edward Island in general, enjoy perhaps a simpler life than Canadians in many other parts of the country. But it is a good life. It is a community where natural beauty, clean air and strong community ties are taken for granted. Our values are inherited largely from our Scottish, Irish, Acadian, and English ancestors. They have been enriched, however, by the contributions of people from all over the world who have given us the benefit of their cultures. My riding will be further enhanced by the arrival of some 500 new families from Ottawa following the relocation of the Department of Veterans Affairs.

• (1630)

An hon. Member: Aren't you lucky?

Mr. McMillan: We are, indeed, lucky. And I want to emphasize to those public servants who may feel some trepidation about having their families uprooted, that Islanders are looking forward to their arrival and are doing everything possible to make them feel welcome in their new community.

The whole business of the relocation of the Department of Veterans Affairs is a practical application of the principle of decentralization endorsed both by the previous government and by the current government. It is a principle which holds that the benefits to be derived from government itself as an industry should be spread as widely as possible across this great dominion. Mr. Speaker, it is not etched in stone that our national institutions or departments or agencies of government should, *a priori,* be ensconeed in the national capital area or in central Canada for that matter. I stress the importance of this relocation of the department to my riding. I think it is important, also, to the department, which I am sure, will be well accommodated in the city of Charlottetown. But to any public servants who may still have some reservations or hesitancy, some fears or anxieties about the reception they will find when they move to our community, I stress that those fears can be put to rest.

A moment ago I talked about educational opportunities in my riding—the fine university, an excellent community college, the first-class primary and secondary schools. I hope and anticipate and pray that by the expiry of this Parliament, whenever that may be, the city of Charlottetown will also be able to boast a first-class veterinary college. At present, we in Canada have only three veterinary schools, one in Guelph, one in Ste. Hyacinthe, and one in Saskatoon. There is none to serve the whole of Atlantic Canada. The only English-speaking veterinary school in eastern Canada, including Ontario, is in Guelph. And it is incapable of accepting more than six students from Atlantic Canada each year.

It is a fact that, each year in Canada, we are falling behind by some 100 trained veterinarians, the numbers required in the private and the public sectors alike. It is a tragedy, a national scandal, that we should be going outside our own country for trained veterinarians at the very time when our own qualified young people are being refused entrance to veterinary schools in Canada.

If I may, Mr. Speaker, I should like to quote from a report prepared by Dr. R. G. Thomson, planning co-ordinator for the proposed Atlantic regional veterinary college.

> In both agriculture and veterinary medicine there are acute shortages in Canada of professionally trained men and women for specialized posts in government and industry.
>
> In certain fields the shortage is so critical that Government agencies are having to hire a significant proportion of their professional staff outside Canada. At present Agriculture Canada is sponsoring a number of professional employees in full-time studies at foreign graduate schools. While this may be commendable in terms of promoting Canadian participation in international scholarship, every Canadian should be embarrassed that we are relying on foreign schools to train a significant proportion of the country's highly qualified personnel in agriculture and veterinary medicine—two fields of education in which, given our natural and human resources, we should be providing world leadership rather than imposing upon others.

Mr. Speaker, I have for some time now, been a proponent of a fourth veterinary school for Canada. I would especially like it to be in my own riding. In any event, I certainly want it to be in Atlantic Canada because of our great regional need. As I go about making speeches, attending meetings, consultations and so on, I am sometimes asked whether Canada can afford another veterinary school. Sir, we cannot afford not to have one. The savings from improved animal care and from the prevention of animal and fish diseases would far exceed the cost of establishing a school. The Government of Canada under the previous administration committed itself to the establishment of a fourth veterinary school. The Maritime Provinces Higher Education Commission recommended that there be a fourth school in Canada and that it be not only in the Atlantic region but in Charlottetown, for good, sound academic reasons. Unfortunately, the project has now become bogged down because, I must say with regret, we maritimers have been arguing unduly among ourselves about the question of a site. Whether it is established in Truro, in Wolfville or in Charlottetown, I would urge the Council of Maritime Premiers, the forum in which a decision will have to be reached in the first instance, to put aside whatever parochial interests they may have for the good of the Atlantic region as a whole, and especially for the good of our young people.

I have stressed the need to decrease our reliance on other countries for highly trained personnel. I have underlined the need for a veterinary school because it is a project which is dear to my heart and close to the interests of the Atlantic region. But the dire situation I have described with respect to our dependence on other countries for highly trained personnel is prevalent in a host of areas in higher education and in other aspects of our national life. The fact is we are graduating many hundreds of highly qualified Canadians, including Ph.Ds, who are unable to find suitable work or employment while, at the same time, we are going outside Canada to hire people who in many cases possess lesser qualifications. I am alarmed at the situation to be found in the universities in Canada especially in the light of their track record in hiring their own personnel. In case I may be misunderstood, misquoted, or quoted out of context, I want to stress that I am not suggesting that universities should propagandize for anything, or that they should proselytize for any cause. They are by definition international institutions and must not be circumscribed or restricted in any way by geographic or cultural factors.

● (1640)

But in Canada—and this is true of every country—we must have universities which address not only our international obligations but also our obligations to ourselves. Many Canadians believe strongly—and I share this view—that such a balance is somehow out of whack in their own country. Our Canadian universities have hired, and are continuing to hire, a greater proportion of non-nationals than are universities in any other country in the world.

If I may again quote a statistic or two, the ones I have are for the academic year 1976-1977, the year for which we have the most up-to-date figures—others will be forthcoming, and I am sure the picture will not be changed as a result of them—almost 30 per cent of our total university faculty was non-Canadian. That picture compares unfavourably with the situation in every other country. The corresponding figures for such great international universities as Harvard, Princeton, Yale, Oxford, Cambridge, the Sorbonne—any of them—hardly ever exceed 5 per cent, 6 per cent or 7 per cent.

In some disciplines in Canadian universities the situation is particularly dire. I regret that those are often the very fields in which our young people are most strongly motivated in their perception of themselves and of Canada as a whole. For example, in archaeology and anthropology, in 1976-77, almost half the faculty at Canadian universities was non-Canadian. In philosophy, almost 35 per cent of the faculty was non-Canadian; in geography, 35 per cent; in sociology, more than 35 per cent; in history, 30 per cent; in political science, 30 per cent; and on and on. Last year 35 per cent of new appointments at our universities went to non-Canadians. In the west the figure was 40 per cent, and if we exclude Quebec the picture was even worse nationally. I do not think I would be exaggerating if I said that this is a national scandal. It is a disgrace of which every concerned Canadian should be ashamed.

I realize that my time is limited here today, but I would like to mention two particularly harmful effects of the situation I have described. First, we are denying our own young people opportunities for positions in higher education, teaching positions, research positions and others. Second, and just as seriously, we are unduly exposing our young people's minds to teaching priorities and research interests which reflect other peoples' cultures.

I am not suggesting that we should erect a Great Wall of China around our country, around our universities or around our young people's minds. I am saying, though, that there is a significant neglect of Canadian studies because our faculties and our researchers are giving undue attention to priorities which they brought with them from other countries. Is it any wonder that we are graduating students, from every level of education, from primary and secondary levels through to community colleges, higher education, and universities, who

lack a basic knowledge about the history, politics, sociology and science of their country?

If one wants to identify one of the root causes of our national unity problem, I think one need go no further.

I bring to the attention of hon. members an excellent report published by the Association of Universities and Colleges of Canada. This document was sponsored by them and written by Dr. T. H. B. Symons, chairman of the Commission on Canadian Studies. The report is called "To Know Ourselves" and it thoroughly documents the situation I have been able only to touch on. I highly recommend it as required reading for every concerned hon. member.

I recommend too the synopsis of that report for those who consider the size of it forbidding, a synopsis by the Book and Periodical Development Council of Canada, which is published as a public service by that council, and is readily available.

I will conclude my remarks by expressing apology for any undue emphasis on the importance of higher education and research. But, with the indulgence of the House, I would like to mention one field in which I think there is a particular need for research and development, and that is the field of energy. As some will know, the province of Prince Edward Island is probably the most energy deficient piece of territory in all of Canada. We are 90 per cent dependent on conventional sources of energy, particularly oil, which is to say foreign oil. This has many implications for the cost of living and for our ability to cope with Canada's harsh winters. The implications are, however, particularly serious in terms of the haemorrhage of energy dollars from our region which this represents and, indeed, from our country.

I want to say that every one in this House has a natural interest in the question of energy, the cost of living and attendant issues. But, I think we have to realize, as certainly the people in Prince Edward Island do, that we must do something about the high cost of energy and the ever escalating cost of that product. Too often we have been relying, I fear, on short-term measures and ad hockery. But, more seriously, perhaps, from the point of view of Prince Edward Island, the approach has too frequently been in the direction of global solutions, and this has been at the expense of looking at opportunities afforded by local situations, including climatic and geographic characteristics. I am not now going to enter into a debate as to whether nuclear energy is a good thing or a bad thing. I have no interest today in talking about the morality of that particular issue. I will address that question on another occasion as, I am sure, other members will.

Let me say, however, that the very heavy investment Canada has made in nuclear energy has practically elbowed off the stage altogether any attention to renewable energy sources. I am thinking in particular of the development of the technology of alternate energy. No one would suggest—and certainly I would not suggest today or at any other time—that alternate energy will ever replace totally, or even substantially in the foreseeable future, conventional sources of energy such as oil. But I do think it is possible to do a great deal more than we are in directing research toward wind, solar heat, and wood-burning in particular.

In the province of Prince Edward Island, for example, it is often suggested that we are the million-acre farm. I think we are somewhat better endowed than that, for in our tiny piece of territory we have more than 600,000 acres of wood lots alone. This valuable resource could be cultivated, harvested and exploited, in the best sense of that word, for energy purposes now and for future generations.

I am not specially pleading, I hope, for Prince Edward Island, but I do suggest that our province constitutes an excellent potential laboratory for research and development in the renewable energy fields. As I already mentioned, we have an excellent university and other research facilities, some of them associated with government itself. There was created by a previous provincial government of a different political stripe from my own—I do not hesitate to give credit where credit is due—a superb Institute of Man and Resources devoted to the whole area of research and development in the renewable energy fields. That could constitute the nucleus for a first-class, impressive, massive investment by Canada, on a pilot project basis, in the renewable energy enterprise.

● (1650)

The fruits of such research would be particularly beneficial to the people of Prince Edward Island. Equally, I am convinced, the products and the benefits derived from such an enterprise could be shared by all Canadians. For example, I am thinking of the applicability of such research in northern Ontario, where conditions are very similar.

I should like to conclude on a positive note. I think all hon. members will join with me in suggesting that ours is an enormous challenge. Huge problems are facing our country, every province of Canada and every territory—in the energy field, in transportation, in regional development, in all aspects of the economy, in cultural affairs, and in many other fields. The challenges are formidable.

As the hon. member for Cardigan (Mr. MacDonald) suggested earlier this week, ours is a new Parliament. Canadians have high expectations of this Parliament. They expect imaginative and courageous measures from us. We must not let them down.

Some hon. Members: Hear, hear!

[*Translation*]

Mr. Robert Gourd (Argenteuil): Mr. Speaker, together with my colleagues I extend to you my best wishes for your reelection as Speaker of the House. I am confident the wisdom you have shown during the last parliament demonstrates beyond any doubt that the choice made by the House in nominating you will give to this Parliament the strength and the necessary power to operate in an equitable manner. Your task will certainly not be easy, Mr. Speaker, but I am convinced that you will show all the competence your position

requires and that this 31st parliament will be proud of its Speaker.

I would also like to congratulate the member for Erie (Mr. Fretz) and his colleague the member for Cardigan (Mr. MacDonald) for having sponsored the Address in Reply to the Speech from the Throne and I want to underline the remarkable manner in which they both have carried out this duty for it is not easy for a new member to take the floor for the first time in this House so filled with memories and where so many speeches have been delivered. I am convinced those two new colleagues, even though they are not on the right side, will be excellent members. Furthermore, I would like to congratulate the Prime Minister and all new cabinet members and assure them I will always be on their heels, not to be crushed, but rather to bite occasionally if Argenteuil were forgotten. For being elected I want to congratulate all those who like me are serving their first term in this Thirty-first Parliament. We joined battle in the last election, some fell and we, the newly elected, are proud of the mandate we were given by our respective people.

I would also like to extend my congratulations to all those who were re-elected, some not for the first time, and I understand the work they had to do because the work of a parliamentarian is to look after parliament's business in addition to an election period—it is not an easy thing. So I want to reiterate, Mr. Speaker, my congratulations to all those former re-elected members.

I would be remiss if I did not mention the Leader of the New Democratic Party (Mr. Broadbent) who waged an excellent battle and who would also probably make a great Liberal. His team—and I remember my NDP opponent during the last campaign—stood for what we Liberals had put forward. That is why I had to congratulate the Leader of the New Democratic Party. But I would not want to forget a French-speaking colleague, the hon. member for Beauce (Mr. Roy), who is also sitting in this parliament for the first time. I am convinced he will be an asset to this House. We were able to see that yesterday when he showed us his oratorical talents. Mr. Speaker, may I call it five o'clock?

[*English*]

The Acting Speaker (Mr. McCain): It being five o'clock this House stands adjourned until Monday at eleven o'clock in the morning, pursuant to Standing Order 2(2).

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

HOUSE OF COMMONS

Monday, October 15, 1979

The House met at 11 a.m.

• (1105)

ROUTINE PROCEEDINGS

[*Translation*]

CONSUMER AFFAIRS

REASON FOR SMALL NUMBER OF TENDERS ON FUEL OIL FOR SCHOOL BOARDS—POSSIBILITY OF COMBINE—MOTION UNDER S.O. 43

Mr. Gaston Isabelle (Hull): Mr. Speaker, under the provisions of Standing Order 43, I ask for the unanimous consent of the House to move a motion dealing with a very urgent matter.

Considering that the Outaouais regional school board, regrouping some 20 high schools from Fort-Coulonge to Gatineau, has experienced major problems with its call for tenders to meet its fuel needs in 1979-80; considering that in recent years the same school board always made such an invitation at the same period of the year and always received bids from four large companies; and considering that much to its surprise, only one bid with oil prices 30 per cent higher than last year has been received, I move, seconded by the hon. member for Pontiac-Gatineau-Labelle (Mr. Lefebvre):

That an investigation be launched as soon as possible to consider what appears to be a cartel at the Outaouais school board and other school institutions in western Quebec as regards the limited number of oil companies interested in bidding.

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

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

[*English*]

TRANSPORT

RAIL ACCESS TO PORT OF VANCOUVER—MOTION UNDER S.O. 43

Mr. Arthur Phillips (Vancouver Centre): Mr. Speaker, I rise on a matter of urgent and pressing necessity under Standing Order 43.

In view of the very recent marine accident which has damaged a key railway bridge providing CN access to the port of Vancouver, in view of the potentially dire consequences for the port as a result of this accident, which may cut capacity by 15 per cent and cause millions of dollars in lost business, and in view of the backlog in grain shipments already causing congestion in the port, I move, seconded by the hon. member for Laprairie (Mr. Deniger):

That the Minister of Transport intervene personally with the CNR to ensure that direct rail access to the port of Vancouver is restored as quickly as possible, and that temporary alternative means of access are put in place during the time that the damaged bridge is out of service, if possible.

Mr. Speaker: Presentation of such a motion for debate at this time would require the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

STATUS OF WOMEN

DESIGNATION OF PERSONS' WEEK—MOTION UNDER S.O. 43

Miss Pauline Jewett (New Westminster-Coquitlam): Mr. Speaker, I rise under Standing Order 43 to move a motion of urgent and pressing necessity which I hope will be unanimously approved by this House.

In view of the fact that today is the first day of the week commemorating the recognition of women as persons in Canadian public life, I move, seconded by the hon. member for Winnipeg North Centre (Mr. Knowles):

That this House warmly and unanimously supports the active participation of women in public affairs and officially recognizes the designation of this week as Persons' Week.

Mr. Speaker: I hope hon. members will not think that I am being unduly restrictive in saying that this motion gets very close to the kind of supportive or congratulatory message which I think invites a proliferation. In any case, since it is so early in the session I will give the benefit of the doubt to the advocate in the circumstances.

The House has heard the motion. It cannot be presented without the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: Oh, oh!

S.O. 43

Mr. Speaker: The House has heard the terms of the motion moved by Miss Jewett and seconded by Mr. Knowles. Shall I read it?

Some hon. Members: No.

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

Some hon. Members: Agreed.

Motion agreed to.

* * *

[*Translation*]

ENERGY

REASON FOR IMPERIAL OIL TAKING OVER LA SOCIÉTÉ PÉTROLE MODERNE LTÉE—MOTION UNDER S.O. 43

Hon. Marc Lalonde (Outremont): Mr. Speaker, I rise under the provisions of Standing Order 43 and ask for the unanimous consent of the House to discuss a motion relating to a matter of urgent and pressing necessity.

In view of the fact that Imperial Oil, which is the largest oil company in Canada, is 70 per cent owned by the American multinational Exxon; given the fact that that company has already shown that it has no desire to serve the interests of Canadians, as evidenced by the transfer by Exxon of Venezuelan oil which was intended for Canada during the crisis in Iran; and given the close links which seem to exist between the government and the Progressive Conservative Party, on one hand, and Imperial Oil, on the other hand, I move, seconded by the hon. member for Hull (Mr. Isabelle):

That the House ask the Prime Minister to state immediately the reasons which have led the cabinet to approve the Imperial Oil takeover of Pétrole Moderne Ltée, a wholesaler of oil products for independent retailers, thereby increasing foreign control and more particularly that of Imperial Oil over the oil industry.

Mr. Speaker: The House has heard the hon. member's motion. Pursuant to the provisions of Standing Order 43, this motion may be put for debate only with the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

[Mr. Speaker.]

• (1110)

CANADA ELECTIONS ACT

PROPOSED COMMITTEE STUDY OF CAMPAIGN PERIOD—ESTABLISHMENT OF PERMANENT VOTERS' LIST—MOTION UNDER S.O. 43

Hon. J.-J. Blais (Nipissing): Mr. Speaker, under the terms of Standing Order 43 I request the unanimous consent of the House to present a motion dealing with an extremely urgent matter.

As the mandate of the government is that of a minority government, and as we could soon find ourselves in the midst of an election campaign; as all hon. members who have lived through an election know that campaigns are unduly long; as there is no permanent voters' list and as the Chief Electoral Officer has already submitted a study suggesting solutions to that problem, I move, seconded by the hon. member for Algoma (Mr. Foster):

That the Standing Committee on Privileges and Elections be authorized to study the various means by which the time span required before holding a federal general election in Canada could be shortened, and more particularly, to look into the advisability of setting up a system for updating the voters' list on a continuous basis.

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

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

LABOUR RELATIONS

REQUEST FOR PROGRESS REPORT ON MONTREAL GRAIN HANDLERS' DISPUTE—MOTION UNDER S.O. 43

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, under Standing Order 43, I request the unanimous consent of the House to present a motion dealing with a very urgent matter.

Since the strike in the port of Montreal has been going on for several months, as a result of which supplies for our flour mills have gone up in price and feed grains for agricultural needs are several dollars more a ton, I move, seconded by the hon. member for Roberval (Mr. Gauthier):

That this House order the federal Minister of Labour to spare no effort in speeding up settlement of that conflict, and to report to the House without delay.

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

Some hon. Members: Agreed.

Some hon. Members: No.

[*English*]

THE ENVIRONMENT

REQUEST FOR COMMITTEE STUDY—MOTION UNDER S.O. 43

Mr. Derek Blackburn (Brant): I wish to move the following motion, under Standing Order 43, on a matter of urgent and pressing necessity. In view of the fact that in the areas of health, safety and environment in the workplace there is, at the federal level, administrative confusion, weak law enforcement, lack of initiatives and political game-playing while Canada loses 80 million working days a year due to health, safety and environmental problems—six times that lost by strikes and lockouts—I move, seconded by the member for Skeena (Mr. Fulton):

That the Prime Minister either broaden the terms of reference of the special committee on nuclear energy to include environment or set up a special committee on the environment.

Mr. Speaker: Presentation of such a motion at this time, pursuant to Standing Order 43, can be done only with the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

ENERGY

HEATING OIL SUPPLY THIS WINTER—MOTION UNDER S.O. 43

Mr. Maurice Foster (Algoma): Mr. Speaker, I rise under the provisions of Standing Order 43 on a matter of urgent and pressing necessity.

In view of the fact that the major oil companies have refused to bid on heating oil supplies for the North Shore district Roman Catholic Separate School Board, due to the uncertainty of oil supplies, and considering that the Minister of Energy, Mines and Resources (Mr. Hnatyshyn) has not established the energy supplies allocation board by appointing the people to serve on it, I move, seconded by the hon. member for Cochrane (Mr. Penner);

That the Minister of Energy, Mines and Resources have this matter investigated immediately, to determine the heating oil supply situation for this winter, with a view to taking action to ensure that there are adequate heating oil supplies for Canadians this winter.

Mr. Speaker: This motion can be presented for debate at this time only with the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

FOREIGN INVESTMENT REVIEW ACT

CALL FOR ENFORCEMENT OF PROVISIONS—MOTION UNDER S.O. 43

Mr. Peter Stollery (Spadina): Mr. Speaker, under Standing Order 43 I ask the unanimous consent of the House to move a motion of urgent and pressing necessity.

In view of the increasing rumours since this government took office five months ago of the move by Northern Telecom to the United States, and the decision a week ago Thursday by Northern Telecom to sell their heavy-cable division to Phillips Cables, a British company—Northern Telecom has been heavily supported by the Government of Canada in procurement policy—I move, seconded by the member for Ottawa-Vanier (Mr. Gauthier):

That this House request the government to enforce the provisions of the Foreign Investment Review Act so that their approval of the giveaway of Canadian industry is at least not subsidized by the Canadian taxpayer.

Mr. Speaker: Such a motion can be presented at this time only with the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

ORAL QUESTION PERIOD

[*English*]

PETRO-CANADA

FUTURE OF CORPORATION

Hon. Marc Lalonde (Outremont): Mr. Speaker, my question is directed to the Prime Minister. It relates to the reports about the task force recommendation concerning the future of Petro-Canada, but my question is independent of that report itself.

• (1115)

I ask the Prime Minister the following: Can the Prime Minister give this House the assurance that no change will be made to the corporate structure of Petro-Canada without coming before Parliament with amendments to the Petro-Canada Act? In particular, can he give us the assurance that he will not resort to the devious technique proposed by the task force of using Petro-Canada's main subsidiary, Petro-Canada Exploration Inc., as the vehicle for turning the corporation over to private shareholders, thereby avoiding facing Parliament on the issue?

Right Hon. Joe Clark (Prime Minister): Mr. Speaker, it would be our intention to have parliamentary approval for any significant action that is taken with regard to Petro-Canada.

[*Translation*]

REQUEST NO DECISION MADE WITHOUT AMENDING LEGISLATION

Hon. Marc Lalonde (Outremont): Would the Minister of Energy, Mines and Resources advise the House whether this reply means that there will be no change without an amendment to the Petro-Canada Act, that the government agency being considered will be concerned with research and development in frontier areas such as offshore Arctic, and more specifically that if the necessary funds are not coming from the successful operation of Petro-Canada, they will come from public funds, which will increase even more the government's deficit or the taxpayers' burden?

[*English*]

Hon. Ray Hnatyshyn (Minister of Energy, Mines and Resources): Mr. Speaker, I am sorry that the hon. member for Outremont, the critic on energy, is not the recipient of a draft copy of any task force report, so I can understand his interest in what may be contained in that document.

Some hon. Members: Oh, oh!

An hon. Member: Why didn't you lend him a copy, Ed?

Mr. Broadbent: I will send him one.

Mr. Hnatyshyn: Possibly he could communicate with the Leader of the New Democratic Party about the brown envelope syndrome.

In all seriousness, the questions posed by the hon. member are, in a sense, premature because the process, as I have indicated on a number of occasions, is that we will receive and table at the earliest possible date the task force report. After that, the government will consider the report and consider the position it will take. The hon. member can rest assured that if there is any legislation to be brought forward, it will be brought forward at an early time so that the hon. member can address these specific questions during the course of that debate.

Mr. Lalonde: Mr. Speaker, the hon. minister is missing the point. I am not referring, necessarily, to the task force report; I am referring to his statement in September in which he said that he would create a government agency that would be responsible for carrying out frontier exploration. My question relates to his statement of a month ago, not some future task force report that we may or may not see. The question is: Who is going to pay the cost of those expenditures by that government agency? At the present time they are financed by the profitable operations of Petro-Canada.

Some hon. Members: Oh, oh!

Mr. Lalonde: I see the spokesmen for Imperial Oil muttering on the other side.

Some hon. Members: Oh, oh!

[Mr. Clark.]

Mr. Lalonde: Is it not the case, then, that under this proposal the agency he is talking of creating will have to be financed out of taxpayers' dollars, and this means either increasing the government deficit or increasing taxes of Canadians?

Mr. Hnatyshyn: Mr. Speaker, the question clearly indicates that the hon. member does not understand exactly what I said or what the process is.

An hon. Member: Who does?

Mr. Hnatyshyn: He would do well to read and to listen to what is being said and written. What I indicated in that press release were the guidelines. The guidelines were set up with respect to the task force's investigations, which clearly indicated certain elements were to remain in the public sector. Once we have received the task force recommendations we will be in a position, on the basis of that advice and our discussion within government, to come forward with specific proposals.

I want to add that the analysis made by the hon. member is simply wrong: it is simply not a valid conclusion to draw with respect to Petro-Canada and what our intentions are concerning the areas of frontier exploration, research and development. The fact is that at the present time, and under the previous administration, very great amounts of money have been put into Petro-Canada—public money, taxpayers' money, enormous amounts of money. Therefore, it does not lie in the mouth of the critic of the Liberal party to tell us how much money is involved with respect to this particular corporation.

• (1120)

Some hon. Members: Hear, hear!

* * *

THE CANADIAN ECONOMY

MINISTERIAL RESPONSIBILITY RESPECTING PRIVATIZATION

Hon. John C. Munro (Hamilton East): Mr. Speaker, my question is directed to the Prime Minister: it relates to the whole question of privatization.

Can the Prime Minister advise who speaks for the government relative to this whole question? We have experienced the President of the Treasury Board in an elaborate press conference speaking on the question of privatization. We have observed the Minister of Industry, Trade and Commerce in the other place answering similar questions with regard to the whole question of privatization. We have seen some vigilante committees of the Conservative party. Who does speak for the government on this important question?

Right Hon. Joe Clark (Prime Minister): Mr. Speaker, I speak for the government on this question, the Minister of State for Economic Development speaks for the government on this question, and the President of the Treasury Board speaks for the government on this question. Unlike the previous government, we all say the same thing.

Some hon. Members: Hear, hear!

Mr. Munro (Hamilton East): Mr. Speaker, it is very interesting to hear the Prime Minister say that he speaks for the government. Perhaps he will enlighten the House. The Minister of Industry, Trade and Commerce indicated in the Senate the other day that the provinces may very well be entertained as purchasers of some of these Crown corporations. The President of the Treasury Board, in his elaborate press conference two weeks ago, indicated the government would not entertain bids from the provinces with respect to the purchase of these corporations. What is the policy of the government with respect to this question?

Mr. Clark: Mr. Speaker, I am tempted to suggest to members opposite that if they want reliable advice on what is said in the other place, they might want to consult Senator Everett. I might also point out that what the President of the Treasury Board and what the Minister of State for Economic Development reaffirmed is that it would be the preference of this government not to have agencies privatized by the federal government pass to provincial hands. That would be the preference, but there would be no prohibition: that was the statement by both ministers.

Mr. Munro (Hamilton East): Mr. Speaker, that hardly clarifies the situation. Does the Prime Minister not blanch at the prospect of the provinces submitting bids and purchasing all our profitable Crown corporations, while the federal government hangs on to those which do not make a profit?

Mr. Clark: Unlike members opposite, Mr. Speaker, I do not blanch at the prospect of change.

Some hon. Members: Hear, hear!

* * *

PETRO-CANADA

FUTURE OF CORPORATION—GOVERNMENT INTENTIONS

Mr. Edward Broadbent (Oshawa): Mr. Speaker, I have a question for the Prime Minister. He just said that he, appropriately, speaks for the government in these matters. Considering that in a Gallup poll that came out last week, once again the vast majority of Canadians indicated that they do not want Petro-Canada dismantled, and considering that his party in the election on May 22 obtained only 36 per cent of the popular vote and that he, as Prime Minister, noted that he wants to govern according to the wishes of the majority, something he stated publicly, does he in any sense consider that he has a mandate from the people of Canada to dismantle Petro-Canada?

Right Hon. Joe Clark (Prime Minister): Mr. Speaker, this government will not be governing in accordance with Gallup polls. We will be governing in accordance with what we think the requirements of the country place before us.

An hon. Member: What about Parliament?

Mr. Clark: I can understand why Liberal members would be asking about Parliament, since they only recently discovered it. As I indicated earlier today, there will be no significant action with regard to Petro-Canada without the approval of Parliament. We believe it is our responsibility, as a government with a mandate for change, to bring before the people of Canada and the Parliament of Canada proposals that will allow us to carry on more effectively in a number of domains, including the relation of the state and the citizens of Canada to ownership of the Crown corporation, Petro-Canada.

• (1125)

We shall be receiving later today—and I hope to be able to table officially, later in the day—a final report from the task force established to look into the question of Petro-Canada. As the minister has indicated, once that report has been tabled in the House—and it will be tabled immediately upon receipt—the government will want to review that report and consider its position. I hope there will be an opportunity for members of all parties to consider that final report, to consider their positions and then to consider proposals the government might bring forward.

Mr. Broadbent: The Prime Minister has implicitly acknowledged that the vast majority of the people of Canada are clearly on the other side of the issue than the one he is on: I take that to be the clear implication of his answer. I put that aspect to one side, though, and would like to ask him whether he accepts the principle that in breaking up Petro-Canada the private sector should be allocated that which is profitable and the public sector, paid for by the taxpayers, should assume responsibility for the high-cost exploration and research development work which it is likely will never be profitable or, if it is, will only be profitable very much in the long run.

Mr. Clark: The Government of Canada has been paying for that kind of activity for some time under existing arrangements. I read in the newspapers that a report will be coming forward to me later today which will open a wide range of opportunities for individual Canadians to take part directly, as owners, in the Canadian petroleum industry. My government will naturally consider a proposal of that kind very seriously.

Mr. Broadbent: With all due respect, the people of Canada now are shareholders in Petro-Canada: every Canadian owns Petro-Canada right now. In the days when the right hon. member was leader of the opposition, he used to castigate the former prime minister when he did not answer the question put to him. I suggest to him, now, that he did not answer the question which was asked.

The question concerned the principle of division. Will the Prime Minister assure the House that whatever course of action the government does propose with regard to Petro-Canada, it will not accept the principle that the private sector should be given that which is profitable, or potentially profitable, and that the people of Canada should be saddled with long-range public debts?

Mr. Clark: The hon. member is asking me to rule out the possibility of the people of Canada taking a direct ownership role in the direction of a major corporation. I will not, of course, rule out that principle.

* * *

CANADA DEVELOPMENT CORPORATION

FUTURE ROLE OF CORPORATION

Mr. Roy MacLaren (Etobicoke North): Mr. Speaker, since the Prime Minister has stated that he takes full responsibility for questions concerning privatization, I would address my question to him. It concerns recent newspaper reports which have indicated that the Conservative party has raised questions about the future role of the Canada Development Corporation, a corporation which has established a solid record of achievement since its inception.

Do the committee's recommendations constitute government policy? Are we, for example, to assume that the CDC is to be among those additional Crown corporations which the President of the Treasury Board states are being reviewed for sale?

Right Hon. Joe Clark (Prime Minister): Again, if I can count on the newspapers, I have most recently heard of that proposal coming from the Liberal member for Vancouver Centre. But there was, as I understand it, a document prepared by a working group of my caucus which did consider the question of the CDC. That paper, as well as other material prepared by our caucus, will naturally be considered by the government when we determine to which corporations we might apply the principle of privatization.

• (1130)

Mr. MacLaren: Mr. Speaker, in view of the Prime Minister's statement that he has assumed responsibility for all questions relating to privatization, I remain somewhat confused about who is responsible for questions regarding the Canada Development Corporation. The senator who is the Minister of Industry, Trade and Commerce issued a press release attempting to clarify which Crown corporations report to which minister of state, but the Canada Development Corporation is not among them. Who is the nexus in this House between the ministry and the Canada Development Corporation?

Mr. Clark: Mr. Speaker, the Canada Development Corporation reports to this House through the Minister of Finance.

* * *

[*Translation*]

INDUSTRY

OPPORTUNITY TO SELL CANADAIR TO PRIVATE SECTOR

Mr. Marcel Roy (Laval): I have a supplementary, Mr. Speaker. My question is for the right hon. Prime Minister, who is responsible for economic development in Canada, and it concerns the development of Canadian aeronautics within an industrial strategy.

In view of the phenomenal success of Canadair since its acquisition by the previous government—and I take this opportunity to congratulate its president, Mr. Fred Kearns, and all the employees involved for this success, which was evidenced once again by the announcement of an expansion of $25 million for the tailpiece of the Boeing 767 and the CL 215 tanker, the manufacture of a simulator and the renewal of Department of National Defence material—does the government consider it timely to sell this important economic sector to the private industry? If so, when will this be done and does the government intend to establish a joint aeronautics corporation in Canada?

Right Hon. Joe Clark (Prime Minister): Mr. Speaker, I believe that we clearly showed that this is one of the corporations on the list of those for which we are considering having privatization. Is this the right expression?

An hon. Member: Yes.

Mr. Clark: This is the right word in French? Thank you. This corporation is on the list of agencies for which we are considering privatization. We have published a list to try to create a real demand in the private sector for the corporations mentioned.

Mr. Roy (Laval): I have a supplementary for the right hon. Prime Minister.

During the negotiations for the transfer of Canadair to the eventual purchaser, will the government guarantee that the funds for research, design, development and planning are maintained and will not be transferred outside Quebec in the case of Canadair?

Mr. Clark: I can assure the hon. member that this will be a major consideration.

* * *

[*English*]

ENERGY

PRICING PRACTICES OF OIL MULTINATIONALS

Mr. John Evans (Ottawa Centre): Mr. Speaker, I have a question for the Minister of Energy, Mines and Resources. On Wednesday, I asked the minister if he intended to launch a full investigation into the pricing practices of oil multinationals, in view of evidence of gouging in Nova Scotia by Imperial Oil. The minister indicated that his department was constantly reviewing the area and that he knew of no such evidence.

Last Thursday I presented the minister with a copy of a decision of the Supreme Court of Nova Scotia in this matter, a

copy of which I have in my hand. In view of this evidence, is the minister now prepared to launch a full-scale investigation?

Hon. Ray Hnatyshyn (Minister of Energy, Mines and Resources): Mr. Speaker, I thank the hon. member for letting me have that rather lengthy judgment for my weekend reading, but I want to tell him that I think it would have been more appropriate for him and his colleagues to raise this matter with our predecessor government, because it took place some two years ago when the Leader of the Opposition was prime minister of this country.

My understanding of that judgment is that it is a legal interpretation with respect to charges to be made to the power corporation in question. The fact is that after the conclusion of that decision which was against Imperial, the decision in fact being in favour of the power corporation, they have continued their relationship with that company and seem to be satisfied with the result of that particular decision.

Mr. Evans: Mr. Speaker, in view of the statement on Thursday by the minister that there is close consultation between the members of the cabinet, is the minister aware of other evidence of nefarious pricing practices which are known to his colleagues, the Minister of Consumer and Corporate Affairs and, recently, the Minister of National Revenue; and, if so, is the minister now prepared to ask his department to collaborate with the Department of Consumer and Corporate Affairs and the Department of National Revenue and undertake a full-scale investigation of these practices by oil companies?

Mr. Hnatyshyn: Mr. Speaker, I indicated last week that we have a process in place by which we monitor the question of profits with respect to pricing matters and keep a very close eye on it with respect to the operation of the department and the oil import compensation fund, amongst other things. We are always vigilant with respect to pricing.

I know my two colleagues referred to by the hon. member are carrying out their responsibilities. There is collaboration and co-operation in every respect but if the hon. member wants to make broad, sweeping allegations without substantiation under the protection of the House of Commons, he should consider exactly what he is doing, go outside the House and make specific accusations so that we can take the matter up with the appropriate authorities.

SUPPLY OF GASOLINE AND HEATING OIL THIS WINTER

Mr. Cyril Symes (Sault Ste. Marie): Mr. Speaker, my question is for the Minister of Energy, Mines and Resources. Given National Energy Board estimates that in Ontario gasoline reserves are down 18 per cent and heating oil reserves are down 20 per cent over the same period last year, at which time there was a very tight supply situation, can the minister assure the House that there will be no shortages of these commodities to consumers in Ontario this winter? If he cannot, can he tell us what contingency plans have been put in place?

Hon. Ray Hnatyshyn (Minister of Energy, Mines and Resources): Mr. Speaker, I thank the hon. member for that question because it is a matter of serious concern to all of us. We have been watching the situation very closely over the summer months and are constantly watching developments with respect to supply. Our present information is that we will be able to get through the winter. This has been a very fragile situation. I do not want in any way to mislead the House.

Mr. Lalonde: No problem.

Mr. Hnatyshyn: Mr. Speaker, the Liberal critic keeps interjecting. I wish he had interjected when he was in the cabinet. If he had, we would not be in the position we are in today.

I simply point out that we are in a fragile situation. Hopefully, we will make it through the winter. We will continue to monitor, and we hope there will not be any exceptional or unusual interruption of supply. As the hon. member will know, there is available to us a number of possibilities both on a voluntary and a mandatory basis in the event there is any shortage; but we are continuing to monitor and watch the situation and I assure the hon. member that I will give this matter continuing interest and concern.

Mr. Lalonde: That is about all you do, watch.

Mr. Symes: Mr. Speaker, those bland assurances are small comfort to consumers in Ontario. I asked what contingency plans are in place.

In view of the fact that for the past six years the combines investigation branch has been investigating oil companies on the suspicion that they have been manipulating supply and price in Canada, and given this most recent revelation of potential shortages, will the minister instruct the NEB to make public these reports so that we may judge for ourselves what the real cause of this shortage is?

Mr. Hnatyshyn: Mr. Speaker, as the hon. member will know, responsibility with respect to the investigation which is taking place does not lie with me, but with my colleague, the Minister of Consumer and Corporate Affairs.

Mr. Breau: He is not in the inner cabinet.

Mr. Hnatyshyn: The hon. member has made reference to an investigation which is going on. His leader has referred to it as well. That investigation is proceeding, and when a conclusion is arrived at we anticipate that it will be made public.

* * *

TRANSPORT

GRAIN DELIVERIES FROM PORT OF VANCOUVER

Mr. Bill Clarke (Vancouver Quadra): Mr. Speaker, I have a question for the Minister of Transport. In view of the disastrous effects of the bridge-ramming in Vancouver harbour on Friday night and the effect that will have on the capacity of the port of Vancouver, which will be cut by 15 per cent, can

the minister tell the House what measures he is taking to preserve Canada's international reputation for delivering grain?

Hon. Don Mazankowski (Minister of Transport): Mr. Speaker, I welcome the opportunity to reply to this very important question, and I appreciate the motion under Standing Order 43 which was moved by the hon. member for Vancouver Centre.

I have been in touch with officials of the CNR and the Canadian Wheat Board, and as of this point in time the CNR has requested and received tenders for the repair of the bridge. It appears that a contract will be awarded some time this afternoon. In the meantime, other contingency measures, such as the moving of grain down the BCR, are being put into place. It is going to affect some 3,000 cars a month, but we intend to utilize the South Shore to a greater extent. We hope to utilize the port of Prince Rupert to a much greater extent.

● (1140)

Also, discussions will be held with the officials of labour. Because of the inconvenience and the additional costs, we are hoping there will be utmost co-operation between labour groups so that we can ensure sufficient labour capacity to put on additional hours. I think the Canadian Wheat Board at this very moment is meeting and putting some contingency plans in place. It is the number one item on the agenda. I want to compliment both Canadian National and the Canadian Wheat Board for their prompt action in this unfortunate incident.

* * *

ENERGY

SUPPLY OF HEATING OIL FOR SCHOOL BOARDS

Mr. Maurice Foster (Algoma): Mr. Speaker, my question is for the Minister of Energy, Mines and Resources. I want to ask him if he is aware of the fact that the North Shore District Separate School Board at Blind River, Ontario, has put out tenders calling for heating oil for this winter but that all major oil companies have refused to bid on it. Is the minister aware of this situation, and what action will he take?

Hon. Ray Hnatyshyn (Minister of Energy, Mines and Resources): Mr. Speaker, I have to be quite frank and say that I am not aware of that exact circumstance, but I would be glad to receive particulars from the hon. member and I will investigate what is happening and see what can be done.

Mr. Foster: Mr. Speaker, the minister indicated that he is in a fragile position and that fuel oil is in short supply this winter. Can he explain why he has not appointed members to the energy supply allocation board to deal with the problem?

Mr. Hnatyshyn: Because of the fact we are in the process of planning for this winter, we are indicating that we think we are going to be able to make it through this winter, with respect to this matter, on a voluntary basis and other initiatives that might be taken by the government.

As the hon. member knows, we have reduced our exports of light crude to the United States in order to better handle the circumstances in Canada during the course of this winter. We have also taken other initiatives. I have asked NEB to look into the whole question of the allocation on the interprovincial pipeline and to let me know what their recommendations are with respect to the type of allocation that is made. Until now it has been on an historical basis, as the hon. member knows, and we are taking these initiatives.

The purpose of meeting the requirements of this year again reiterate the fact that, while the situation is fragile, we are hoping that we will get through this winter and be able to carry on expanding our supply situation in Canada and carry out the terms of our national energy policy with which this government wants to make progress. I hope the hon. member will allow me to deal with these matters and will bring to my attention these circumstances so I can look at each individual case.

* * *

[*Translation*]

CONSUMER AFFAIRS

REASON FOR SMALL NUMBER OF TENDERS ON FUEL OIL FOR SCHOOL BOARDS—POSSIBILITY OF COMBINE

Mr. Gaston Isabelle (Hull): Mr. Speaker, my supplementary to the question asked by my colleague to the Minister of Energy, Mines and Resources is directed to the Minister of Consumer and Corporate Affairs. The commission scolaire régionale de l'Outaouais has just faced similar difficulties because normally it always got its supplies around the end of September and asked for bids from the four large companies. This year, only one company made a bid, and it is 30 per cent higher than last year, in order to meet the fuel needs.

Considering that this happened in the national capital area and that the minister has his office in the very heart of Hull, thus being supposedly aware of the problems, I wonder if he would be prepared to make an inquiry, precisely to know why a limited number of companies answered the tenders put out by the commission scolaire régionale de l'Outaouais. It seems it is a problem which multiplies throughout the province and throughout Canada.

I wonder if the minister wants to make an inquiry on that matter, namely, to see whether there is a monopoly situation or not.

[*English*]

Hon. Allan Lawrence (Solicitor General and Minister of Consumer and Corporate Affairs): Mr. Speaker, yes, I am aware of those circumstances and of several others. I am aware of a number of allegations that have been made to me and to the government about it, and I have referred these matters to

the director of investigation in the competition bureau who has reported back to me that, in respect of the difficulties of obtaining evidential proof and motivation that is necessary to prove in a court of law respecting what I consider some rather large gaps in the Combines Investigation Act, he is almost powerless to deal with the situation that exists now.

As I understand that act, one has to have proof in regard to price-fixing in such a manner that it would not be applicable where there is a shortage of supply only or that the supplier would be able to allege that that is the reason for it. Under those circumstances, the director, who has far more experience in this than I have, has indicated to me that under the relevant section, or what he considers to be the relevant section of the act, we are pretty powerless to move on it.

[*Translation*]

Mr. Isabelle: Mr. Speaker, I have a supplementary. I was not referring so much to price-fixing but I was wondering, rather, how it is that four companies always used to bid when the Outaouais regional school board called for tenders and that this year, probably because this phenomenon is also taking place elsewhere, perhaps fuel oil is being distributed in a somewhat less equitable way; I do not know. That is what I want to know. Why is there only one company instead of four? Here again, I am told that this is going on pretty well everywhere.

[*English*]

Mr. Lawrence: The answer is pretty obvious. There is no law requiring somebody to put in a bid for an invitation to tender.

An hon. Member: Oh, come on.

Mr. Lawrence: Certainly if there was some way in which I could utilize the Combines Investigation Act and have an investigation under it carried out and attempt to do something under these circumstances, believe me, I would. But, as I say, we have already referred a great number of similar inquiries, and I hope the hon. member is not blaming me for the deficiencies in that act.

* * *

NORTHERN AFFAIRS

RESIGNATION OF COMMISSIONER OF YUKON

Mr. B. Keith Penner (Cochrane): Mr. Speaker, my question is addressed to the Minister of Indian Affairs and Northern Development and it relates to a statement he issued on October 10 in response to the resignation of the commissioner of the Yukon territory.

According to the minister's own statement, the commissioner did not in any way disagree with him that responsible government should precede any move toward provincehood. That being the case, I wonder if the minister would be so kind as to take the House into his confidence and to explain to us precisely what were the main points of disagreement between himself and the commissioner of the Yukon which led to her resignation.

Hon. Jake Epp (Minister of Indian Affairs and Northern Development): Mr. Speaker, I will indicate to the hon. member again what is the intention of the government. The Yukon territorial government is a body of elected people who have the responsibility to look after the day to day affairs of the territory.

With regard to the commissioner, there were certain responsibilities which the commissioner had held previously which, under the terms of the Yukon Act, could be transferred to the elected representatives in the Yukon. The former commissioner felt that the move toward responsible government was coming too quickly. We do not believe that it was coming too quickly; in fact, we favour the elected people of the Yukon obtaining more responsibility.

What should also be stated clearly to the hon. member is that we have indicated that, in terms of provincial status, this is not a move toward provincial status in the sense that the Prime Minister clearly indicated during the election campaign that responsibility would be transferred to the Yukon and that after full consultation with the various groups, with a responsible government in place, the people of the Yukon would be asked for their opinion on whether or not provincial status was agreeable to them. That was the position of the government, and we have not changed it.

Mr. Penner: Quite apart from the minister's explanation of what constitutes responsible government, can he confirm to the House that the main concern of the commissioner of the Yukon territory was her ability to carry out her statutory obligations to the Government of Canada and to the taxpayers?

Mr. Epp: No, that is not correct, Mr. Speaker. I have stated in the House, and so did the Prime Minister last week, that the statutory obligations have not been violated; those responsibilities are retained by the federal government. There has not been an amendment to the Yukon Act, but the Yukon Act allows these transfers. In fact, I should indicate to the hon. member that the request came from the people of the Yukon, specifically the elected members. It is also included in the position of the small Liberal minority in the House in the Yukon; and the point of contention here is not responsible government but, rather, when it should take place. This government is committed to transferring that responsibility to those who are elected.

● (1150)

FINANCE

MORTGAGE INTEREST DEDUCTION PROGRAM

Hon. Judd Buchanan (London West): Mr. Speaker, my question is for the Prime Minister and it arises from a call which I received from a concerned constituent. This constituent pointed out that during the course of the election campaign, the Conservative leader went across this country saying that it would be his intention, if the government was formed by his party, to put in place a mortgage interest deduction program which would make housing more affordable and more available to the average Canadian. This constituent also went on to point out that since the election of this government—

Some hon. Members: Order.

Mr. Speaker: Order please. If the hon. member for London West has a question, he will have to put the question.

Mr. Buchanan: Since the election, Mr. Speaker, the interest cost of carrying a first mortgage in Canada has risen by an unprecedented 25 per cent. The question is, Mr. Speaker, since the cost of carrying a $50,000 mortgage has gone up by $150—

Some hon. Members: Order.

Mr. Speaker: Order. Does the hon. member wish to put a question?

Mr. Buchanan: Mr. Speaker, the mortgage program put in place by his colleague, the Minister of Finance, will give $32 a month rebate. How does this make housing more available and more affordable to the average Canadian?

Right Hon. Joe Clark (Prime Minister): Mr. Speaker, after the introduction and the passage, if the House decides to pass the proposal for a tax credit on mortgage interest and on property taxes, housing in this country will be less expensive than it now is.

Some hon. Members: Hear, hear!

* * *

HEALTH AND WELFARE

ACCESS OF EASTERN CANADA TO MEDICAL SERVICES

Mr. Bob Ogle (Saskatoon East): Mr. Speaker, my question is for the Minister of National Health and Welfare. I should first like to congratulate the minister on his new role in government, and I would not want him to feel that we are neglecting him.

In view of the fact that the government of Newfoundland is now considering deterrent fees in financing medicare in the province, would the minister indicate to this House what specific action he plans to take under the Medical Care Act to ensure that Newfoundlanders have universal access to medical services in their province?

Hon. David Crombie (Minister of National Health and Welfare): Mr. Speaker, I would like to thank the hon. member for his best wishes and for his question. The hon. member may be aware that at the recent federal-provincial conference with provincial health ministers we established a review of our medical care services in the country under the auspices of Mr. Justice Emmett Hall. That report is due in the springtime. At that time recommendations will be coming to all members of this House, and I hope hon. members will give them the serious consideration they deserve.

Mr. Ogle: Mr. Speaker, I am very much aware of the fact that a plan has been put into effect to study the future, but I would like to suggest that once the gate is open and the cows are out, it is too late to close the gate. In view of the fact that in addition to the situation in Newfoundland, over 40 per cent of the doctors in Prince Edward Island have opted out of medicare and 18 per cent to 20 per cent of doctors in Ontario have done likewise, will the minister now bring legislation into this House to reverse this serious cutback in health services in Canada and allow the former 50-50 formula to be reintroduced in order to avoid the current crisis?

Mr. Crombie: Mr. Speaker, the study that Mr. Justice Hall is undertaking is rooted in the principles of not only the Medical Care Act of 1968 but, indeed, the Hospital Insurance and Diagnostic Services Act of 1958. Those are the two basic acts that underpin the whole of medicare. Those two acts also involve fundamentally four principles, and those principles are reiterated in the Emmett Hall commission terms of reference. When its report comes forward it will be making recommendations specifically with respect to opting out, extra billing and guidelines to make sure that those principles are achieved.

I am sure there is no member in this House who would like us to proceed without appropriate guidelines. Those guidelines were undertaken by the previous minister, but were not forthcoming to the ministers in the provinces. Every provincial minister with the exception of one indicated that the study was appropriate. I believe it is appropriate and I think Canadians think it is appropriate.

Some hon. Members: Hear, hear!

NEWFOUNDLAND—REQUEST FOR MORATORIUM ON USER FEES FOR MEDICARE

Hon. Monique Bégin (Saint-Léonard-Anjou): Mr. Speaker, it is all very nice to have one more royal commission after a "tiny perfect" federal-provincial conference, but I am very disappointed with the answer of the new Minister of National Health and Welfare. I would like to ask him if he will impose, in light of what has just happened in Newfoundland, a moratorium on user-fee charges in the province until the publication of the Hall report.

Hon. David Crombie (Minister of National Health and Welfare): Mr. Speaker, I would like to thank the hon. member for the question. Indeed, my job would have been an awful lot easier in that regard, with relation to her question, if she had carried out her promise to the provinces to provide them with guidelines respecting those principles.

Some hon. Members: Hear, hear!

Mr. Crombie: There was an undertaking of the former minister and, indeed, the former government to do so. They did not do so, and the purpose of the Hall commission is to provide this House with those guidelines.

Some hon. Members: Hear, hear!

Miss Bégin: Mr. Speaker, when we had the transition of power in June, I offered the new minister what I think all Canadians want, which is a complete non-partisan approach to save the best institution in Canada for Canadians.

Some hon. Members: Oh, oh!

Miss Bégin: The guidelines were undertaken in March. Why does the minister not send them to the provinces? Why does he hide behind a royal commission?

Mr. Crombie: Mr. Speaker, I again thank the hon. member very much for the question. If, indeed, a non-partisan approach is available, then I would be the first one to accept it. Secondly, those guidelines which the former minister indicated were available were clearly not available to the provinces and, indeed, not available publicly. If she says they were, then I think perhaps she ought to consult the previous notes she had.

* * *

HARBOURS

CONTAINER PIER AT HALIFAX, N.S.—REPRESENTATIONS TO NATIONAL HARBOURS BOARD

Mr. Howard Crosby (Halifax West): Mr. Speaker, I have a question for the Minister of Transport or the Minister of State (Transport). Will the minister indicate the status of the National Harbours Board call for proposals to operate the new container pier at Fairview Cove in the port of Halifax-Dartmouth and at the same time would he tell the House whether longshoremen, marine workers and others will have an opportunity to make representations to the National Harbours Board before a decision is made on proposals?

Hon. J. Robert Howie (Minister of State (Transport)): Mr. Speaker, in response to the public call for proposals to provide an operator for the new Fairview Cove container pier at Halifax, one proposal was forthcoming. It is now under investigation by the National Harbours Board, which has the responsibility for naming the operator. I feel it would be very useful for the longshoremen and all the workers at the port and, indeed, all members of Parliament for the Halifax area to have an opportunity to have input to the National Harbours Board in respect of more efficient operations of that port, and I will be very happy to arrange such an opportunity for them.

* * *

CONSUMER AFFAIRS

SAFETY STANDARDS OF HOME INSULATION

Miss Aideen Nicholson (Trinity): Mr. Speaker, my question is for the Minister of Consumer and Corporate Affairs. In view of the increasing interest by Canadian home owners in conserving energy and reducing their heating bills by insulating their homes, it is particularly important that consumers have confidence in the safety of the products they use.

We now have a situation where Central Mortgage and Housing Corporation first withdrew approval from certain products after flammability tests and then reinstated that approval, while the doubts continue. Is the minister in a position to make a clear statement about safety standards?

Hon. Allan Lawrence (Solicitor General and Minister of Consumer and Corporate Affairs): Mr. Speaker, in so far as they affect my responsibilities, the member knows, or I suggest she should know in her position, that the whole question of standards in regard to the flammability of cellulose insulation is a matter that was considered by the previous administration for a period of something like two years.

• (1200)

This year we have had to tackle the subject by transferring the standards which were utilized by CMHC, the standards set by the Canadian Government Standards Bureau and the same standards and the same tests that have been in operation in the United States for, I believe, about three years, into the Hazardous Products Act so that we can introduce some meaningful enforceability of those standards. The orders in council for doing that were passed last week.

* * *

ENERGY

TANKER TRANSPORTATION OF CRUDE OIL ON WEST COAST

Mr. Jim Fulton (Skeena): Mr. Speaker, I feel very much, at times, like the Queen Charlotte Islands, at this end of the House.

I have a question for the Prime Minister. In view of the complete opposition in British Columbia to further transport of crude oil along our coast by tanker, given the National Energy Board's refusal to examine the Foothills' application, and given the government's statement in the September 28 aide memoire to the U.S. government indicating that the NEB processes would be necessary for Canadian approval, can the Prime Minister indicate to the House if a supplementary aide memoire has been sent to the U.S. government indicating that this type of environmental and economic blackmail is unac-

ceptable and that further time is required for our regulatory process to assess the options placed before us?

Right Hon. Joe Clark (Prime Minister): Mr. Speaker, I am aware of the very strong opposition in British Columbia, an opposition which I share, to tanker traffic. My understanding is that the Foothills' application will be heard by the National Energy Board.

* * *

TRANSPORT

ESTABLISHMENT OF MERCHANT FLEET

Mr. Maurice A. Dionne (Northumberland-Miramichi): Mr. Speaker, I would like to direct my question to the Minister of State (Transport). Before doing so, I would like to offer my congratulations and good wishes to him in his appointment at least to the part-time cabinet. The throne speech debate reads in part:

My government will ensure an even flow of work to Canadian shipyards—

Then it says we will develop an effective Canadian merchant fleet. Will the minister be elaborating on this promise during the Speech from the Throne debate and, if not, when can we expect some details on this proposal?

Hon. J. Robert Howie (Minister of State (Transport)): Mr. Speaker, I would like to thank my colleague from New Brunswick for his good wishes, and congratulate him on his parttime occupation.

Some hon. Members: Hear, hear!

Mr. Howie: Cabinet has given approval in principle to proceed with the gradual development of a Canadian deep sea fleet and to develop measures designed to make Canadian shipowners more competitive . Suggestions have been received from the industry and labour and these various measures are being studied in order to identify the most effective methods of assistance.

Further consultations will take place in the next two or three months in order to get views from all interested groups. Measures retained will likely be of an incentive nature, rather than direct subsidies, leaving the decision-making to the private sector. After discussion and identification of the most appropriate measures, the government will take appropriate steps to implement them, including legislation if required. I thank the hon. member for his question.

Mr. Dionne (Northumberland-Miramichi): Mr. Speaker, I will try to make my part-time position busy enough so that the Prime Minister will give the minister a full portfolio. Will the minister tell the House exactly when we can expect to receive the appropriate legislation to which he has referred? Will it be this year, or next year?

Mr. Howie: Mr. Speaker, the appropriate legislative measures are in the process of study and consideration and an ultimate decision on their introduction and the manner in which we proceed gradually in the direction of the deep sea fleet depends upon the response to consultations that are now under way.

I can assure the hon. member that I will give him ample notice so that he may make a full contribution to the subject, which would be most welcome.

* * *

POINT OF ORDER

MR. BROADBENT—REPORT OF TASK FORCE ON PETRO-CANADA

Mr. Edward Broadbent (Oshawa): Mr. Speaker, on a point of order, the Prime Minister (Mr. Clark) earlier in the question period, if I heard him correctly, said that he planned to table the report of the task force which was looking into the question of Petro-Canada. As I did not hear him precisely, would he clarify his answer? Did the Prime Minister say that he would table the document if he gets it, or that he would definitely be tabling the document?

Right Hon. Joe Clark (Prime Minister): Mr. Speaker, I appreciate this opportunity to rise on a point of order, because I will have to seek the unanimous consent of the House at a later time in the day for permission to return to the place in the proceedings that will allow us to table the report, which I have not received. According to my understanding, that report is not in translation, it will be available to the task force in both French and English later this day and it will be made available to both the Minister of Energy, Mines and Resources (Mr. Hnatyshyn) and myself later in the afternoon, probably very late in the afternoon. It would be our intention to seek the unanimous consent of the House to table the report, in both official languages, at that time.

Hon. Allan J. MacEachen (Cape Breton Highlands-Canso): Mr. Speaker, on the same point of order, would the Prime Minister (Mr. Clark) indicate to the House whether he has an intention of making a statement, or will he merely table the report?

Mr. Clark: Mr. Speaker, it will simply be my intention to table the report, without a statement.

MR. WILSON—CORRECTION OF ANSWER IN "HANSARD"

Hon. Michael Wilson (Minister of State for International Trade): Mr. Speaker, I would like to take this opportunity to correct my answer to a question by the hon. member for Vaudreuil (Mr. Herbert) on Friday. I stated at that time, as it is recorded on page 123 of *Hansard*, October 12:

—as far as we are aware no contracts have been cancelled.

Since making that statement, my officials have made me aware of three contracts which have been cancelled, one in the amount of $4.2 million and two other smaller ones, one

contract for approximately $350,000 and the other one for approximately $60,000.

ROUTINE PROCEEDINGS

[*English*]

THE ADMINISTRATION

TABLING OF REPORT OF SPECIAL COMMITTEE ON REVIEW OF PERSONNEL MANAGEMENT AND THE MERIT PRINCIPLE

Hon. Walter Baker (President of the Privy Council and Minister of National Revenue): Mr. Speaker, I would like to table, under the provisions of Standing Order 41(2), in both official languages, copies of the report of the Special Committee on the Review of Personnel Management and the Merit Principle.

* * *

FEDERAL BUSINESS DEVELOPMENT BANK ACT

RENUMBERING OF CERTAIN SECTIONS

Hon. Ron Huntington (Minister of State for Small Businesses and Industry) moved for leave to introduce Bill C-4, an act to amend the Federal Business Development Bank Act.

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

* * *

BRETTON WOODS AGREEMENTS ACT

SUBSTITUTION OF SECTION 5(1)

Hon. John C. Crosbie (Minister of Finance) moved for leave to introduce Bill C-5, an act to amend the Bretton Woods Agreements Act.

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

* * *

SUPPLY

REFERENCE OF ESTIMATES TO STANDING COMMITTEES

Hon. Walter Baker (President of the Privy Council and Minister of National Revenue): Mr. Speaker, pursuant to Standing Order 59, I move that the estimate of sums required for service to Canada for the fiscal year ending March 31, 1980, and that Supplementary Estimates (A), 1979-80, tabled on October 11, 1979, be referred to the several standing committees of the House as indicated in these lists attached hereto.

Estimates

[*Editor's Note: The lists referred to are as follows:*]

To the Standing Committee on Agriculture

Agriculture Votes 1, 5, 10, 15, 20, 25, 30, 35, 40, 45 and 50

To the Standing Committee on Broadcasting, Films and Assistance to the Arts

Communications Votes 1, 5, 10 and 15

Secretary of State Votes 1, 5, 10, 15, 20, L25, 30, 35, 40, 45, 50, 55, 60, 65, 70, 75, L80, 85, 90, 95, 100, 110 and 115

To the Standing Committee on External Affairs and National Defence

External Affairs Votes 1, 5, 10, L15, 20, 25, 30, L35, L40, 45 and 50

National Defence Votes 1, 5, 10 and 15

To the Standing Committee on Finance, Trade and Economic Affairs

Economic Development Vote 1

Finance Votes 1, 5, 10, 15, 20, 30 and 35

Industry, Trade and Commerce Votes 1, 5, 10, 15, 20, 25, L30, L35, L40, 45, 50, 55, 60, 65, 70 and 75

National Revenue Votes 1, 5 and 10

Privy Council Vote 20

To the Standing Committee on Fisheries and Forestry

Environment Votes 1, 5, 10, 15, 20, 25 and 30

Indian Affairs and Northern Development Votes 50, 55 and 60

To the Standing Committee on Health, Welfare and Social Affairs

Consumer and Corporate Affairs Votes 1 and 5

National Health and Welfare Votes 1, 5, 10, 15, 20, 25, 30, 35, 40, 45 and 50

Public Works Votes 45, 50, L55 and L60

To the Standing Committee on Indian Affairs and Northern Development

Indian Affairs and Northern Development Votes 1, 5, 10, 15, L20, 25, 30, 35, L40, L45, 65, L70, L75 and L80

To the Standing Committee on Justice and Legal Affairs

Justice Votes 1, 5, 10, 15, 20, 25, 30, 35, 40, 45 and 50

Solicitor General Votes 1, 5, 10, 15, 20, 25 and L30

To the Standing Committee on Labour, Manpower and Immigration

Employment and Immigration Votes 1, 5, 10, 15, 20, 25 and 30

Labour Votes 1, 5, 10 and 15

To the Standing Committee on Management and Members' Services

Parliament Votes 5 and 10

To the Standing Committee on Miscellaneous Estimates

Finance Vote 25

Governor General and Lieutenant Governors Vote 1

Industry, Trade and Commerce Vote 80

Parliament Vote 1

Privy Council Votes 1, 5, 15 and 30

Science and Technology Votes 1, 5, 10, 15, 20, 25, 30 and 35

Secretary of State Vote 105

Supply and Services Votes 1, 5, L10 and 15

Treasury Board Votes 1, 5, 10, 15, 20, 25 and 30

To the Standing Committee on National Resources and Public Works

Energy, Mines and Resources Votes 1, 5, 10, 15, 20, 25, 30, L35, 40, 45, 50, 55, 60, 65, L70, L75, L80, L85 and 90

Public Works Votes 1, 5, 10, 15, 20, 25, 30, 35, 40, 65, 70, L75, 80 and 85

To the Standing Committee on Northern Pipelines

Privy Council Vote 25

To the Standing Committee on Privileges and elections

Privy Council Vote 10

To the Standing Committee on Regional Development

Regional Economic Expansion Votes 1, 5, 10, L15, L20, 25 and 30

To the Standing Committee on Transport and Communications

Post Office Votes 1 and 5

Estimates

Transport Votes 1, 5, 10, 15, 20, 25, 30, 35, 40, L45, L50, L55, 60, 65, L75, 80, 85, 90, 95, 100, 105, L110, L115, 120, 125 and 130

To the Standing Committee on Veterans Affairs

Veterans Affairs Votes 1, 5, 10, 15, 20, 25 and 30

To the Standing Committee on Agriculture

Agriculture Votes 15a, L21a, 35a and 50a

To the Standing Committee on Broadcasting, Films and Assistance to the Arts

Communications Vote 10a

Secretary of State Votes 20a and 45a

To the Standing Committee on External Affairs and National Defence

External Affairs Votes L15a, L16a and 30a

To the Standing Committee on Finance, Trade and Economic Affairs

Finance Votes 7a and 40a

Industry, Trade and Commerce Vote 55

To the Standing Committee on Fisheries and Forestry

Fisheries and Oceans Vote 10a

To the Standing Committee on Health, Welfare and Social Affairs

Consumer and Corporate Affairs Vote 5a

Public Works Vote 51a

To the Standing Committee on Indian Affairs and Northern Development

Indian Affairs and Northern Development Votes 65a and 78a

To the Standing Committee on Justice and Legal Affairs

Solicitor General Votes 5a and L19a

To the Standing Committee on Labour, Manpower and Immigration

Employment and Immigration Votes 15a and 20a

To the Standing Committee on Miscellaneous Estimates

Supply and Services Vote L6a

To the Standing Committee on National Resources and Public Works

Energy, Mines and Resources Votes 15a and L36a

Public Works Votes 40a and 85a

To the Standing Committee on Transport and Communications

Transport Votes 60a, 90a and 107a

Hon. Robert K. Andras (Thunder Bay-Nipigon): Mr. Speaker, in reference to the comment made by the President of the Privy Council (Mr. Baker), can we have a clear and unequivocal confirmation or otherwise from the President of the Treasury Board (Mr. Stevens) that he takes his responsibility for making recommendations on these estimates to Parliament?

Mr. Baker (Nepean-Carleton): Mr. Speaker, I understood that the matter had been dealt with rather conclusively by the Chair on Friday. A parliamentarian of the standing of the hon. member for Thunder Bay-Nipigon (Mr. Andras) should know what that position is. The situation now, sir, is that before this House there stands a motion in my name to refer the estimates to the committees which were established by this House, by consent, last week. That motion is neither debatable nor amendable. I suggest we get on with dealing with the motion so that the committees can get to work.

● (1210)

Hon. Allan J. MacEachen (Cape Breton Highlands-Canso): Mr. Speaker, the President of the Privy Council has referred to a procedural ruling made by Your Honour, which we accept. He has proposed that the estimates go to committee. We will deal with that motion when it is put to the House.

[Mr. Baker (Nepean-Carleton).]

Let me tell my hon. friend, however, that the President of the Treasury Board (Mr. Stevens) will not be able to escape his political and parliamentary responsibilities in recommending to the House of Commons expenditures of over $1 billion. He will not get away in the House with the comment he made to the press, as reported in the Ottawa *Citizen*, to the effect that he was not going to recommend programs or figures that he had no hand in drawing up. If that is his attitude, he is going to have a tough time getting these estimates through the House.

Mr. Baker (Nepean-Carleton): Stop threatening.

Mr. Speaker: Pursuant to Standing Order 59, the motion which has now been moved by the hon. President of the Privy Council (Mr. Baker) is properly before the House. The form of the motion is the rather standard one. Since these estimates have to be moved to various committees, which has been the practice of the House in the past, rather than using the time of the House to read the various estimates and votes and the particular committees to which he referred, a list has customarily been attached to that effect. Therefore, I would take it that the sense of the House is that the motion is in the usual form, and it is the intention of the House to deal with that aspect as though the list attached to the motion had been read with the motion.

The House has heard the terms of the motion. Is it the pleasure of the House to adopt the said motion?

Some hon. Members: Agreed.

Some hon. Members: On division.

Motion agreed to.

* * *

PETITION

MAINTENANCE OF PETRO-CANADA

Mr. Edward Broadbent (Oshawa): Mr. Speaker, I rise to present a serious petition to the House of Commons, signed during the past two weeks by more than 100,000 Canadians, which urges this House to instruct the government in unequivocal terms to maintain Petro-Canada as it now is, for the benefit of the people of Canada from coast to coast.

Some hon. Members: Hear, hear!

Mr. Speaker: Orders of the day.

* * *

[*Translation*]

SPEECH FROM THE THRONE

CONTINUATION OF DEBATE ON ADDRESS IN REPLY

The House resumed consideration of the motion of Mr. Fretz for an address to His Excellency the Governor General in reply to his speech at the opening of the session, and the amendment thereto (Mr. Trudeau) (p. 37).

Mr. Robert Gourd (Argenteuil): Mr. Speaker, for all those who were here on Friday during the last five minutes I dealt

with congratulations, and now I would like to go into the crux of my reply to the Speech from the Throne. I want to thank my leader and my party for giving me the opportunity to make my maiden speech in the House—it is an honour for the riding of Argenteuil that their representative be chosen for such an occasion.

Mr. Speaker, the riding of Argenteuil has been part of the history of Canada since the beginning of confederation, and judging by recent events, Argenteuil will be heard from even more this year at this time of crisis on national unity.

But furthermore, Mr. Speaker, this riding has lot to offer in terms of culture and economic development potential. The riding of Argenteuil is divided into five distinct areas: first, the Petite Nation where unemployment at times reaches the scandalous rate of 33 per cent; that is why, Mr. Speaker, I find the Speech from the Throne of the Progressive Conservatives very conservative in its measures to improve the unemployment situation. Then there are Lachute, Brownsburg and the surrounding areas which used to be the industrial nerve centre in Argenteuil and which are being eroded to the point of nearly disappearing. All sorts of corporations are leaving behind huge, unproductive and empty plants. In this regard also, Mr. Speaker, I deplore the lack of incentive given in the Speech from the Throne to small and medium business which in my riding is the only means of survival in the industrial sector.

[*English*]

The region of St. Adolphe, where nature is at its best throughout the year, has become a natural paradise for tourism all year long. It is so agreeable that both the leader of the national Liberals and the leader of the provincial Liberals has taken up residence in this beautiful sector of Argenteuil.

I was pleased to see in the Speech from the Throne that provision was made for a strategy to be developed, but I am amazed, Mr. Speaker, that at a stage where the provinces are concerned, we are only talking of strategy when we all know it is time for action.

● (1220)

[*Translation*]

Mirabel! Mirabel! I am pleading directly with the Minister of Transport (Mr. Mazankowski), Mr. Speaker. It is unthinkable that such a potentially rich area should be paralysed because of administrative bureaucracy. I am therefore asking the minister to involve himself directly in this matter so that a rapid transit system can be developed between Montreal and Mirabel which would benefit over a million people and would facilitate the development of this airport complex which is the gateway to North America. The economic expansion of Mirabel would also benefit the Oka and St. Placid region.

Mr. Speaker, that is the brief overview of the situation in Argenteuil that I wanted to give the House. I am convinced that, the government willing, I will not have to quote what the hon. member for Chapleau said in this House on August 16, 1946. The right hon. Prime Minister (Mr. Clark), both in his press conference and here in this House, spoke of co-operation with all members of Parliament.

I wish to congratulate the government which is concerned with the fate of our cultural industries. Unfortunately I note, Mr. Speaker, that such concern is misdirected because it is centred on the accessory and ignores the essential. Who are, in the first place, our cultural producers? The authors. Now, those authors are barely protected under a single law already more than half a century old. Nowhere in the throne speech has the government shown that it is fully aware of that issue when throughout Canada the authors are loudly demanding to the Prime Minister himself that vigorous political action be undertaken.

What is hindering the settlement of the matter? First, an interdepartmental committee met without knowing exactly what it was going to do, because nobody assumed responsibility. Then, the Minister of Consumer and Corporate Affairs (Mr. Lawrence) who is responsible for the administration of the Copyright Act is not concerned with the interests of the authors, since he is dealing with those who exploit the works of the authors and not with the authors themselves.

The solution, Mr. Speaker, is quite simple, and I fully agree with the many authors and artists who are begging the government to transfer immediately responsibility for that sector from the Department of Consumer and Corporate Affairs to the Department of the Secretary of State which is in a better position to undertake as soon as possible the most important review for safeguarding the Canadian culture, that is, of the Copyright Act.

Mr. Speaker, what the government is prepared to do for our Canadian artists seems to me to be too little and too late, and by breaking up Loto Canada it is missing an opportunity to support them since part of the revenues of that agency could have been used to subsidize our artists. Mr. Speaker, my slogan throughout the campaign was "Speak up, Argenteuil", and that is exactly what I intend to do in the face of this government which, from the start, seems at a loss to know what to do with its power and already shows indications of growing dullness.

I wonder, Mr. Speaker, why this government of our Tory friends, who fiercely denounced the budget introduced by the former finance minister, the hon. member for Saint-Maurice (Mr. Chrétien), has not found time in four months to produce any fresh ideas. Instead, it has raised interest rates once again to penalize the population and help the big and powerful friends of the Tories grow wealthier. True, I was about to forget the provision to help landlords, only to the detriment of tenants. These are the not so fresh ideas, Mr. Speaker. We

have in front of us a government of novices whose internal wranglings are paralysing the good administration of our country. Those super-ministers of pseudo super departments, who became super-salesmen, proved to us who they really were with the sale of Candu to Argentina, which once again, Mr. Speaker, will penalize the Canadian public.

I cannot refrain from saying a few words about the embassy case at a time when all nations are attempting to solve the problems faced by Israel and Egypt. Our government, Mr. Speaker, is taking up the whole matter again only for tiny political gains. Those are, Mr. Speaker, the views of the right hon. Prime Minister (Mr. Clark) on a strong and respected Canada. To conclude, Mr. Speaker, I must say that, as the member for Argenteuil in the opposition, my intention is to observe carefully the sayings and doings of this administration and to look after the interests of my constituency.

An hon. Member: Hear, hear!

Mr. Ken Binks (Ottawa West): Mr. Speaker, first of all I want to congratulate you on your election as Speaker of the House of Commons. In the past you accomplished your historical duties in such a way that you added dignity and respect to the parliamentary process. I join other members in congratulating also the mover and the seconder of the Address in Reply to the Speech from the Throne. I wish them much success in their careers in the House and in the service of the public.

[*English*]

Mr. Speaker, I rise today with what I can assure you is a great deal of trepidation but a heart full of pride. Like so many members of this House, and those that have gone before me, I have spent a lifetime in the shadow of the Peace Tower. From the nearest public school to these buildings, our teacher often brought us here to sit in the gallery. My grandfather photographed the great fire of February 1916, and sent photographs of it to the four corners of the world. My uncle welded the gargoyles just beneath the great clock on the Peace Tower itself.

When I was a young man, it was my privilege to work within the walls of this great building for two years as a library assistant in the Parliamentary Library. My wife was the private secretary to the leader of the CCF. She came to the library to borrow a book one day and, needless to say, my love for the Library and, indeed, for the whole institution of Parliament has never diminished. I still have the same faith in and awe for this House of Commons as I did as a schoolboy in the gallery.

[*Translation*]

When Mr. Arthur Meighen was asked the secret of his rapid rise in the House of Commons, he would simply reply, "The Parliamentary Library."

[*English*]

Senator Gratton O'Leary once wrote that if he were asked by a young member of Parliament for his advice, he would say unhesitatingly to him, "Study, listen and wear a path to the Parliamentary Library, and reverence always the House of Commons". So for many years I have watched the various Parliaments, our great leaders and the many hundred worthy members who have gone before.

On this auspicious occasion, I say it is an honour for me to represent the electors of Ottawa West, a riding which has been represented by Sir John A. Macdonald and by Sir Robert Borden, to mention only two of the distinguished statesmen who have represented this riding and who have reverenced the House of Commons. I want to thank the people of Ottawa West for sending me here to represent them. I am proud and deeply grateful for this high honour. I will strive to serve them, all of them, in the fullest way.

I wish to pay tribute to the greatest House of Commons man of this generation, and a close personal friend, the Right Hon. John G. Diefenbaker. It is not my intention to deliver another eulogy to Mr. Diefenbaker. The Prime Minister already did that beautifully at the graveside in Saskatoon.

When Mr. Diefenbaker made his maiden speech in this House in 1940, we were suffering the very darkest days of the war. What was it that we were fighting for in that war? What was it that so many Canadians laid down their lives for? What is it that has brought so many people to our shores since the war? If we can answer these questions it may help us with the problems we have in dealing with the future course of this country.

Surely the war was fought, great sacrifices made and millions of new people came to live in Canada because our Canadianism is thought to be worth living for, as so many proved that it was worth dying for.

All the people who have come to Canada have come to build, not to destroy. They have come to practice tolerance and not prejudice. We do not have to undo 500 or 1,000 years of injustice here, but in saying this, Mr. Speaker, we will be wise to give deep thought to our essential Canadianism. It was one of Mr. Diefenbaker's greatest gifts that when he spoke about Canadians, they felt two feet taller. There is still room for builders in Canada notwithstanding perplexing problems both domestic and international. There is still room for growth. I disagree with those who say we can no longer grow in Canada. I believe the reason this party was elected to form the government is that most Canadians still believe this.

• (1230)

There is a danger of taking our country for granted. The government should constantly remind Canadians about their Canadianism. There should be statues here on Parliament Hill of Canadians who have contributed to the glories of Canada, as there should be statues and reminders elsewhere. I would like to see monuments erected near these buildings to C. D. Howe, J. S. Woodsworth, and some of our prime ministers not now honoured, to other Canadians not only in politics but in all fields of endeavour.

We often talk about putting Canadian content into the CBC. We are concerned about the difficulties faced by

Canadian writers and artists. It is time to put Canadian content everywhere in this country. Recently, an American teacher visited Kingston. She was a professor of French and Canadian studies in Cleveland and was attending a seminar in the Kingston area this past summer. She was well equipped with the usual tourist brochures when she went hunting for Sir John A. Macdonald's resting place, among other attractions. She said she found the Hockey Hall of Fame and the Steam Museum in five minutes, but it took her nearly 1½ hours looking at gravestones to find Sir John's in Cataraqui cemetery, and she only found it by stumbling across it. This American citizen left $10 to help with the upkeep of the grave. She said if the grave of an equally important national figure was located across Lake Ontario on the American side, it would probably be under an eleven-storey monument.

In coming to this House of Commons for the first time, I considered making some remarks about what has happened to the public service and to the city of Ottawa over the past decade by reason of policies which I consider to be wrong, and also to discuss some of the positive steps that I believe should be taken to diversify the national capital area and improve its economic prospects. But I have decided that I will make these statements in this House on another appropriate occasion.

I do want to speak about a matter which arose during and since the election. I refer to the refugee problem. The refugees have been described as boat people. Apart from aboriginal Canadians, there is a sense in which all Canadians throughout the course of our history have been boat people. We are all descended from boat people; in fact, the first boat people here were with Cartier when he sailed up the St. Lawrence.

I am proud to represent so many people in Ottawa who opened not only their hearts but also their pocketbooks to the boat people. In doing so, they have responded to one of the oldest traditions in Canada, that of helping those from other lands to find a new life with us. I would hope the government would be able to devise ways and means of coping with the international refugee problem in some permanent way, because I fear that other dictatorships in the South Pacific and elsewhere may use the same means to get rid of dissenters.

Many of our statesmen, artists and writers have attempted to define what it means to be Canadian. Sir Wilfrid Laurier expressed this Canadian identity as follows:

[*Translation*]

As for me, I do not want French Canadians dominating anybody and I do not want anybody to dominate them. Equal justice, equal rights. It has been written that the grains of sand of the seas have been counted, that not one hair may fall from our head without the intervention of an eternal and wise Providence. Isn't there reason to believe that, when the supreme battle was waged on the Plains of Abraham and we lost, Providence had intended the two races heretofore enemies to live in peace and harmony from then on upon this continent forming a single nation? There—

—said Sir Wilfrid Laurier—

—lies the idea which presided over the creation of Confederation. When the British provinces were united under the same constitution, the then openly admitted hope was to give to all its scattered components the same national ideal, offering the world the image of a nation diverse in its origins upholding among all its elements the respect for family traditions and ethnic pride, but hereafter providing to all a single and common aspiration.

[*English*]

Mr. Speaker, the people living in this country today should be, I repeat, the envy of all. They have better opportunities for full and rewarding lives, more so than ever before, and very few places in the world can match these opportunities. But I say to you, sir, that it will be our responsibility to ensure that Canada and Canadians remain the envy of all.

I look forward to being a part of this new government which the Prime Minister (Mr. Clark) said here this morning is a government with a mandate for change. I look forward to working under the dynamic leadership of the Prime Minister and his cabinet. We have all inherited a rich endowment of wisdom and nature. May we never forget it. Let us Conservatives remember, as Lord Hailsham so wisely pointed out, that we are not curators of a museum, but cultivators of a garden.

[*Translation*]

In those words, Mr. Speaker, I say: Evil be to him who evil thinks.

● (1240)

[*English*]

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

[*Translation*]

Mr. Speaker, since the new member for Ottawa West (Mr. Binks) has indicated his support for the minorities and for the linguistic diversity within our country, I would like to ask the hon. member if he would agree to make representations to his leader in order that the latter address those same representations to the government of the province of Ontario and encourage them to reconsider their decision not to grant the people of Penetanguishene a French high school.

Mr. Binks: Mr. Speaker, I understand that question was raised last week in the House and received an answer then.

[*English*]

Hon. Allan J. MacEachen (Cape Breton Highlands-Canso): Mr. Speaker, in following the hon. member for Ottawa West (Mr. Binks), who has just delivered his maiden speech, I should like to congratulate him not only on his election to the House of Commons but on his spirited first appearance in this chamber. At the same time, I should like to congratulate the Speaker on his re-election as Speaker of the House, a re-election which was based upon his performance in the last Parliament, one which was such that his selection was the unanimous choice of this chamber.

The mover (Mr. Fretz) and the seconder (Mr. MacDonald (Cardigan)) of the address performed extremely well and I congratulate them, too. Of course, I congratulate all the new members who have been elected to this chamber, as well as the older members who have survived the election and who once again appear here, as a large number of us do.

However, it is not an encouraging period for re-elected members on the other side of the House. It seems that in the selection of his cabinet, the Prime Minister (Mr. Clark) has placed very low priority on service in the House of Commons and a very low priority on a distinguished record in this chamber. How, otherwise, could one explain the exclusion from the cabinet of such persons as the hon. member for Peace River (Mr. Baldwin)—unfortunately, he is not in the House today—the hon. member for Calgary North (Mr. Woolliams), and a whole list of members on the other side who, had they been added to the cabinet, would have performed much more capably than those we have witnessed falter through the question period demonstrating their lack of grasp of our procedures?

All of us have come through an election which was conducted under the electoral reforms approved in the last Parliament. Basing my judgment on my experience, the general framework of these reforms, especially the norms applied to spending, collection and assistance from the public treasury in the running of the election, proved to be sound, although there may be changes which ought to be implemented, and added a much needed reform to our electoral system. We on this side welcome the indication made by the Prime Minister, first in the Speech from the Throne and later in his address, that the procedures of the House of Commons are to be examined in the Committee on Procedure and Organization. We on this side will participate constructively in that re-examination and strive to improve the operation of the House where that is possible.

We need, of course, the fresh views brought into the House by new members who sit in this Parliament in all quarters, and I hope the process adopted in the effort to improve our rules will be such that the contribution of new members will be heard and that they will have an opportunity to give expression to fresh and independent opinions after some experience in observing the operations of the House.

I listened with great interest to the Prime Minister's comments on Parliament. Listening to him, one would almost think that this was the first Parliament of Canada rather than the thirty-first. One got the impression that the world had begun the moment he assumed office. That is not the case, of course. We have a lot of experience in the House of Commons and not all of its operations are bad. I believe we ought not to leave the impression that everything we do is wrong, though there is obviously room for improvement.

The Prime Minister referred to what he called the historic role of Parliament to control the public purse, and went on to say that this role had been eroded by guillotine rules which meant that each year millions of dollars in public spending went unscrutinized and unchallenged. Mr. Speaker, that statement is certainly an indictment of the official opposition, now the government, while they were sitting on this side of the House. "Unscrutinized and unchallenged", the Prime Minister says about spending proposals. We shall show the country, if he was not able to show the country, how that scrutiny can take place under this particular opposition.

Some hon. Members: Hear, hear!

Mr. MacEachen: I will go further and remind the right hon. gentleman that when he talks about the erosion of Parliament, it is an erosion, if that be the case, in which members of the Conservative party participated fully. I say this because I have before me copies of the *Journals* which show that in 1968 our current rules were adopted unanimously by every member of the House including the Prime Minister's party, led then by the gentleman who is now promoting a new policy for the Prime Minister in the Middle East. So, if there are complaints about the current procedure, let the government take its responsibility for the role members of the Conservative party played in implanting it upon the House of Commons. I shall have more to say about that later, Mr. Speaker.

Of course, the media, especially, are obsessed with the possible length of this Parliament. I am often asked how long the Thirty-first Parliament is going to last. I say that it does not depend mainly upon the opposition; it depends mainly upon the government. It depends on how well and how skilfully the government manages the affairs of this House, how sensitively it reacts to the moods of the House of Commons and how carefully it assesses public opinion in this country.

● (1250)

Mr. Hnatyshyn: We are in for four years.

Mr. MacEachen: If it is able to do these things, its prospects for existence are much greater than if the conduct exhibited so far by the President of the Treasury Board (Mr. Stevens) becomes the model for members of the government.

We have before us now a very important issue which will permit the government to show the qualities it wants to bring to bear upon the operation of the business of this House, and that is the matter of Petro-Canada. Here it has an opportunity to demonstrate whether it is willing to conciliate or whether it wishes to facilitate, by its stubborn insistence on an ideological position, its own demise.

We have had a list of bills put forward by the President of the Privy Council (Mr. Baker), and it is interesting to look at it because obviously it is the first result of the long summer. It is a very lengthy list of bills, about 90 in all. We have succeeded, in past sessions, in passing about 40 to 60 bills, and I wonder how this enormous amount of business is to get through the House unless the government proposes to impose upon the House an even more severe form of guillotine to which the Prime Minister took exception in his speech.

The list is lengthy, but unimpressive. It is mainly concerned with administrative matters and is very weak on policy-oriented bills. In fact, many of the bills are drawn from the leftovers or holdovers from the last Parliament of Canada. There are very important omissions. There is no bill on the referendum, which is a remarkable omission. There is no bill on the international economic boycott. Remember the vigour and passion with which hon. members now sitting on the government side demanded that we proceed with a bill dealing with

the international economic boycott? There is no mention of it in the list.

There is no mention of a bill on public service staff relations but, of course, there are such urgent matters as income tax international conventions, Montreal and Quebec port wardens, a Canada-France champagne agreement, a migratory birds convention and matters relating to caribou migration. If the Prime Minister was serious about getting 90 bills through the House of Commons, why did he not call Parliament much earlier?

Some hon. Members: Hear, hear!

Mr. MacEachen: Why was Parliament not called? Why have we witnessed the longest adjournment or absence of Parliament probably in the history of Canada or, certainly, in its modern history? This government has taken a very leisurely approach.

Early this year hon. members opposite were clamouring for a budget. They were asking the former minister of finance to bring in another budget following the budget he had brought in in November. Today is October 15, and the Minister of Finance (Mr. Crosbie) has not bestirred himself yet to bring in a budget and we have not been told when that budget will be brought in, except that it will be brought in before Christmas.

There has been absolutely no urgency exhibited by this government in calling Parliament or preparing a legislative program for this House of Commons. Having said that, I want to add a further comment. In the light of that record it ill behooves the government to put pressure on the House of Commons to move quickly. If time were needed and if matters were urgent, then it was open to members of the government to call the House, to have at the present time brought forward its bills and to have had behind them five to eight weeks of legislative work.

We know what the immediate agenda is to be. We have to complete this debate. We have to deal with the budget bills which were uncompleted in the last session. They now become the budget bills of the new government. It will not be the former minister who will move these bills and recommend them to the House; it will be the new Minister of Finance, seconded by a member of this government. This government must get through budget bills. That is a big second item. Maybe, as has been the case in the past, the bringing on of these bills will initiate a very important economic debate. Who knows?

Then we have the spending program of the new government put before the House last Thursday by the President of the Treasury Board. Then we have the first budget, hopefully before Christmas, of the new Minister of Finance. After having dealt with all of these matters, how much more can we do? Maybe the freedom of information bill before Christmas or in the early part of the session, maybe conflict of interest legislation, but let me say that working very hard, in the light of the delay the government has imposed upon this House, it will be very difficult to stack up an impressive list of legislative achievements in the early part of the session.

I want to make reference to the spending program, the main estimates and the supplementary estimates tabled by the President of the Treasury Board. These estimates were tabled unchanged from those which were tabled by the former president of the treasury board. Remember, when they were tabled by the former president, the words of the hon. member for Calgary North (Mr. Woolliams) to the House of Commons in commentary on those estimates? They were "cooked". They were "deceptive". They were "dishonest". We were "concealing things". Lo and behold, despite these strictures, after 4½ months in government the same estimates are brought forward by the new government. Hon. members opposite had plenty of time if they wished to alter those estimates.

Mr. Woolliams: Mr. Speaker, I rise on a question of privilege. The distinguished hon. member would not want to misquote me. He referred to Calgary North instead of Calgary South. There are directions in Calgary. I am sure I never at any time referred to those estimates. If I did, I stand corrected. Perhaps the hon. member means Calgary Centre instead of Calgary North.

Mr. MacEachen: Mr. Speaker, I obviously would want to accept immediately the words of the hon. member. The hon. member to whom I ought to have referred is the hon. member for Calgary Centre (Mr. Andre).

Mr. Woolliams: Thank you very much.

Mr. MacEachen: I certainly would not attribute to the hon. member for Calgary North the reckless remarks which were made by his colleague, the hon. member for Calgary Centre.

I call it one o'clock, Mr. Speaker.

The Acting Speaker (Mr. Scott, Victoria-Haliburton): It being one o'clock, I do now leave the chair until 2 p.m.

At one o'clock the House took recess.

• (1400)

AFTER RECESS

The House resumed at 2 p. m.

Mr. MacEachen: Mr. Speaker, before the adjournment at one o'clock I mentioned the estimates that had been tabled by the President of the Treasury Board (Mr. Stevens) last Thursday which have now been referred to the standing committees. In leaving that subject, let me just say that the President of the Treasury Board and the individual ministers who are seeking these expenditures for the public business of Canada will have to take their responsibility before the House of Commons for recommending these estimates before they will receive an easy passage by the House of Commons. We do not intend to vote moneys which ministers do not want, we do not intend to vote moneys which ministers are not prepared to defend, and we do not intend to vote moneys for expenditures for which ministers

will not take responsibility. I just leave that thought with the President of the Treasury Board with the expectation that upon reflection he will take a more co-operative attitude with the House of Commons as he asks us to vote more than $50 billion for the purposes of the government without being prepared to say to the House that he really wants them and takes responsibility for the amounts of money that are requested. I leave that subject there because it is a matter to which we can return later.

Now I want to say a word about the structure of the cabinet and particularly the fact that the representative of the province of Nova Scotia in the Government of Canada is excluded from the main decision-making body of this country. The Minister of Regional Economic Expansion (Mr. MacKay) is not a member of the inner cabinet; he is not a member of the main decision-making body of this country. I want to tell the Prime Minister (Mr. Clark) that that situation is unacceptable to the province of Nova Scotia, and I ask the Prime Minister to restore to Nova Scotia the position in the Government of Canada that it has occupied since confederation.

In my lifetime seats have been occupied in the cabinet by such people as the late J. L. Ilsley, the late Robert Winters and the late George C. Nowlan, and I wonder whether either one of them would have accepted the situation of being left cooling his heels in Ottawa or some other part of Canada while the big boys were in Jasper making the important decisions. That is the question that is agitating the interests of the people in my province and, I am sure, the people who have supported the Progressive Conservative candidates in Nova Scotia in the last election. Why is it that our minister is not in the inner cabinet? Why is it indeed that Newfoundland with seven members in the House of Commons deserves two ministers, one of whom sits in the inner cabinet, and Nova Scotia with 11 members deserves only one minister who is not entitled to sit with the big boys when they make the decisions? I am not complaining about the generous treatment given to Newfoundland, but I am asking that equally generous treatment be given to the historic province of Nova Scotia.

Some hon. Members: Hear, hear!

Mr. MacEachen: The Speech from the Throne talks about strengthening the mandate of the Department of Regional Economic Expansion. Well, that is idle talk. The way to strengthen the mandate of that important department is to put the minister in the inner cabinet. The fact that the government, so it is said, has placed such high priority on questions of regional economic expansion and yet has excluded from the decision-making body the Minister of DREE defies description. I ask the government to bring forward their bill which is intended to strengthen the mandate of regional economic expansion and we will use that occasion to urge the government to make the first start in strengthening the department by putting its minister where he ought to be.

I know a little something about representing a small province in the cabinet of Canada and I am telling you, Mr. Speaker, that it is tough enough to represent a small province and achieve its objectives in the cabinet when you are present; it is quite impossible when you are absent. I could go on and cite instances, in my opinion, of inaction, wrong actions or inordinate delays affecting the province of Nova Scotia, which I attribute to the absence of the minister from the main decision-making body of the cabinet. I will return to that subject later as I want to say just a word or two about an incident that happened during the question period last Friday when we were talking about the policy of the Government of Canada on the Middle East.

• (1410)

The unsureness of this government has been demonstrated time and time again by confusion and uncertainty, and that is especially true in the field of foreign policy. Confusion and uncertainty are the order of the day. It was added to, heightened and strengthened last Friday when we put questions to the Prime Minister and the Secretary of State for External Affairs (Miss MacDonald) asking them to tell us what their current policy is on the moving of the embassy from Tel Aviv to Jerusalem.

The day after he was sworn in as Prime Minister the leader of the government said, referring to the question of the embassy, that "these questions are now beyond discussion as to their appropriateness". He said that these questions are now beyond discussion, but on Friday neither the Prime Minister nor the Secretary of State for External Affairs would tell us what their current policy is. Is it still the intention of the government to move the embassy? You can imagine the confusion that existed in our embassies throughout the world when the message went out on the weekend telling them what their minister and their Prime Minister said. What would they say to an inquirer on Monday when asked what the government is now thinking about the matter of the embassy and the recognition of Jerusalem as the capital of Israel? In one answer the Prime Minister not only cast doubt upon the status of the decision to move the embassy, he cast doubt upon the policy of the government toward the Palestinian Liberation Organization and, thirdly, he cast doubt on Mr. Stanfield as an ambassador. It requires a master of uncertainty to achieve those three objectives in one single answer.

Some hon. Members: Oh, oh!

Mr. MacEachen: We do have a master of uncertainty and confusion in the field of foreign policy.

I have already talked about the lack of clarity on the movement of the embassy. My colleague, the hon. member for Saint-Denis (Mr. Prud'homme), asked the Prime Minister whether Mr. Stanfield was free to talk to the PLO and the Prime Minister said: "Of course, he is free to talk to anybody". We know of the experience the United States has had in this regard. Their policy was not to talk to the PLO and when Andrew Young talked to them he was fired. There is no such strict attitude here. People are free to talk.

Then the hon. member asked whether that does not imply a recognition of the PLO by the Canadian government and the

Prime Minister said: "Well, no, because I have created a new international creature called 'an ambassador extraordinary', and because he is an ambassador extraordinary he is not a representative of Canada, in some way because his presence with others does not imply the presence of the Government of Canada." I wonder what King Hussein thinks now, being told by the Prime Minister that Mr. Stanfield really was not what he said he was, and is not what the order in council says in both languages he is, that he is a special representative of the Government of Canada and an ambassador at large. The word "extraordinary" does not appear in either French or English.

Will you please tell us, Prime Minister, when you get the first opportunity, what is the status of Mr. Stanfield? Is he a representative of the Government of Canada or is he not? Is he half a representative, thereby earning the description "extraordinary", and will you tell us whether, because he is only half a representative, or less than a full representative, when he speaks to bodies like the PLO he does not imply any recognition of those organizations? These are all confusions that were created during one single question period last Friday.

The Acting Speaker (Mr. Scott, Victoria-Haliburton): Order, please. I regret to inform the hon. member that his time has expired. In order for him to continue he must have the unanimous consent of the House. Does he have that consent?

Some hon. Members: Agreed.

The Acting Speaker (Mr. Scott, Victoria-Haliburton): I recognize the hon. member for Cape Breton-The Sydneys and Canso.

Mr. MacEachen: Mr. Speaker, I know that the city of Sydney has an excellent representative already in the person of the hon. member for Cape Breton-The Sydneys (Mr. MacLellan), and I would not attempt to replace him in the House. My constituency is Cape Breton Highlands-Canso. I just want to give this piece of advice to the government. Why not end the uncertainty now? Why not do what you know you are going to do down the road, and that is revoke the decision to move the embassy from Tel Aviv to Jerusalem?

Some hon. Members: Hear, hear!

Mr. MacEachen: Do that now and end what the Minister of State for International Trade (Mr. Wilson) so eloquently called the "hiatus". That is a new Conservative word for "economic depression" in our commercial relations with the Middle East. The minister in response to questions from this side did admit there was a hiatus in those commercial relations. End this hiatus. If any of you were in doubt about the gravity of the situation you must have had your minds clarified by listening last night to Minister Yamani on television when he made it very clear that Saudi Arabia was waiting for clarity from the Government of Canada on this particular, so-called, unnecessary Stanfield mission. It is not needed. I wonder why the Prime Minister would ask Mr. Stanfield to go on this mission to collect facts which are known already and to furnish information which is presently available in the Department of External Affairs. Let us end this charade and get on with the serious business of making decisions soon.

Let me turn to another phase of our foreign policy, and this has to do with the pronouncements of the Secretary of State for External Affairs. There are two voices now for external affairs speaking from a single throat. There was one voice which spoke at the United Nations making a clarion call for human rights. Certainly in that call the minister has our full support. Indeed, she went on to say that full human rights cannot be achieved in the world unless there is provided to the poor and those in want the basic necessities of life—food, clothing, health care and shelter—and certainly with that we agree. That is the position we took when we were in government and we support it today.

● (1420)

The minister made that statement of principle. She appeared as "Lady Bountiful" before the United Nations. We supported her there, but she later appeared before the Empire Club in Toronto where she made a change in emphasis. Why did she put in question before the Empire Club some of the traditional and still cherished principles of international aid policy?

Miss Jewett: Read my speech of Friday.

Mr. MacEachen: I not only had the pleasure of reading the speech of the hon. member, but I had the pleasure of watching her on television Friday afternoon, and I heard all that she had to say. There were some valid comments, which I intend to pursue at the present time. The minister took an entirely different attitude at the Empire Club in Toronto. In fact, this particular red Tory took on a very bluish tinge before that club.

Since I do not want to take advantage of the latitude of the House, I would like to conclude by mentioning two particular matters. The first matter has to do with the question, asked by the minister. She asked the question, "What is Canada doing in certain parts of the world?" The press informs us that the original text said, "What is Canada doing in Africa?", but I am not quarrelling about that. She may have wanted to blunt the strength of her policy or her suggestion by saying, "What is Canada doing in certain parts of the world?"

Indeed, what is Canada doing in certain parts of the world? What is Canada doing in Africa? Canada is in Africa because in Africa live among the poorest people of the world. What is Canada doing in Asia? What is Canada doing in South America? What is Canada doing in the Caribbean? The minister said that we are not there because of trade, and because we do not have trade we are not there because we are a colonial empire. That is true.

Does the minister not realize that we are there because basically we believe in a humanitarian approach to the solutions of the world's problems, that we believe that peace and stability in the world cannot be achieved unless we alleviate misery and poverty, unless we give full human rights to these people? Why is the minister uncertain? Why is she casting

doubt on the fact that Canada is directing large parts of its aid to the poorest countries of the world? I hope that she will take a very early opportunity to clarify this question because there is great concern in this country and elsewhere that Canada is receding from its commitment to these poorest of the poor.

I could go on and quote statements made by the Prime Minister when he was leader of the opposition or statements made by the parliamentary secretary to the minister which contradict totally the new posture which the minister has given to international development questions. I can tell her right now that we disagree on that question. If the minister is questioning the necessity of providing lots of aid to these countries, if she is questioning our emphasis on the Commonwealth, our emphasis on Francophonie, then we disagree with her, as do many others in the country.

I now come to my second point. In her speech at the United Nations, the minister opened a subject which had never been opened by a Canadian foreign minister or a Canadian Prime Minister at the United Nations. She made a relationship between foreign aid to the underdeveloped countries and their political attitudes and political views. In fact, the minister singled out Pakistan as a very large recipient of Canadian aid and implied that that aid is in jeopardy if Pakistan freely expresses its opinion, as it did at the conference of the non-aligned countries.

An hon. Member: Damned right.

Mr. MacEachen: An hon. member says "damned right", and we know who he is and his views. He confirms my interpretation of the speech, that the minister is attempting to link foreign aid with the political views and the political opinions of the recipient country.

An hon. Member: About time.

Mr. MacEachen: Another hon. member says "about time". When the Prime Minister was leader of the opposition, he clearly stated in this House that at no time would he relate foreign aid to the political opinions of the recipient country.

There is another dangerous policy. When aid is given to Pakistan, for example, are we not trying to help the poor of that country? Are we not trying to give them the type of human rights which the minister called for at the United Nations? I certainly oppose a policy which would say to Pakistan or to any other country, "You line up and vote and agree with Canada at international fora, and then you will be considered eligible for Canadian aid".

Some hon. Members: Hear, hear!

Mr. MacEachen: I hope that the minister will take an early opportunity to clarify her position and that she will reject the suggestion which emerged so clearly in her speech in New York and which was supported so vociferously by two members on the Tory benches today, that she will at the earliest opportunity tell us that she has made a mistake.

[Mr. MacEachen.]

The President of the Privy Council (Mr. Baker) has indicated, and rightly so, that I should wind up my speech. I want to do that because I do not want to take advantage of the House.

I am grateful to the Secretary of State for External Affairs for her speeches because she has helped us to understand more clearly what Toryism, whether of the blue variety or the red variety, is all about when it comes to questions of international economic development.

Some hon. Members: Hear, hear!

Mr. Eldon M. Woolliams (Calgary North): Mr. Speaker, I would—

Mr. Knowles: Is this your maiden speech?

Mr. Woolliams: Yes, this is my maiden speech, and I hope that all the maidens of Canada will listen to it. I am always very happy to listen to the hon. member for Cape Breton Highlands-Canso (Mr. MacEachen), because if there is one thing that he is never short on, it is rhetoric and oratorical ability.

Before I turn to a few words of introduction, I think that there is a difference between the government of today and the last government which I sat and listened to in this House. I think our government shows that we are masters of our destiny and the destiny of Canada, while the former government were spectators at their own downfall. I think that puts it in a nutshell.

● (1430)

As a matter of tradition, I should like to congratulate the mover and seconder of the Address in Reply to the Speech from the Throne and incorporate in my remarks all the nice things that have been said about those two distinguished members of Parliament by others. They have fulfilled that tradition and in congratulating them, and I do it genuinely, I wish also to congratulate the Prime Minister (Mr. Clark) and the members of his cabinet.

I think I am making history today, Mr. Speaker, as a native son from western Canada reminding this House of Commons that Canada today has its first western born Prime Minister. There have been other prime ministers from other provinces, such as Bennett from New Brunswick and Diefenbaker from Ontario, who lived most of their youth and mature lives in western Canada, but we have today reached maturity in confederation with the first Prime Minister born and raised in western Canada, in the historic centre of High River.

Some hon. Members: Hear, hear!

Mr. Woolliams: I have an answer to the criticism of the distinguished member from Cape Breton who worries about an inner and outer cabinet. There is no cabinet minister from Calgary but that problem has been solved. Calgary has just grown so large that High River is now a suburb, so the Prime Minister really comes from the city of Calgary.

I should like to remind the House leader for the official opposition of the words used by his leader in his speech the other day. I know the rules about quoting from *Hansard*, Mr. Speaker, but there are only a few lines and I hope members as distinguished as those across the floor from me and who are very experienced will excuse me for quoting from a speech in the same debate. The right hon. Leader of the Official Opposition (Mr. Trudeau) said, as reported at page 30 of *Hansard*:

> I should like now to touch upon the manner in which, as members of the Liberal party, we intend to play the important role of representatives of the official opposition. There is no doubt that the people of Canada have given the Progressive Conservative party a mandate to govern Canada and want us to give them the chance to administer our country without being exposed to political interference and chicanery. Not only do we accept and respect the decision of the people, but we will take seriously the responsibility with which we have been entrusted to co-operate constructively in the preparation of Canadian policies.

To me that means the right hon. Leader of the Opposition, at that moment of truth, informed the House that he and his party intend to give the government a chance to govern. For this I congratulate him.

Having said that, Mr. Speaker, I should like to turn to the subject of my speech today which is confined to one issue and one issue alone. The debate in reference to the Address in Reply to the Speech from the Throne gives every member the opportunity of expressing their views on a crusade which they have been waging and, in addition, gives them an opportunity to set out grievances and recommendations to remedy the crusade as it affects the nation and the constituency.

For ten long years I have been pressing the Canadian government—now it will be governments—and various ministers of the day, namely, the secretary of state for external affairs, the solicitor general and the minister of justice, for some action regarding the treatment that young Canadians have received when arrested in Mexico.

At the outset, let me say that no matter how evil the conduct of a human being, or how low he sinks in society, no matter how degrading that conduct may be in reference to the standards set by society, such person is entitled to be treated with dignity as a human being, to the full protection of the law and, indeed, kindness, charity and understanding. They should receive punishment only after due process of law. While awaiting trial such persons should always be regarded as innocent because of the presumption of innocence under our system.

Like many others in this House, I have spent my lifetime trying to assist people who have run afoul of the law so as to assure that the rule of law as we know it, whether applied in Canada or elsewhere, should govern the conduct of the process of law rather than have people governed by the rule of people. People who are arrested legally, and sometimes illegally, need head and heart concern. Those who have had the privilege of being moulded in a good environment—an environment of the home, the school, society and other institutions—do not often suffer the horrendous trauma of law enforcement. This can be due to their appreciation of responsibility to society or because they are entitled to the best counsel. That is not to suggest for one moment that those who have enjoyed those privileges do not at times flaunt society's rules and regulations; the law should be applied equally to all.

On October 12 last, I put the following question in this House:

> Mr. Speaker, I would like to ask a question of the Secretary of State for External Affairs. I join with others who genuinely offer her good wishes.
>
> My question arises from the fact that Kirk Thomas and Mark Rollin were arrested in Mexico last June and held in jail for three months without charge under circumstances which John Howard, the prison reformer of the eighteenth century, would have found deplorable and inhumane even in England at that time.

My question was very simple: Would the minister make a protest? Had I been permitted—and I am not going to say anything about that at the moment although I may later—to ask one further short question, my point would have been made clear. I should like to put on the record the question I would have asked at that time. I would have asked the minister if she would further protest that dozens of Canadian families in Canada are being ripped off to the tune of thousands of dollars, and in this particular case $10,000, to get the youths home from Mexican jails. On the face of it, in many cases there would appear to be a fraudulent conspiracy—and I do not say this lightly—among Mexican officials who obtained this money for the release of these young people through our embassy, through action which is not acceptable by our standards. In this particular case the youths were held for three months without charge.

In brief, this is one of a dozen examples I have raised in this House and others that have not been mentioned. Kurt Thomas and Mark Rollin, aged 19 and 20 respectively, of Sherwood Park, Edmonton, Alberta, were arrested in Mexico on June 30 last because they went joy riding in a boat in Mexico without the consent of the owner. I do not defend their actions. Even in this country that would be illegal. I am, however, condemning what occurred following their arrest, which was a duplication of what happened in many cases with Canadian citizens visiting Mexico as tourists. In Canada this offence would just result in a summary conviction.

They were arrested on June 30 and held in a jail at La Paz for three months without charge, without medical attention, without dental attention and in the most filthy cell, and were forced to eat out of a dish that no respectable Canadian or citizen of the western world would consider suitable.

The parents, Mr. and Mrs. Gerd Thomas, made one or two trips to Mexico and at first put up $4,697.67 payable, as I understand it, to our embassy for lawyers' fees and restitution for a boat which was not damaged and was returned. In addition and inclusive of that amount of money, they paid out almost $10,000 for one expense or another, most of which under our system or that of any civilized nation would be unnecessary. It would be neither condoned by the law societies of Canada nor by the law of Canada.

• (1440)

After some time in jail the Thomases were allowed to see their son. He had not had a bath for many months; his hair was down past his shoulders; he was unwashed, unkempt and

unclean. His parents brought pressure to bear on everyone they felt had some authority to do something. Finally, after paying the sum of approximately $10,000 for expenses of one kind or another, their son and his friend were released. Charges were withdrawn which had been laid only during the last part of the three months in order to make legal what was illegal.

I might add that I have raised my voice before in reference to matters of this kind. To come to the point, when young people are arrested in Mexico—I have ample evidence, not only from reading the report of the special subcommittee of the Senate of the United States but also from facts concerning other cases in Canada where the incarceration of Canadian and American youth takes place in Mexico—a method is followed. This method, and I have no hesitation or reservation in saying this, is to extort money from parents to the total of their bankroll. Many of these people are hardworking folk, perhaps earning small salaries. After something like this occurs, these people are left bankrupt or in debt.

Let me mention another case in passing which took place on October 22, 1976. This case was reported in *The Globe and Mail*. I quote from this article:

> Jane and Ray Bethune have been trying since January to free their daughter from jail.
>
> Longshoreman Ray Bethune, 56, says he has spent $18,000, wiped out his savings and taken out a bank loan during the past eight months trying to get his 22-year-old daughter out of a Mexican jail.
>
> He says that Canadian government officials told him to keep quiet or his daughter Sharon would suffer at the hands of the Mexicans.

I might pause there. If hon. members look at a report of the special subcommittee of the United States Senate, they will see page after page of evidence which shows that what I have said is correct and that what was written almost three years ago in *The Globe and Mail* is accurate. Mr. Bethune in his interview with *The Globe and Mail* reporter went on to say:

> We just don't know what the hell to do any more—it's been a nightmare.
>
> You have to remember that in Mexico you are guilty until proven innocent; that is where the slowness in the system comes.
>
> Mr. Bethune said his daughter had nothing to do with the alleged crime and her boyfriend had testified to that.

As a result, Mr. Bethune's daughter was finally released. I can read more about that case but it only illustrates the point I am making, which is that none of us endorses Canadian people going to foreign countries and breaking laws. On the other hand, none of us endorses—whatever the facts are in reference to these cases I have outlined and dozens of others—a neighbouring state permitting the extortion of money from innocent parents because of love and affection for their offspring which drain savings and borrowing power just to get a release from these horror jails and holes.

On March 2, 1977—and in this respect I congratulate the previous government which I kept pressing with questions—a treaty was signed among Mexico, Canada and the United States in reference to the exchange of prisoners. The bill I pressed for and the treaties flowing from the bill were to serve as a prototype for Canada in negotiating similar treaties with other countries. The United States and our own government accomplished an exchange of prisoners following conviction and sentence; that is to say, after a certain time, the exchange would take place. Mexico bypasses this agreement. The question is why. Canadians are held in jail without charge, without a court appearance and therefore without any process of law that would put the agreement into effect so that the international legal exchange can be properly made. This issue has been raised by me on many occasions.

With respect to the Thomas case, after the parents' visitation, the two accused held in jail for three months, they were finally charged to legalize the illegal and the charges were withdrawn. After much frustration and after the Thomases had borrowed money from the bank, their release did take place.

I have a letter from a former solicitor general, the hon. member for Blainville-Deux-Montagnes (Mr. Fox), now a member of the opposition, dated March 28, 1977. In this letter he states:

> I must remind you that such a treaty would not include people awaiting trial but only those under sentence or on probation. Those awaiting trial will still have to request assistance from the Canadian embassy which has been quite efficient in certain cases.

Was he right? The agreement was there. However, on April 10, 1978 Mr. Don Jamieson, the former minister of external affairs, pointed out the act would be proclaimed and the treaty for exchange of prisoners approved as a result of negotiations carried out by the government, and indeed as a result of the position others in Parliament had taken. All have protested but without effect. The United States protested. I say to the House, read the report of the special committee of the U.S. Senate.

Canada has protested this. In answer to questions I put to former ministers of external affairs they told me they had protested and they did protest. Our present minister has protested, but the illegal process goes on. However, it is the extortion that I object to most. Let us bring it to an end. Let us agree that this treaty does not help much, because no charges are laid, no counsel is permitted, no communication is allowed and no accounting of property seized is given. In reading the Senate report I see it says airplanes and automobiles have been taken. These items just disappear. In many cases no reputable attorneys are at hand. In this particular case, $4,600 or more was paid in lawyer's fees which the Thomases say did nothing.

I hear my hon. friend say it is not according to Canadian standards. I say this to the hon. member, that if a lawyer charges a fee and does not act, or he acted in this fashion, under the rules of the law societies of Canada and the law of Canada he would be disbarred. I say to members that if they have constituencies with rotten lawyers, that is their problem and not mine.

Surely it is not too strong to suggest that there is abusive arrest, abuse of the process of law, abuse by extortion, abuse and confiscation of property without compensation, and abuse of what the United Nations has suggested. The testimony given before the special committee of the United States dealing with the same abuse that Canadians have been subjected

to—and this is the Senate's finding, not mine—includes, first, physical torture. There is clear evidence of physical torture on the prisoners, such as broken ribs, or electronic shock devices attached to various parts of the prisoners. Second, there is extortion. In this case huge amounts of money were required by lawyers and prison authorities in order to give prisoners bare necessities; amounts average $10,000. Third, there is Mexican inmate involvement. Mexican prisons appear to be run by other prisoners who share in the "take" from American and Canadian prisoners. These people are again in league with local lawyers, prison officials and the police.

The Senate committee finds in some cases that there are conspiracies. There must be a conspiracy for this kind of thing to occur. The requirements are whatever local authorities say they are. Two years is almost standard for investigation purposes.

When one criticizes, one must make some recommendations. I ask what shall we do? A very careful report should be prepared and sent to the proper department in the United Nations dealing with civil liberties and human rights, pointing out that we and other members of the United Nations protest any further abuse in this regard. The United States has done that. Is that too much to ask?

● (1450)

Second, a study should be made in Canada, instead of our always relying on studies done in the United States. Our study could be similar to that of the United States Senate. This job could be taken on by our Senate or possibly by justice and legal affairs. Witnesses could be subject to the terms and conditions I have pointed out this afternoon in this House. In their evidence they could describe how they have suffered under these conditions and how they were dehumanized. Above all, they could describe what money has been extorted from their parents.

Third, the strongest protest possible should be made by our Department of External Affairs through proper diplomatic channels. As the American subcommittee recommended, a list of reputable lawyers should be kept by our embassy in Mexico. This should be done in light of evidence that came out before the United States subcommittee that lawyers were receiving payments without acting. I already referred to the Thomases where $4,600 was paid to lawyers who did not do anything until the parents went there and visited.

I want to read from these letters. Again I have the letter dated March 28 from the former solicitor general, the hon. member for Blainville-Deux-Montagnes. I will not read all of it. He emphasized, and I quote:

I must remind you that such a treaty would not include people awaiting trial—

I pause there. Why are they sometimes held three months, six months or a year until the last dollar is drained from the parents? That is really what the solicitor general was saying in very diplomatic language. He continued:

—those awaiting trial will still have to request assistance from the Canadian embassy—

It is time for the Canadian embassy to do as the Americans have done, namely have part of their staff trained in legal matters to understand and comprehend after study the jurisprudence of Mexico in order that they can assist those who get into this plight.

On April 10, 1978 I received a letter from Don Jamieson pointing out that the treaty had been signed. Bill C-21 to which our party, the NDP and all members of the House gave their approval regarding the exchange of prisoners is now being bypassed. This has not been an easy fight; it has been going on for a long time. I wish to read some of the findings of the committee in the United States. I quote:

Similarly, it is difficult to verify complaints of confiscation of personal property when receipts have not been given, or of confirming extortion by an attorney in the absence of a written contract or agreement. Despite the fact that the evidence or lack thereof in this category is "inconclusive", it should be noted the panel believes that these complaints and allegations have some merit since they form a credible pattern. This conclusion is reached even though another pattern similarly emerged from this review indicating that a large number of complaints resulted from self-serving efforts by the prisoners—

In spite of that, they found evidence to the effect that those facts were correct. After summarizing the evidence, the committee said this:

Most of the substantiated cases of denial of access have been protested. Some have been protested formally, by note, to the Mexican government. Other cases, usually outside Mexico City, have been protested to local authorities. Those cases which were not protested represent either an unwillingness on the part of the prisoner to have his name included in a note of protest—often for fear that this might jeopardize his case . . . In some jurisdictions there has been noticeable improvement in the notification process; in others, there has been little or no improvement. This is clearly an area in which efforts must continuously be made.

The Senate committee further stated:

Corrective Action Taken: Substantiated findings refer to instances of infrequent visitation by consular officers which occurred mainly between early 1974 and February 1975. During this period the posts were hampered by insufficient funds to permit travel to outlying jails. It is noted, however, that some of the valid complaints in this category were also made by prisoners who were incarcerated in jails nearby, which indicates that visits were irregular and infrequent. Since February 1975 all American prisoners in Mexico who so desired have been visited on a regular basis—

I hope that would be a finding of any one of our committees.

Corrective Action Taken: No action has been taken nor does any action appear to be feasible, since determination of guilt or innocence is a proper function of the Mexican legal system. While a number of cases reflect a vigorous dispute as to the verdict and the manner in which evidence was secured to determine it, the Mexican legal system does provide a forum for the resolution of such disputes.

Therefore they remain in jail without charge.

Substantiated instances of abuse at the time of arrest were protested orally and by note to the Mexican government and/or the local jurisdictional authorities when the prisoner indicated he desired to have a protest made. In many cases the prisoner believed it to be in his best interest not to register a protest, although he did inform the visiting consular officer that he had been subjected to mistreatment.

I am reading this evidence to show how necessary it is for our committee to study this and maybe to set up a similar special committee of our Senate.

In several cases the embassy or the various consulates in Mexico have been successful in obtaining a return, or at least a partial return, of confiscated personal property.

They go on to say that personal property disappears because they issue no receipts, as is the case in jails in Canada, the United States and the United Kingdom. These people have no protection whatsoever.

Although a few of the substantiated cases occurred elsewhere, these would appear to be somewhat isolated incidents rather than the general pattern of prison life.

It goes on to point out that where there is a local authority, prisoners are better treated. However, in a city like Mexico City where the jurisdiction is of wider scope, this treatment is still continuing.

In a majority of cases, however, the prisoner chooses not to have a protest made in his behalf. This may be from fear of reprisal from the "mayores" or their "commandos", or from fear of being transferred to another cell block and thereby losing many of the privileges the prisoner has already paid for.

These are findings of a committee that studied this situation.

The Acting Speaker (Mr. McCain): Order, please. I regret to interrupt the hon. member but his time has expired. He may, however, continue with unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

An hon. Member: No.

Mr. Woolliams: Thank you very much, Mr. Speaker. I thank the members of the House.

The Acting Speaker (Mr. McCain): Order, please. I regret to inform the hon. member that he does not have the unanimous consent of the House. I will ask again. Is there unanimous consent?

Some hon. Members: Agreed.

The Acting Speaker (Mr. McCain): The hon. member may continue.

Mr. Woolliams: I suppose everybody is entitled to one enemy. As the former leader of the New Democratic Party said, who has not got an enemy? When he asked that, a fellow stood up at the back of the hall and said "I have not got any enemies". When Mr. Douglas asked him why he had none, he said, "I outlived them all!" I continue:

Despite Mexican constitutional provisions that no one may be held incommunicado and that everyone has the immediate right to an attorney, such provisions are usually ignored or blurred in practice by prosecutors and police.

● (1500)

This violation of constitutional rights does not invalidate the case under Mexican law.

In conclusion, I would hope the recommendations I have made this afternoon asking that a strong petition be delivered, asking that the matter be brought before the human rights and civil rights bodies of the United Nations, asking that we ourselves should make a study of the situation in a white paper, will be accepted by the government and endorsed by all members of the House. I am certain that if presented in the right light the grievances I have outlined, grievances which affect many young Canadians and Canadian families, will be remedied by goodwill and international understanding.

Some hon. Members: Hear, hear!

Mr. Bob Ogle (Saskatoon East): Mr. Speaker, this is an historical moment in my life, naturally. It is the first time I have had the privilege to speak in this chamber. In a way I feel partly at home because of the general ecclesiastical look of the place and from the fact that the traditional place of holding Parliament was an old abbey. I have not seen anyone beginning to say their brevaries here but the feeling of being in an abbey is part of this place. I have noticed that a few things are not carried through in the traditional ecclesiastical way, though; one is that the choir, which I would say is above you, Mr. Speaker, gets very little chance to sing, and another is that the congregation in general is not as well behaved as in most churches I have attended.

Historically again, I would like to say that I am the first person from my family, which emigrated from Ireland some 150 years ago, who has had this privilege to stand here. It is also historical in the sense that I am the first representative to speak from the new riding of Saskatoon East, which is cut off from the old riding of Saskatoon-Humboldt. That riding and its former member have both disappeared into history.

Some hon. Members: Hear, hear!

Mr. Ogle: Saskatoon East is a small riding territorially. It takes in only that part of Saskatoon that lies east of the Saskatchewan River, and a little fringe of rural ground around the city. Many hon. members, like myself, availed themselves of the free ride the Canadian government offered us to attend the funeral of our former prime minister, the Right Hon. John Diefenbaker, who is buried now within the riding of Saskatoon East. Many tributes have been paid to Mr. Diefenbaker in these last days, and rightly so. The Leader of the Opposition (Mr. Trudeau) suggested his spirit was still within this room. That, I am sure, is true. But I should like to lay aside, once and for all, a rumour which was quite widely circulated in the west. The rumour that something would happen at the tomb on the third day is completely false. I can vouch for that because I actually live only about 250 yards from the tomb of Mr. Diefenbaker. I am watching it carefully.

Hon. members visiting Saskatoon that day, including many who were doing so for the first time, were in the centre of one of the institutions that our province holds in high esteem, the University of Saskatchewan. At the present time there would be at the University of Saskatchewan something like 10,000 students who come not only from Saskatchewan but from many areas of Canada. We are proud of our university, we are proud of its staff and we are proud of those who go to classes there.

I would like also to say that in Saskatoon East I do not want anybody to think that we are lacking energy simply because the minister of energy represents Saskatoon West. As a matter of fact, we have plenty of energy and the minister of energy

himself lives within our constituency. Now, I am old enough to know, and I like to think I have faith enough to believe, that there is always the possibility of a conversion, and although the minister of energy and the member for Saskatoon West (Mr. Hnatyshyn) has been a long-standing friend of mine for many years, I do believe that at this time he should have a bit of a conversion, particularly with the stand he is now taking with regard to the dismantling of PetroCan.

Some hon. Members: Hear, hear!

Mr. Ogle: In my nomination speech and all through the campaign that I carried out for many months I stated in that first speech, and many times afterward, that it was my intention to defend human life from its conception until its natural end. In doing so I tried to lay down quite simply the fact of my basic belief in human rights which has been expressed by many members of this House already in this session. My basic belief is that each human being has been given the right to life and that this right continues until they naturally die. These rights are sometimes of an individual nature and sometimes of a collective nature. They ought not to be infringed upon at any time.

Now, both in our country and in the world infringement of human rights continues. During that short space of time that we human beings have to live on this planet, you and I, Mr. Speaker, and all others have somehow or other to struggle and fight to see that the rights of all human beings are safeguarded, and one of the rights that I consider to be basic to each of us is the right to health. That right encompasses and takes into account all the other human living conditions that are necessary to make it possible for a person to live as a healthy person. And when I speak of health I speak not only of the physical health which we all hope to have, but also of the psychological, moral, spiritual and emotional health which makes it possible for a human being to live as a human being and, more important, makes it possible for a nation to live as a healthy nation and the world to live as a healthy community of nations. So when I speak of health, I do not speak merely of the medical state which so frequently is used as the whole standard; I speak of the whole integrated reality that makes up the well-being of all people.

As I have said, it is one of my basic personal convictions that the right to health is one of the most important rights we have as human beings, and that if we as Canadian citizens want really to make a mark at the United Nations it is important that we show the way with a model of ourselves rather than with a pointing of the finger at others who have so far not reached that level of health.

• (1510)

It was basically because of this that I was disappointed in the Speech from the Throne. I found quite quickly that there was not a single mention of health or the social principles and bases which are needed to bring about a healthy society. The question of health and more specifically the question of medical care have in no way been totally settled in this country. A former member of Parliament of my party, Tommy Douglas, said this past weekend in Toronto that he believes that there is a grave danger for our country because the medical care system we now have is under serious pressure and could, in a sense, disintegrate. In the next few minutes I would like to direct some of my remarks to that particular problem and crisis. I agree that it is one of the main problems in our country today.

In passing I will say that the right to health is not listed as such among the rights of the United Nations, but in article 25 a much broader stand, what I like to think of as rights across the board, was stated as follows:

> Every human being has the right to a standard of living adequate to ensure his health and well-being, as well as those of his family—particularly as regards their need for food, clothing, shelter, and medical care, as well as the necessary social services . . .

In May, 1977 at the World Health Assembly our country went on record when it adopted the global health goal, which is as follows:

> That the main social targets of governments and the World Health Organization in the coming decades should be the attainment by all citizens of the world by the year 2000 of a level of health that will permit them to lead a socially and economically productive life.

I personally feel we should keep that goal before ourselves all the time.

In the coming years there will be many areas of health about which I would like to speak. One of them will be the whole question of human nutrition and food. I have lived part of my life in the developing world. I have lived with starving people whose main problem was lack of food, but I think that we and people like ourselves who live with bounty but who many times are overfed and undernourished must seriously look into the whole question of food as it is used and eaten in our country. We must look critically at artificial foods and ingredients which make "natural" food anything but natural food.

On the question of medicare once more, I have heard various speakers in the past week in this House refer to medicare. Many of them claimed that they had a great deal to do with its founding, but I personally had the experience of living very close to the heart of the medicare crisis of 1962 in Saskatchewan when the first universal medicare plan in North America came into effect. The battle began on July 1 of that year and continued until July 23. There was a basic tearing apart of many people because of the intensity of that head-on struggle, but it finally resulted in a signed declaration in Saskatoon on July 23 which gave the province of Saskatchewan the first medicare plan in North America.

At that time I was younger than I am today, of course, but by a particular accident of fate I was living directly between the two sides. The government of Saskatchewan was headquartered in the Bessborough Hotel, and the medical profession was headquartered in the medical building just a few hundred yards down the street. Directly in the centre of that was the old Catholic Centre of which I used to be the director. During those 23 days I literally lived in no man's land.

However, at the end of the 23 days there had been a basic social change in the history of our country. I feel now that those 23 days had a great influence on my life in relation to many other social questions. It was an education to be there and to see that finally social change of a basic nature came about only when a group of people had in themselves a vision and, more than a vision, the courage to bring about that vision even though everyone seemed to be against them.

Some hon. Members: Hear, hear!

Mr. Ogle: From that beginning in Saskatchewan in 1962 the notion of a medicare scheme spread to other provinces. However, that came after. Because there was a problem of magnitude—medicare would affect everybody—a former prime minister, now deceased, the Right Hon. John Diefenbaker, made an historic decision and appointed in 1961 Mr. Justice Emmett Hall to study the health needs of Canadians. I believe the resulting report should seriously be looked at again by all Canadians because that document outlines the basics of medicare.

Some of the recommendations in that report have been put into effect, but many have never yet been attempted. There are visions in that document which have not really come to light anywhere as yet, but I invite one and all to look again at that document. In the document there were four basic principles which were necessary to have a medicare scheme function. The first was that there should be comprehensive coverage; everyone should be in the scheme. The second principle was that there should be universal availability; that it would be possible for everybody to receive health care. The third was that there should be portable benefits; one could travel from one place to another and still be taken care of. Finally, it should be administered by a central, non-profit administration. That has worked, more or less, in different places and in different ways, but in the last year or so I feel that obvious cracks have begun to appear in the system. Doctors are now opting out, which has a different wording in different places. There is double billing or something else, which is to say that the system is not being followed. Premiums are now going to be charged in Newfoundland, for instance, which again goes against the very basic nature of the medicare idea.

When things like this begin to happen, we have a dangerous situation on our hands. To draw an analogy, the four principles to which I referred could be regarded as something like the legs of a chair. If one leg of a chair was shorter than the others, the chair would be wobbly and a very uncomfortable place to sit. If one began to cut the legs so that a balance could be obtained by giving up a part of one of the legs, the chair really would not become balanced. A more critical situation would develop, finally causing the person sitting on the chair—and I do not know what words I can use in the House—to fall to the floor. That is what will happen with the medicare scheme and plan unless something of a drastic nature is done to stop the erosion that is taking place.

● (1520)

Some hon. Members: Hear, hear!

[Mr. Ogle.]

Mr. Ogle: Now I should like to quote from the speech which Tommy Douglas gave in Toronto this weekend in which he expressed ideas that are very close to mine. I should like to state the ideas of a person for whom I have great respect and who, in total truth, can be called the father of medicare, namely, Mr. Douglas. He said, and it is true, that the majority of doctors across Canada are operating under medicare plans. He said also that if fee schedules are not adequate under provincial plans, then fair schedules should be negotiated between the provinces and the doctors. There is no point in saying that all doctors are unjust, that is just not true, but they should be given fair fee schedules.

Some hon. Members: Hear, hear!

Mr. Ogle: Mr. Douglas also said that there should be no opting out. That was a very clear principle in the Hall report.

Some hon. Members: Hear, hear!

Mr. Ogle: Another thing that Mr. Douglas said, and which I feel is a very good point, is that if a doctor wants to opt out, then he should be allowed to do so, but he should opt right out and not use the scheme to get part of what he wants and something else to get some more of what he wants. The vast majority of doctors will remain with the scheme and receive an adequate income for their services, but if they opt out, then, I suggest, they should do without the public services which they frequently use under the medical care plan. That is a very serious point and one which I hope this government will take to heart. I hope that the government will ensure that that practice stops under the present legislation.

There are certain areas of health care which I think deserve special attention. I will pass over them quickly. I feel that health care in the whole area of industry is a point to which this government will have to pay special attention. In the area of health care, psychiatric care in the penitentiary system, special notice will have to be taken by the government. Odyssey, a group of inmates at Millhaven working for constructive, non-violent change, produced a working paper in August of this year alleging that medical and psychiatric neglect and abuse are rampant in Canadian penitentiaries. That should be dealt with immediately by the government.

Then there is the whole problem of the Indian native population. A serious injustice is being done to these people because of the appallingly inferior level of health care being provided to the native communities. The average life expectancy is 10 to 20 years less for a native; health and mortality is two to three times as high as the national average; their caloric intake is well below the national average; the number of doctors and nurses caring for them is well below the national average.

In the new charter which Mr. Hall produced the following is stated:

> There is clearly an overriding national interest in the health of Canadians wherever they reside. We are a mobile people and illness knows no provincial boundaries nor other differences... What the commission recommends is that... as a nation we now take the necessary legislative, organizational, and

financial decisions to make all the fruits of the health sciences available to all our residents without hindrance of any kind. All our recommendations are directed toward this objective.

That paper is 15 years old but it is still extremely relevant.

As I only have a few moments left, may I recount a story in summing up and leave with the House something on which to reflect. The story has to do with neighbourliness and who is our neighbour. I will tell it as it is oulined in the Gospel according to Saint Luke.

The question of who is my neighbour and how must I care for him is an old one. According to the Gospel, a lawyer asked Jesus one day, in an attempt to justify himself, "And who is my neighbour?". Jesus replied that a man was once on his way down from Jerusalem to Jericho and fell into the hands of thieves. They took all he had, beat him and then made off, leaving him half dead. Now, a priest happened to be travelling down the same road, but when he saw the man, he passed by on the other side. In the same way, a Levite who came to the place saw him and passed by on the other side. But a Samaritan traveller who came upon him was moved with compassion when he saw him. He went up and bandaged his wounds, pouring oil and wine on them. He then lifted him on his own mount, carried him to the inn and looked after him. Next day, he took out two denarii and handed them to the innkeeper. "Look after him," he said, "and on my way back I will make good any extra expense you have." Which of these three do you think proved himself a neighbour to the man who fell into the thieves' hands? The lawyer answered, "The one who took pity on him." Jesus said to him, "Go, and do the same yourself."

It is an old story, a new story, the same story about three groups of people involved. The first group consisted of the thieves who came upon this person. Their principle of life was: What is yours is mine. So they took all he had.

An hon. Member: That is the NDP all right.

An hon. Member: No, the Conservatives.

Mr. Ogle: The second group of people consisted of the priest and the Levite, officially good people going down to the temple to pray. They saw the man, but he had a problem, he was half dead and this might make them unclean so that they could not pray, the law would not let them pray. Their principle of life was: What is mine is mine. But the poor Samaritan did not know all those rules; all he knew was that there was a person in distress, a person in need. So he stopped, and not knowing it all, picked him up, put him on his animal and looked after him. The last person's principle of life was: What is mine is ours. That is what I believe.

Some hon. Members: Hear, hear!

Mr. Roland de Corneille (Eglinton-Lawrence): Mr. Speaker, let me add to those who have already joined in this debate my congratulations to you on your election as Speaker in the House of Commons. Should I ever transgress the rules in the House, please be assured that it will only be because of my unfamiliarity with the rules and customs, not because of any intention to violate the established procedures or to challenge the dignity of the House or of your office. May I also add these same sentiments in my congratulations to the Deputy Speaker on his preferment.

• (1530)

[*Translation*]

Indeed, I intend to do my utmost to avoid weakening and in fact to enrich the traditions and attainments of the House of Commons, which not only represents but embodies the very right to freedom. Even though, as can be seen in another important historical document, we feel that right is self-evident, a large segment of the world thinks otherwise. In fact, some of us have seen the rights of individuals savagely crushed in the Nazi holocaust. A calculated and meticulously executed genocide took place in that part of the world which claimed to be the cradle of culture. Six million Jews, and many more millions of non-Jews, perished. The most fundamental right of the individual, the right to live, was trampled massively and scornfully.

[*English*]

Many of the people who live in Canada today have tasted bitterly of that catastrophe of the holocaust either by the loss of loved ones who were its victims or who died sacrificially in the course of efforts by the armed services to swamp out this monstrous evil which inflicted such vast insult upon the dignity of the human person.

[*Translation*]

Unfortunately, mankind's torments did not end with the holocaust. On the contrary: the Nazi holocaust marked the starting point for a series of diabolical communist genocides, to which must be added the abominable carnages of reactionary rightist despots who were just as rapacious and cynical about the freedom and rights of man. We witnessed with horror the spread of contempt for the foundations of freedom and democracy. Because of that, the House of Commons constitutes a challenge of the spirit of man against those forces which, on this earth, would scorn the right to life and its sacred nature.

[*English*]

To be a member of the Parliament of Canada, Mr. Speaker, is therefore the highest privilege that one's fellow Canadians can bestow upon one. I am proud to be included among my distinguished colleagues in the House. I am grateful for this privilege which the people of Eglinton-Lawrence have bestowed upon me, and I am mindful that I am walking in the path and in the footsteps of individual predecessors, predecessors from my riding including the Hon. Donald Fleming, a former minister of finance, and more recently his successor, a distinguished former minister of finance, secretary of state for external affairs and, latterly, president of the privy council, Mitchell Sharp. I shall do my best to represent all of the people of Eglinton-Lawrence in the same way as my predeces-

sors did, irrespective of the political affiliations of my constituents.

In speaking to the resolution expressing our appreciation to His Excellency the Governor General, I should like to pay my respects to the mover and seconder of this motion. I should like to add to their observations that, as I heard the Speech from the Throne, I saluted its reference to the intention of the government to take certain steps which I believe would add to a series of reforms to parliamentary government which have been under way for years. I make particular, favourable reference to the government's announced intention to provide members of parliament as individuals with additional opportunity to work more effectively on behalf of their constituents by giving greater attention to private members' bills. The last government had already done much to help members be more effective parliamentarians by making it possible for them to improve their facilities and staff and by allowing television to report the events which take place in this House.

I was also happy to see reference in the throne speech to the establishment of a select committee to enquire fully into the special needs of handicapped and disabled Canadians. The human rights of these fellow Canadians are easily passed over because all too often they are out of sight and, therefore, out of mind.

I also was pleased to note that special attention was paid to strengthen the role of the voluntary sector in our society. Although I have worked in the fields of commerce and finance myself, most of my subsequent career has been dedicated to service in non-governmental organizations, or N.G.O.'s, as they are called; in the service of the church; in the League for Human Rights of B'nai B'rith, and so forth. I have personally witnessed the tremendous contribution such voluntary organizations make, at no cost to the taxpayer. These organizations deserve encouragement, whether their orientations are spiritual, humanitarian, cultural, athletic, philanthropic, or whatever.

Although I rejoice to hear these references in the Speech from the Throne, it disappoints me that many of these reforms will lead only to the setting up of committees rather than to action. It sounds like "committees" rather than "commitment". It is, therefore, with deep regret that I have to say that although I wanted to be optimistic, although I had hoped against hope that I would discern some real progress, some real direction, I must now admit to profound disappointment.

The so-called program presented by the government of what it has in store for us fulfils my previous fears of what might happen if we had a Tory government. My analysis and conclusions have not had to be hasty. As members of Parliament we have had a long time, five months, to make our observations, albeit from a distance and through a glass darkly, but now with the throne speech at last face to face. What we see is a government of evasion; it is bland, it is blank, it is empty and void. I have searched deeply into my soul. I have asked myself, is this the kind of Speech from the Throne worthy of a new minority government? Is this speech adequate enough as a basis for legislation or for policy, or as a guide or a plan, or even an outline, as we cross the threshold of the 1980s? What I find is a vapid, vacuous evasion of the problems of the world and of the challenges to our nation.

At a time when the world is shaken by revolutions and genocide, by oil shortages and arbitrary price hikes, by monetary instability and inflation, by international power plays and Third and Fourth World hunger and destitution, and at a time when our country, under pressure from these external forces, is in need of reassurance of sound policies on energy, interest rates and employment, we listen to the throne speech and wonder whether we are listening to a government that is on another planet. I have been searching my soul, as I know millions of Canadians have, and have wondered, after this long time of waiting since the election, whether the intervening time has possibly been used for anything more than to allow the pirates to divide up the political spoils at the captain's table while our Canadian ship of state is floundering on a troubled sea of world tensions in violent economic storms.

Imagine my amazement—our amazement as parliamentarians—to hear the pledge of the right hon. Prime Minister (Mr. Clark) in the Speech from the Throne that his policy is "to make my ministers more responsible to you". What inconsistency, what irony, what a paradox! How can they be more responsible to us when for months on end they did not call Parliament and would not give account to us? During all this time the ministers have not been responsible to us in this House nor in the other place. Does this long abstinence from parliamentary government set a precedent, or give any example, or lend any credibility to the principle of making "my ministers more responsible to you"? Hardly, do we feel, have they been responsible to this House.

● (1540)

As was the case for many hon. members, October 9 was the first time I ever laid eyes on many of these ministers since the election on May 22, and we had dissolution of Parliament in March. It has taken from May to October before we get our first chance to ask these responsible ministers to give an account. This is a jest. It is a travesty. Some of the ministers still have not had their first turn to speak, to give any account, and we are half way into October.

Most of the backbenchers will not have a chance to ask questions regarding problems in their ridings to these "accountable ministers" until next year. Is this consistent with the stated intent in the speech "to make my ministers more responsible to you", ministers who have not had to give account since May 22, except to the media which has nobly tried to squeeze from this dry rind some content which members of Parliament have yet had no chance to do? Is that a sincere and genuine concern for parliamentary reform, to keep the House closed down and shut while we get government by secret meetings behind closed doors in remote and comfortable retreats where the prying eyes of the dangerous press and members of Her Majesty's loyal opposition could not hear or speak, question or get a reply?

Yes, I am worried by the Speech from the Throne, and I lack confidence in the government that authored it. For exam-

ple, what are we told will be the government policy for energy? While in opposition, those hon. members who now form the government had endless months, nay years, to formulate such a policy. But they frittered that time away, those years and years and years, tearing down the policy of the last government, criticizing, nagging, carping and complaining. Their energy went into tearing down the energy policy. No wonder all they now have in their hands are reams of notes on how to tear down and destroy. Destroy PetroCan. Destroy our arrangements with Mexico and Venezuela. Destroy our federal international responsibility and involvement in offshore rights.

Since the election they have had months to do their work, and what do we learn from the throne speech? There is not a word in the speech about PetroCan, the single most important agent the Government of Canada possesses to protect us with regard to the most critical issue we face. This would be a forgiveable oversight if the government had not broken our energy mast in the conflicting orders that have been shouted from its crew members as to whether to raise or drop the sails—sale of PetroCan, no sales, half sales, have a sale, but only where crew members can buy—and as the sails go up and down they are being torn to shreds. They will not catch the wind and take us anywhere but down into the deep. It is a profligate destruction of our heritage. Our country is up and down for sale.

Yes, it is a policy of evasion. They evade the issue with smiles and chuckles while we flounder and our energy mast is splintered and broken. We are a country divided and confused about PetroCan, about energy prices which are not resolved. For this reason prices have already been set and have soared for our winter fuel for homes, transportation and industry, because the middlemen could not wait. It is too late now. The government has failed to chart its course and everyone else has had to make up their own minds. They have taken to the lifeboats to save their medium and small-sized fuel companies. They had no choice, with no guidelines, but to jack up the prices.

Evasion leads to licence. The rich get richer, the powerful more powerful. No wonder we have monopolies like the policy of evasion, of "no decide", of laissez-faire. They can rip us off unfettered, because the government has no policy or, rather, has a policy to evade, to pass, to make no bid. But how can you win the game if you keep giving away your cards and keep on passing? Evasion.

And what does the Speech from the Throne have to say about our foreign policy? It is amazingly evasive through its silence. Just as in the case of silence in the throne speech on Petro-Canada, so there is silence on foreign policy. There is total silence by the government on the handling of the issue of the Middle East. All we know is that a special study is under way, a study triggered by the most blatant and destructive fumbles in Canada's foreign policy for as long as my mind can recall.

The present Prime Minister, seizing upon what appeared to be a popular and meritorious yearning on the part of many, if not most, Canadians to move the Canadian embassy from Tel Aviv to Jerusalem, which is the capital of Israel, during the election took this ultimately desirable and even sacred issue and dragged it down into the realm of partisan election politics.

What all those who love Israel want, whether we are Jews or non Jews, is that the issue of the moving of the embassy be based on the merits of the case, and be timed and effected in a way that contributes to the peace process. Jerusalem is a holy city and it should not have been a brick-bat for partisan argumentation. The ultimate objective of moving our embassy is too important to have hastily thrown it into an election contest which gave Canadians the impression it was done for votes instead of on merit. And worse yet, after we warned over and over again of the delicate nature of this matter and of the need for education, information, preparation and understanding, our advice was spurned, and in cavalier fashion the issue was pressed, without the needed resolve to see it through, which resulted inexorably in total débâcle.

It was no favour which the captain of the election strategists did for Israel by making such a self-serving promise and dragging the sacred name of Yerushalayim—the city of peace—to the level of vitriolic argument. That damage can never be fully undone, because try as one might to rectify it, the discussion of the embassy has been totally removed now from the merits of the case itself. And the irony of it all is that the good reason and the only reason that the embassy should ultimately be moved is based entirely on the merits of the case. The timing and the setting and the motives were all-important. And it all was trampled upon for the sake of pledges made for opportunistic reasons and timing seemingly unrelated to the justice of the cause at stake.

The result of this lack of policy, and then of vacillation instead of swift, decisive action one way or another, has been to compound our troubles. It has thrust us into a situation where Canada now appears to be susceptible to blackmail, bullying and belittling. We have desecrated the name of Jerusalem, lost our honour, and now we decide that it is time to find out, not only what to do, but also how much damage we did; how much tribute we will have to pay or how many compromises we will have to make to regain lost friends or contracts. What ignominy! Is this how we protect human rights in the world? What was the message in the Speech from the Throne on the Middle East? Was it that we were not going to be susceptible to backmail, that we have our own policy? Or was it silence or evasion, as with PetroCan?

What do we hear about human rights in the world in this speech? Is there anything at all about genocide or about the hungry in the Fourth World crushed to death by OPEC oil costs and inflation? There is nothing in the speech except that we will be getting a committee on foreign policy. But we do get ministers telling us from the flora side that human rights will come up like flowers, while the fauna side forages upon the money pastures which alone could make our promises to the Third and Fourth Worlds a reality. How sad to see our reputation in the field of foreign affairs, built up so assiduously and patiently by past hon. members like Pearson, Sharp,

Jamieson, and the hon. member for Cape Breton Highlands-Canso (Mr. MacEachen), brought so swiftly to the level of infamy in the Year of the Child—*un enfant terrible*? Our foreign policy mast has also been snapped by the hoisting and dropping of sails in a cacophony of discordant orders from the captain and his first mates.

But, Mr. Speaker, these are but a few illustrations of how large and important areas of national and world concern, which have been in the headlines for months, are now passed over by silence and by evasion. The policy—and it is delivered—is evasion; the plan is that the way you keep the citizenry happy is by handing out the new Tory confectionery—Smiles and Chuckles, and snickers—while they divide up the spoils. And can you blame them for chuckling? If you managed to squeeze into power with the second largest popular vote, with a minority of seats in the House, propped up by hon. members belonging to another party which you are meanwhile privately and publicly seducing, and with a minority of seats in the other place, getting aid and comfort from the fact that you are doing so little that the media cannot get a target on you, you would chuckle too, Mr. Speaker.

● (1550)

Who could ask for more than a throne speech without commitment and a media that is left open-mouthed and speechless? The Speech from the Throne is amazing, not for what it says but for what it does not say. Never has so little said so little in so few words to so many.

Mr. Speaker, I have had to save till last my deepest concern. It frightens me the most. It has to do with the survival of this country, with the Canada I love. I see under this government the division of this country into satrapies like Chinese provinces under the war lords of the Kuomintang, each war lord reigning sovereign in his province, resulting in a confusion of policies, in competitive wars between provinces for businesses, head offices and investments, in raising barriers to migration of workers from other provinces, like the wars between the war lords of old.

What is the philosophical justification for a federal government that in the name of "less government" really means almost no federal government and more and more provincial government, which means more inequality and more divisive forces unleashed? This laissez-faire policy which sells out Canada comes under the confectionery name not of "Chuckles" but of "community of communities". Behind this exercise in semantics is the insidious suggestion that the way we can get unity is to stop the confrontation, and to hand over, in the interests of dialogue and understanding, those rights and responsibilities which our constitution and our Supreme Court state this Parliament, the Parliament of Canada, is expected to exercise. Some dialogue!

Mr. Speaker, let me say that I think I know something about dialogue. The dialogue that has come about through ecumenism has been the greatest event in this century. Religious wars and hatreds have given way to respectful dialogue between Catholics, Protestants and Jews. The ancient walls of contempt have fallen away through dialogue. And all this has been premised upon the concept that in dialogue you call people into being rather than to cease to be. It is right, and one thing to call the provinces into being. That the Fathers of Confederation more than did. But it is another thing to say that the federal government should not have that same right, which was the central goal and objective of the Fathers of Confederation—a strong central government.

Mr. Speaker, we have heard a lot of pious criticism from others about the danger of confrontation. But, Mr. Speaker, dialogue is called confrontation. One speaks of the "confrontation of dialogue". It means that in dialogue one does not evade the issues. One does not dissolve oneself. One does not diminish oneself. One does not assimilate, capitulate, surrender. So at present we are not getting dialogue. In fact, the terminology "community of communities", used in conjunction with the criticism that in the past we have had too much confrontation between the federal and provincial governments, is being used as a cover in the retreat from a federal system to a confederation of ten states, or is it twelve now? It seems to be part of the grand design of the Conservative party to hack us up. First we had the blueprint of "two nations"—*deux nations*. Now it has proliferated. Now it is a "community of communities", maybe something like "ten nations"—*dix nations ou plus*. And if you throw in the Yukon and the Northwest Territories, maybe 12 tribes—*douze nations—ou presque*!

Mr. Speaker, I repeat, it is on a dangerous course that our ship of state is floundering. It is no course at all. It is not a dialogue. It is not a discussion out in the open. It is not a facing of issues and facts. There are secret discussions where the media are not present. There are, worse yet, secret deals. It is not just once or twice; it is the way things now are done. The war lords put down their demands, linked often with their political interests, and the federal government in private agreements gives away to them what belongs to the family of Canada and describes this process as a "community of communities". Mr. Speaker, that is not a community. Let us not hide behind the subterfuge of words. Canada is at stake. Evasion is not dialogue; evasion is anti-dialogical. It is unhealthy. Dialogue means confrontation. It means that the federal government, this Parliament and all of us who are members have the right to hear, to listen, to be in the dialogue. It means to have open deals openly arrived at.

Ontario has the right, not just the premier and his minority party but the majority of the people, like the people of my riding, the people of Toronto, the people of the province, to hear what those deals are that give away our future as Canadians. Our heritage, our offshore energy and mineral rights for 200 miles, our resources, belong to Canadians. We have to be at the table where all can see the hands and learn to share. The federal government has the right, nay, the duty, the responsibility, to stand for all of us, to protect all of us. Rather than for this government to appeal to the greedy hopes of war lords in each province that their area might strike it rich, we have to make sure that all Canadians strike it rich.

Instead, Mr. Speaker, we have evasion. We have silence. We have paradoxical phrases like "community of communities" which sound a lot too much like "sovereignty-association", an "Alberta heritage fund for Canadians"—Albertan Canadians, that is—and "humble pride", or is it "proud humility"?

The Speech from the Throne bodes ill that the government will continue to be passive, will avoid difficult decisions and evade responsibilities. It will continue to play hide and go seek with the press, to make agreements secretly arrived at, to pass out goodies to some provinces that they have no mandate from Parliament to pass on. They seem to hope to appeal to some greedy impulse of some provincial leaders that they just might strike it rich, rather than appealing to them that through co-operation as Canadians they might strike it "equal". They offer to sell or give away some of our Crown corporations, appealing to the profit motive, instead of holding them in sacred trust for all Canadians for this and future generations.

Mr. Speaker, what we have seen so far is not dialogue by the federal government. Rather, it is a policy of passing out the goodies, and it fits all too well into the mentality of cynical machine politics, of political patronage, of how they keep them happy. But what will they do tomorrow when all has been given away from the federal store and there is nothing left, when they all start to fight with one another? Mr. Speaker, at present I see no dream. At present I sense no vision. I see only each of us being sent into self-centred solitudes and the dark night of reaction is setting in.

Ultimately we will have to go back to statesmanlike, courageous leadership that will resume the dialogue, which by definition involves confrontation, to leadership that on behalf of the federal government will speak the truth in love to this nation, singly and in its parts, and say "Our heritage fund is Canada".

Mr. John McDermid (Brampton-Georgetown): Mr. Speaker, I can guarantee to the House that I will speak no doom and gloom such as we have just heard from the the hon. member for Eglinton-Lawrence (Mr. de Corneille).

• (1600)

My colleagues, the hon. member for Erie (Mr. Fretz) and the hon. member for Cardigan (Mr. MacDonald), are to be congratulated for the superb manner in which they moved and seconded the Address in Reply to the Speech from the Throne. I join with other hon. members in endorsing the Speaker's election to his high office. Having watched him on television for quite some time and now being in this great house and watching him in person, my long-time admiration for his abilities has been more than reinforced. I offer my best wishes to him. We on this side of the House will try to make life in this session pleasant for him. To the Deputy Speaker and to the hon. members for Carleton-Charlotte (Mr. McCain) and Victoria-Haliburton (Mr. Scott), I offer my best wishes as well.

I represent the riding of Brampton-Georgetown, comprised of Brampton, a community in the region of Peel, population 125,000, and the old town of Georgetown, now a part of Halton Hills, a community in the region of Halton, population 19,000. Both of these communities have growing populations. My riding is the fourth largest in Canada in terms of electors. The mayor of Halton Hills, Peter Pomeroy, and the mayor of the city of Brampton, Jim Archdekin, lead two very active and fastgrowing communities.

The past two members of the Ontario legislature have given honour to the community of Brampton, both being worthy members and both being premiers of the province of Ontario. Colonel Tom Kennedy was the provincial member for Peel from 1919 to 1959, forty years, with a brief break between 1934 and 1937. Our member of the provincial legislature is the hon. William G. Davis, the present premier, who just celebrated 20 years in the legislature serving Peel, Peel North, and now Brampton. He was honoured Friday past by his constituents, former constituents and friends. These are large shoes for me to fill federally—names like Sam Charters, Richard Blaine, John Pallett, Ellwood Madill and, yes, such liberals as Bruce Beer and Ross Milne. But the man I idolized, and who was lost to Canada at a relatively young age, the man who first attracted me to politics, was Gordon Graydon, who graced this House from 1935 to 1953 and was opposition House leader. His widow, Daisy Graydon, still lives in Brampton and is a great help to me and I appreciate her support.

Georgetown citizens have had excellent representation in the Ontario legislature, for instance, the hon. Jim Snow, the hon. George Kerr and Julian Reed. Federally, names like Sybill Bennett, Sandy Best, Terry O'Connor and across the House I am sure hon. members remember Dr. Harry Harley and Dr. Frank Philbrook. Now I have the honour to represent the riding. I would sincerely like to thank the citizens of Brampton-Georgetown for their votes. I will do all within my power to justify their support.

I am proud of both Brampton and Georgetown, Brampton being my home town, Georgetown being my father's home town. My great grandfather came to this country, a tea merchant from Glasgow, and opened a general store in Georgetown. My grandfather was postmaster in Georgetown and my father a United Church minister, who served the congregation of St. Paul's United Church for 26 years in Brampton.

Brampton and Georgetown have expanding and new businesses; for example, CN's new Malport, Dominion Glass Co. Ltd. which just opened a $10 million expansion, Ford's national parts depot, American Motors, Northern Telecom, Kitchens of Sara Lee, Neilson's, Smith and Stone, Abitibi Paper, and many many others all contributing to the economic well-being of the two communities.

There is still a small but significant rural area in Brampton and Georgetown. There are productive dairy farms, beef farms and produce farms which grow some great apples. The Gray brothers, two young farmers, have just invested over a quarter of a million dollars in a computerized milking parlour in my riding. This sort of investment shows great faith in the future of Canada and in the field of agriculture in the area. It is the

home of the world famous Armstrong brothers standard bred breeding farm, which is the home of the Armbro horses who win their share of purses at standard bred tracks around the world. In memory of the late Elgin Armstrong and Ted Armstrong, the founding brothers, a new multi-million dollar facility was opened recently just north of Brampton by the premier. Elgin Armstrong's son, Charles, is now running the Armstrong business and was named businessman of the year this past week by the Brampton board of trade. My congratulations to Charles.

You can see, Mr. Speaker, that I represent an exciting and growing part of the province of Ontario and I look forward to representing it for many years. Seated geographically to your left—and, I might add, well placed, because that is where they all are politically—are a group of hon. members who like to talk about redistributing wealth, a very worth-while ideal. But all of them want to redistribute the wealth before it is made.

The new Government of Canada clearly recognizes that we cannot redistribute what we have not first created. The previous administration tried, heaven knows they tried, and in doing so, plunged this country into a deficit that is costing every Canadian taxpayer $700 per year just to pay the interest, never mind paying back the capital that is owing. It is the fastest rising cost in government. What a legacy to leave the young people of Canada! We in the government plan to rectify this situation so we can proudly say to our young people, "Here, take this country, we pass it on to you in great shape without that albatross, that huge debt, to drag you down."

There are a number of items on my checklist that this government and the people of Canada must do to reduce the debt and tackle inflation. We must realize that there is something decidedly illogical about demanding at one and the same time more and more government services, less and less taxation, higher and higher living standards and the adoption of a zero growth economic approach. We must tackle our balance of payment problem by recognizing that we are a trading nation with a pressing need for a healthy, vigorous and productive manufacturing sector. We must recognize the crucial role of profits and of other forms of savings in making this possible. Profit on this side of the House is not a dirty word. We must create a fair and just environment for the foreign capital which, like it or not, we are going to require in the future. Most important of all, we must create the type of domestic climate that will provide individual Canadians with the incentive and ability to furnish more and more of their country's capital needs. We must recognize that we cannot allow our unit costs of production to get out of step with those of our major trading partners, and we must realize the irreparable damage which indiscriminate and irresponsible use of the strike weapon—whatever its short term gain to the participants—will do to our ability to survive in the international marketplace.

We must move quickly to reduce significantly our per capita consumption of energy through appropriate conservation measures. We must now tap our frontier resources and mount a massive effort to develop alternative energy technologies.

Above all, and I say this for my friends on the socialist side of the House, we on this side will not stop apologizing for the enterprise system, as they like to do. Any economic system that can deliver what ours has, despite the roadblocks that have been consistently thrown in its way, has a great deal going for it.

It is trendy and chic in certain quarters to continually castigate our economic way of life for the way in which it supposedly favours the privileged at the expense of the underprivileged. Any objective and unbiased analysis of Canada's social development policies and income redistribution programs, however, will quickly give the lie to such an assertion. Furthermore, I would remind those who persist in perpetuating this myth that there is probably no greater injustice that a society can perpetuate on the weak and helpless than to erode the will and initiative of the enterprising and the strong.

● (1610)

I must also confess to some degree of bewilderment at the proposition put forward by the opposition parties that the road to economic salvation lies in ever-increasing government involvement in the workings of the competitive enterprise system. It is well established that the highest living standards are enjoyed by nations where the enterprise system predominates. On the other hand, countries where state capitalism is the vogue are certainly not noted either for their high standard of living or for the efficient and equitable distribution of goods and services. In an article outlining the superiority of the market economy, Gottfried Haverler, professor of international trade at Harvard University, asks:

> How else is one to explain the wide difference in living standards that exists between West and East Germany; between Greece and Yugoslavia; and between Austria and Czechoslovakia, bearing in mind that the paired in each case enjoyed comparable living standards in the pre-communist past.

Certainly our competitive enterprise system may have its faults and shortcomings, and we should not hesitate to move in order to correct them, but let us not lose sight of our system's strengths—its respect for the dignity of human achievement, its rejection of the indignity of human enslavement and its uncanny ability to harness the power of human endeavour toward the realization of common goals. It is these basic and fundamental strengths that provide the competitive enterprise system with its aura of perpetual relevance, which in turn forms the core of its superiority over all other forms of economic endeavour. And this human achievement, the strengths of our system, will be allowed to flourish under this government. That is what the message is in the Speech from the Throne delivered so capably by His Excellency the Governor General.

There are many other aspects of the Speech from the Throne that please me, and in particular the statement that "in co-operation with the provinces and industry, a national tourism strategy will be developed". I have had the pleasure of chairing a caucus committee on tourism this past number of weeks. We met with the Canadian government office of tourism, provincial government officials of tourism and many members of the private sector involved in this important

business, and it is important. Tourism in Canada is a $11 billion business, accounting for 5 per cent of the gross national product and employing over one million people. Eighty per cent of the tourist businesses are classified as small business. For far too long this important sector of the economy has been virtually overlooked by previous administrations and this must be changed. It was obvious to the committee after hearing the various presentations that duplication of efforts was being experienced in Canada. It was also obvious that the foreign travelling public was confused in that they are being bombarded by the federal government and the provincial governments in marketing of all types without apparent co-ordination in their efforts.

The Tourism Industry Association of Canada or TIAC, an association which is the umbrella organization in Canada, is actively promoting a tourism plan for Canada with the Canadian government spearheading the activities. After many hours of discussion the committee agreed it was a very necessary component if we in Canada are to improve our tourism deficit position. The committee's presentation was made to the minister responsible, the Minister of State for International Trade (Mr. Wilson) and to the Prime Minister (Mr. Clark). It was agreed that this was vital to the well-being of tourism in Canada and would become the policy of this government, and there is no dust settling after that decision. At the federal-provincial meeting of tourism ministers this week in Newfoundland this matter will be discussed.

The objectives of the plan will be to maximize the contribution to the national economy, keeping in mind the following: our international balance of payments; the quality of life and development of the community; the conservation of the environment of the country; the preservation of the nation's cultural heritages; the special contribution tourism can make to regional economic expansion; and the optimization of Canada's rich resources capable of supporting a tourism industry. The objectives are to be reached by dividing the tourism industry into two areas, marketing and industry development. The task is great but our government is dedicated to the upgrading of the tourism industry and to co-operating much more fully with the private sector and the provinces in achieving this goal.

Many other recommendations have flowed from the committee's work, such as an awareness program for Canadians of how valuable tourism is to the economy and to them directly; that the attitude of government staff who come in direct contact with the travelling public be improved; that a closer liaison between Parks Canada and the tourism industry be achieved; that a faster, more efficient method of tourism statistics gathering be devised; and last but not least, a recognition of the importance of the tourism industry be expressed by the government in adding the title of "tourism" to the Minister of State for International Trade's title. The industry has asked for their own minister and ministry. It would be irresponsible of me to recommend another ministry when in fact we are trying not to create but to streamline various departments, but I would urge the Prime Minister and his government to give very serious consideration to this request so that tourism's importance in our Canadian economy will be given due recognition.

As a new member, may I publicly thank everyone, the Prime Minister and his cabinet colleagues, my constituents of Brampton-Georgetown, my colleagues from all sides of the House, the staff on the Hill and in the various ministries, and my own personal staff for helping me over the first few months. It has been an exciting and educational period in my new chosen profession, and I look forward to a very productive session.

● (1620)

[*Translation*]

Mr. Rémi Bujold (Bonaventure-Îles-de-la-Madeleine): Mr. Speaker, I am quite pleased and honoured to take part today in the throne speech debate. First allow me to take this opportunity to congratulate you for the trust shown in you by the House of Commons and especially by the government party which recommended your appointment to the position that you now hold. Your sense of responsibilities, your integrity as well as your fairness are the qualities recognized by all members of the House. At the risk of repeating what has already been said, I wish to point out that the role you will play in the months to come will surely not be without any difficulty. I therefore wish you much success in your duties as Speaker of the House.

I also extend my congratulations to the Deputy Speaker, the Deputy Chairman and the Assistant Deputy Chairman of the Committees of the Whole House. I am also pleased to congratulate the mover and the seconder of the Address in Reply to the Speech from the Throne. Undoubtedly it was for them the best possible way to begin this new legislature.

My preamble, Mr. Speaker, would not be complete if I failed to pay tribute to my predecessor in this House from 1962 to 1979. I refer to Mr. Albert Béchard, a man who always represented with dignity the constituency of Bonaventure from 1962 to 1968 and that of Bonaventure-Îles-de-la-Madeleine from 1968 to 1979. I wish him well in his new job as Canada's Consul General in Louisiana. Finally, I would like to thank most sincerely the voters of the riding of Bonaventure-Îles-de-la-Madeleine for the faith they have put in me during the last general election. I will do everything I can not to disappoint them as they expect a lot from their federal representative, considering their remoteness from large centres as well as the many communication difficulties they face.

On this first opportunity I am given to address this House, Mr. Speaker, I will not describe the great resources and beauties of the riding of Bonaventure-Îles-de-la-Madeleine. I will do rather like my eminent colleague from Shefford (Mr. Lapierre) and invite all my hon. colleagues to come and visit the Gaspé area and the Îles-de-la-Madeleine, as thousands of tourists from this country and all around the world do every

year. However, I would like to point out two particular aspects of my riding. First, the diversity that exists within the riding itself. The people in the area are mostly Acadians, Loyalists and people who came from the Jersey Islands as far back as 1750. Ever since that time, Mr. Speaker, Francophones and Anglophones have managed to live in harmony and thus show the whole people of this country that linguistic and cultural duality can get along very well in the same territory. I believe I can say that the people of the riding of Bonaventure-Îles-de-la-Madeleine could serve as a model for Canada as a whole by showing it is possible for the two founding groups of this country to live in close co-operation and mutual assistance.

Second, Mr. Speaker, I would like to deal for a few moments with the difficult problem facing part of my riding, namely the territory of the Îles-de-la-Madeleine, located 180 miles from the centre of the riding of Bonaventure. Indeed, the Îles-de-la-Madeleine was a riding in its own right since 1940 but it disappeared during the general election in 1968. The islanders never quite accepted that decision and indeed showed it during the last election by massively staying away from the polls. It is quite obvious, Mr. Speaker, that it is extremely difficult for a member to represent adequately two territories so remote in a single riding. Often the member finds himself in obvious contradiction between the two parts of the territory on certain policies. Indeed, Mr. Speaker, I plan to establish in this House the validity of the request made to me by the people of the Magdalen Islands. I will examine every possible solution to give these people their own constituency so that they may be truly represented in all areas particular to their territory.

I now come, Mr. Speaker, to the main subject of my speech. I must admit that after listening last week to the Speech from the Throne delivered by His Excellency the Governor General and after reading it carefully, I have a great deal of difficulty in seeing any desire on the part of the new government to give priority to certain problems which concern Canadians in general and more particularly the citizens of my constituency. Indeed, Mr. Speaker, the vast issue of fisheries, which is a major sector of our economy, does not seem to concern greatly the new government. The only mention of this industry is that the government party plans to prepare a white paper on the subject. I listened carefully last week to the hon. member for Cardigan (Mr. MacDonald) who, in his speech in support of the Address in Reply to the Speech from the Throne, said the following:

> I believe that we in Prince Edward Island have a stake in the expansion of this important industry, and I am pleased that this Parliament will be working to create a fisheries policy which will maintain Canada's position as the number one fishing country in the world. I look forward with great confidence to expansion of the fisheries industry and more year-round employment for our processors and fishermen.

Mr. Speaker, I think I can say that I fully agree with my colleague for Cardigan in these matters. However, I have the impression that the hon. member was able to read many things between the lines of the Speech from the Throne since there were few lines on the subject, unless our colleague has much more liberal and realistic views than the new Minister of Fisheries and Oceans (Mr. McGrath). Mr. Speaker, the government must not hide behind studies and the preparation of white papers to forget the very important area of fisheries, especially the grants for small harbours and boat construction and the delays in granting licences to fishermen.

On the other hand, we have been able to see that, in the five months the government has had before facing the House, this same government has made decisions concerning fisheries that I consider completely inconsiderate and irresponsible. In fact, in a decision announced on August 27 last, the Minister of Fisheries and Oceans authorized vessels of 100 feet or more to take 6,000 metric tons of cod in the Gulf of St. Lawrence. Such a decision, Mr. Speaker, annihilates all the work done by the previous government to improve the management of ground fish in the Gulf of St. Lawrence.

We really wonder if the new government and particularly the new Minister of Fisheries and Oceans does not encourage large companies rather than the small inshore fishermen. And when we think that, according to the information I have, this decision has been made without any consultation with the government of the Atlantic provinces! So what about the decision, the comments by the right hon. Prime Minister (Mr. Clark) last week about that new era of negotiations with the provinces? If this is the kind of negotiations mentioned by the Prime Minister and the way that the Minister of Fisheries and Oceans is acting, I really wonder where we are going.

I wish to draw the attention of the House to the difficult problem that will arise in our region because of that decision since all our fishermen are inshore fishermen. And for the information of the hon. member for Cardigan I shall say that nothing in that decision will promote the creation of more year-long employment for our fishermen. And it is true as well for those of Prince Edward Island, Quebec or New Brunswick. I have already made my comments to the Minister of Fisheries and Oceans on that subject and I hope he will take them into account.

Another important problem, Mr. Speaker, that I hope will be promptly tackled by the new government, and that affects not only the region where my riding is located but also a large part of the population living in eastern Canada, is the difficult problem of air transportation. The Speech from the Throne did not mention the subject. In that speech, the government expresses no willingness to grapple with that difficult problem and suggests no answer. Knowing the current difficulties in that field, I wish to attract the attention of the new Minister of Transport (Mr. Mazankowski) to urge him to consider a solution proposed by his predecessor and which, I think, would solve the schedule and transfer problems between various airlines.

That solution, Mr. Speaker, would be to have one regional air carrier in eastern Canada, as is already the case in other

areas. This would avoid the enormous deficits incurred by airlines currently serving the area, and give a better transportation network to the various districts in eastern Canada. Hopefully the sale of Nordair will be a step in that direction. And I take this opportunity to invite the Minister of Transport to speed up this matter which has been under consideration long enough.

As I emphasized earlier, the new government has no apparent concern for the vital segments of our economy. Farmers were expecting a lot from the throne speech. They were greatly disappointed. Not a word, not a policy statement pointing to this government's approach in that area. What will our dairy producers do in the face of milk quota auctioneering? How is the problem of the astronomical cost of transporting produce into the large centres going to be solved? It is my hope the new government will not do as they did in the case of the Montreal harbour strike, when they waited for months before acting, letting disputes drag on and on. Mr. Speaker, our farmers deserve better treatment. I hope the Minister of Agriculture (Mr. Wise) will take strong action, I hope that agriculture will become as much a priority for this government as energy and fisheries.

In conclusion, Mr. Speaker, let me turn to a significant omission in the throne speech, the constitutional crisis now facing the nation. Like my hon. leader, I am far from believing that the new leadership the right hon. Prime Minister is apparently trying to establish is capable of solving the Canadian crisis. I doubt that the constitutional problem can be solved by granting every provincial demand. Indeed the right hon. Prime Minister does not seem to pay much attention to that most urgent and serious problem in Canada, if the press conference he gave last week is any indication. The Prime Minister stated the significance of the referendum should not be exaggerated. He felt that it was much more important to ensure a permanent federal presence in Quebec.

Well, Mr. Speaker, I should like the Prime Minister and his colleagues to tell us how saying no to the decentralization of various departments within Quebec will ensure this presence in Quebec. Those are some of the questions I am directing to him. He also stated, and I quote:

—that the referendum was in fact only one of many events to take place in 1980.

Mr. Speaker, I suggest that this fails to recognize the importance of the situation in the province of Quebec and the seriousness of the constitutional crisis we are going through. What is still worse, Mr. Speaker, we have heard his Minister of State for Federal-Provincial Relations (Mr. Jarvis) indicate that the government's participation will be minimal. How could it be otherwise, for they have only three hon. members in the House of Commons and two ministers in the Senate? So, how can that presence make itself felt strongly? Obviously the minister had no other argument to plead in that regard. But there is worse when he says, and I quote:

In addition, we do not have the strength to wage a big campaign in Quebec. One must recognize one's weaknesses.

Mr. Speaker, to my mind, that is implicit recognition of the fact that the Progressive Conservative government does only represent the nine other Canadian provinces and does not represent the province of Quebec in the House of Commons. As I pointed out, Mr. Speaker, we are now up against a secessionist government in Quebec, which will not hesitate to resort to all the means necessary to achieve its ends, and by handing it certain powers the Canadian government will not allay its hunger.

In the face of the gathering storm in Quebec, I feel that those who hold deep convictions about Canadian federalism, and specially the members of Parliament, must see to it that this country remain a model of unity despite the diversity of its parts. Finally, Mr. Speaker, I sincerely hope that some of the suggestions of the opposition, in particular with regard to Quebec, will not be turned down in order that the unity we all hold dear might be strengthened.

• (1630)

[*English*]

Mr. Bob Brisco (Kootenay West): Mr. Speaker, for the past several days in this House and for the past several months out on the hustings and in the media the Liberals and the NDP alike have been exclaiming and proclaiming the virtues of Petro-Canada. Never before on any one issue have we heard such righteous indignation and such hyperbole. What it all boils down to is state ownership versus ownership by the people of Canada. When did one single taxpayer outside the board room of Petro-Canada have any say in its operation?

An hon. Member: Or any benefit.

An hon. Member: Or any interest.

Mr. Brisco: Or any interest. When did the taxpayers' representatives right here in the House of Commons have any say in Petro-Canada after its creation? How often has Petro-Canada appeared before any standing committee of Parliament? I can remember once. Perhaps there were other occasions, but they were exceedingly few. Once in 1977 the Standing Committee on National Resources and Public Works was dealing with the estimates, and hon. members who have served on standing committees will know there is a host of wide-ranging questions which can and are asked. I wonder if anybody on that occasion in 1977 asked about the president of Petro-Canada, the only oil company executive in Alberta being driven around in a chauffeur-driven limousine, the highest paid oil executive in Canada. That is the kind of aura which was established then and is continued now. That is the kind of aura which would be furthered and fostered by my socialist friends across the floor.

When have we had any opportunity to comment on the expenditure of $1.5 billion of public funds to purchase Pacific Petroleums? Was it necessary to purchase the whole thing? We hear exclamations that we want a Canadian identity. I could not agree more, but some 30 per cent of Pacific Petroleums—indeed, a little more—was already owned by

Canadians, and it was just bought out lock, stock and barrel. Canadian money was used to buy Pacific Petroleums. I do not know whose philosophy that was, but it surely is not the philosophy of this government.

Canadians need the opportunity to share in the successes of Petro-Canada and in the policy of Petro-Canada. If there had been any policy in Petro-Canada, the uranium exploration now taking place in the southern Okanagan through its subsidiary, Pacific Petroleums, would have been halted, at least until the Bates commission of inquiry in British Columbia was completed.

That is an issue which finds the NDP on all four sides of the question, one federally, one Saskatchewan, one British Columbia and, I suppose, one somewhere else. Members of the NDP have a policy for every province and another one which they toss out federally. It will be interesting to hear what their plan is. Hopefully they will appear before the nuclear energy inquiry which we as a government intend to establish.

If there had been any say by the taxpayers of Canada in the policy of Petro-Canada, certainly the taxpayers of southern British Columbia and in my constitutency would have asked Petro-Canada to lay off, at least until the Bates commission of inquiry was completed. We never had that kind of conversation.

The impression which has been left by hon. members opposite is that a Conservative government would tear asunder and rip the guts out of Petro-Canada and trash it. When did this party say that? We have never said that. Where does that story come from? It comes from hon. members opposite.

I heard the eloquent although supplicated speech by the leader of the NDP at the weekend. He made comparisons about Chargex and Master Charge and told Canadians how to operate their accounts. The New Democratic Party is so bankrupt it would have trouble getting a Master Charge card. The task force report will probably indicate to all Canadians that the word "dismantling" does not exist in our vocabulary. The government has $1 billion in equity in Petro-Canada, and Petro-Canada has $1.5 billion of debt. That is $2.5 billion for starters, and it has a profit picture of a few million dollars.

● (1640)

Two hundred and fifty per cent of the equity of PetroCan is an added equity, and you could not give it away under the present circumstances and framework, so we have to turn that around. Canada and Canadians need their own private oil company, aided and abetted by a strong energy policy, a policy that is now being developed by this government. What is PetroCan, sir? It is a government-owned company with confused purposes and, at times, questionable management.

An hon. Member: It's a shell.

Mr. Brisco: I do not like throwing into question the management of any corporation, but I can remember the time a month and a half or two months ago when, in Calgary as members serving on the Canada-U.S. interparliamentary group, we were presented with a very slick presentation by PetroCan at the Glenbow centre. They would have us believe that by 1985 Canada will have icebreaking LNG tankers that will ride up on the ice, crash through, rise up and again crash through, and they will carry Canada's natural gas from the Arctic to the Atlantic seaboard. That was a remarkable proposal, remarkable because we do not yet have the ships. I do not know whether or not they are in the design stage—perhaps they are. I asked them where they are going on the seaboard, where they are going on the Atlantic coast with that LNG. Nobody wants them because the stuff is so highly explosive.

I must say that, in an environmental sense, LNG does make sense. It is environmentally so clean that once it explodes, nothing is left. So in that sense it is non-polluting. But when I asked a senior official of PetroCan about the explosive qualities of LNG, he asked, "What explosive qualities? It does not explode." Why do you think they kept them off the Pacific coast? The man had not done his homework.

Then PetroCan would have us believe they are going to establish pipelines on the islands, run them under the oceans in the Arctic and they would have pick-up points along the way. The official did not say anything about ice scouring of the ocean bottom and how they would place those pipelines below the level of scouring. I do not think he knew there was any scouring being done up there. Hon. members will know that the Beaufort sea in the Arctic ocean is a very shallow body of water and that scouring is probably the major cause of concern. So if I say that the management is questionable, I hope I can be forgiven but certainly the slick presentation we received at Calgary left a great deal to be desired.

The Germans did it with Volkswagen, the Alberta government did it with Alberta Gas Trunk, more recently BCRIC did it in British Columbia, the most successful new equity issue put on the market in recent history. How well I remember the remarks, when flying back to my constituency, of the former member for New Westminster who has gone to his reward in the provincial legislature in B.C., sitting in the wings ready to devour the present leader of his party.

Some hon. Members: Oh, oh!

An hon. Member: Quite a mouthful!

Mr. Brisco: Quite a mouthful is right. He will suffer from acute indigestion before he has finished that task. I remember the former member's remarks because he said to me, about BCRIC, "What an excellent move, what an excellent idea, and we do not have anything with which to combat it." They announced, as a party out there in British Columbia, that if you have a few shares and you are a member of the party, send them to the NDP, they could use them. Well, I wonder how many members have sent their shares to the NDP, those free shares that were issued at $6 and went up to around $8.25. I am not sure what they are worth today, but I am sure there are many people from all parties in British Columbia today who check BCRIC on the stockmarket every day.

What Canada needs and what Canadians want is a Canadian-owned company with a clear direction and able to compete with the multinationals, a company with the financial structure to stand on its own feet, a company not politically oriented, not an empire of bureaucrats but a company of Canadians in every sense of the word.

Some hon. Members: Hear, hear!

Mr. Brisco: I do not subscribe, nor does my government, to the socialist philosophy that only a small elite, either here in Ottawa or out west in Calgary, can run anything and everything. So I say: Let us get on with the task of energy self-sufficiency and, at the same time, destroy the myth created by the opposition that we would hand PetroCan over to the multinationals. I know there is concern across Canada about the destiny of PetroCan and I can understand that concern, particularly in light of the stories of the Liberals and the NDP. Canadians are opposed to having PetroCan turned over to the multinationals, and I do not blame them at all. So are we, and that is the point that the people opposite fail to recognize.

Some hon. Members: Hear, hear!

Mr. Brisco: I wonder just where the opposition believes we should be going with PetroCan now. Do they feel we should leave it as it is?

An hon. Member: Expand it.

An hon. Member: Put money in it.

Mr. Brisco: We hear all kinds of hoots and cries from the brainless ones, sir. But if that is the case, are we going to have any kind of guarantee that they will be responsible to Parliament? The outfit across the way would not want it responsible to Parliament. They never had it that way and they surely would not want to begin now.

Forty-four years ago, which is nearly half a century ago, Kootenay West was represented for the last time by a member of the government. That is a long time in the doldrums. In that interval, three members have represented Kootenay West until my election in 1974, and all three of them, regardless of their political philosophy, have served that constituency to the best of their ability. There was Billy Esling who served from 1925 to 1945, a man who resigned in 1945 because he became virtually blind. He was succeeded by Bert Herridge, a fine gentleman. I am sure there are many members in the House who have been here for a long time, particularly the hon. member for Winnipeg North Centre (Mr. Knowles), who remember him. We called him the squire of the Kootenays. He was succeeded by Ran Harding who came to the House after 23 years of representing his constituency in the provincial House. Each of them in his own way worked with diligence on behalf of the constituency.

I do not think anyone would deny that, in some respects at least, it is harder to represent a constituency when you are on the government side. Certainly I think we would all recognize that in opposition there are those frustrations which rest on the failure to fulfil everything you would like to fulfil in your constituencies that might possibly be accomplished in government. I have some reservations today whether many of the aspirations of members on the government side, let alone the opposition, will be fulfilled in terms of hon. members' own constituencies until we are able to shed ourselves of the financial chaos and disaster, the reign of fiscal terror perpetrated on Canadians by 11 years particularly, and 16 years generally, of Liberal policy.

● (1650)

I note that in the throne speech reference is made to a freedom of information act. I only suggest that the government consider implementing that measure before considering a national uranium inquiry. If the experience in many provinces, Saskatchewan, Ontario, British Columbia and Quebec, is any example, it is important that we have a freedom of information act in place before we start asking questions in terms of a uranium or nuclear energy inquiry.

I note, sir, that there is provision for improvements in spouses' allowances. Certainly members on this side, and my colleague on the other side, the hon. member for Winnipeg North Centre, recognize the time spent both in this House and in the Standing Committee on Health, Welfare and Human Resources trying to persuade the government of that day to remove the inequities in spouses' allowances.

I am also pleased to see in the throne speech a recognition of the concerns and problems of Canada's veterans. It is, indeed, unfortunate that in the last government we had an apologist for a minister, a man without clout in government in terms of representation of our veterans. Again there are those in this House who should be mentioned particularly as having fought for the welfare of Canada's veterans. I think of Jack Marshall, who has gone to the other place, Bill Knowles, who is no longer a member, having retired after many years of service, our own member for Winnipeg-Assiniboine (Mr. McKenzie), our present Minister of National Defence and Minister of Veterans Affairs (Mr. McKinnon), and, yes again, the hon. member for Winnipeg North Centre.

I note also in the throne speech a concern about FIRA, the Foreign Investment Review Agency. I share that concern, a concern which certainly existed when we were in the opposition, and nothing has happened since to relieve that concern. In fact, I suppose my concerns have been reinforced.

I can remember when Salmo Forest Products Ltd., an American company sold to an American company operating in Canada, had an application before FIRA. The application was rejected because the proposition was not going to provide any significant benefit to Canada, particularly in terms of new employees. What did that company do? It laid off 50 employees on the excuse that some kind of legislation in the United States obliged it as a small company—and I question that—to follow certain rules which provided that they could not have more than 500 employees, or something like that, on their total payroll and still be involved in the forest industry cutting logs from a national forest in the state of Idaho. That

company laid off 50 employees and re-submitted an amended application to FIRA stating it was going to hire 50 employees. You can imagine what happened. The application was approved and the shift that was laid off was hired again. Does that strike you as responsibility?

We are also going to be asked to extend the powers of Parliament. The hon. member for St. John's East (Mr. McGrath), now the Minister of Fisheries and Oceans, once remarked that parliamentarians at one time did have power in this House to take the kind of actions that Canadians deserved, to take positive steps and to assume responsibility. That power disappeared and we know when that happened. What did we get in place of that power? We got a raise in pay. Everyone got a raise in pay in the hope that that would keep members happy and quiet. It was felt members would not bellyache after they had received an increase in their salaries. The government then just took away parliamentary powers. What a disastrous trade-off that was.

Another concern that is touched on in the Speech from the Throne relates to spending restraint. During the last election campaign I said on more than one platform that the people should elect the party which promises that it will endorse and implement the recommendations of the Lambert commission and the recommendations of Auditors General. Did we hear members of the opposition say they supported this? With their kind of policies and their expansion of the bureaucracy how could they support economic accountability and efficiency? How could these people support that? Is the record of the last 16 years any evidence that they could support it?

The Auditor General makes certain recommendations in his report to members of the House, but who hoots, hollers, jeers and denies the whole thing? I suggest it is those members across the way. If a party promised no other thing to Canadians but that it would implement recommendations of economy, efficiency and accountability, it should be elected by the people of Canada. They have done that and we will fulfil that promise. Before the end of two years we will terminate that period we have seen from the other side of monetary madness and financial irresponsibility.

Work is already under way to restore accountability to the people who pay the bills; the people in the galleries, the people out there across this nation, more particularly the people of Kootenay West who had enough perception, in spite of the fact that they elected a couple of socialists provincially, to know that a socialist federally is not going to serve their purposes.

Mr. Clark: I rise on a point of order, Mr. Speaker. I wonder if I might have the consent of the House to revert to the tabling of documents.

Mr. Deputy Speaker: Is there unanimous consent to allow the right hon. Prime Minister (Mr. Clark) to revert to the tabling of documents for the purpose of presenting a report?

Some hon. Members: Agreed.

[Mr. Brisco.]

• (1700)

PETRO-CANADA

TABLING OF TASK FORCE REPORT

Right Hon. Joe Clark (Prime Minister): Mr. Speaker, under the provisions of Standing Order 41(2) I wish to table, in both official languages, copies of the report of the Task Force on Petro-Canada.

* * *

SPEECH FROM THE THRONE

CONTINUATION OF DEBATE ON ADDRESS IN REPLY

The House resumed consideration of the motion of Mr. Fretz for an address to His Excellency the Governor General in reply to his speech at the opening of the session, and the amendment thereto (Mr. Trudeau) (p. 37).

Mr. Jesse Flis (Parkdale-High Park): Mr. Speaker, I would like to recognize a Miss Jasmine Hubjer in the gallery.

Some hon. Members: Order!

Mr. Flis: I am sorry, I am learning the rules, as you know, Mr. Speaker. The young student, whose teachers are on strike in Peel County, is here in this classroom to get a first-hand education.

Some hon. Members: Hear, hear!

Mr. Flis: In this, my first speech as the representative for Parkdale-High Park, I would like to extend my congratulations to the hon. member for Sudbury (Mr. Jerome) on his reappointment as Speaker of this House of Commons. The wisdom of the members here in showing this confidence in him has been demonstrated amply in the past, as it will continue to be in the future.

Mr. Speaker, I extend similar congratulations to you as the Deputy Speaker. Congratulations are also in order to the right hon. Prime Minister (Mr. Clark), and I am very honoured that he is here in person to hear my maiden speech. Though the criticism from this side of the House will oftentimes be pointed and harsh, I need not remind him that we share the ultimate objective as members of this House of Commons which will guide us in our deliberations, that being the good government of this nation.

Parkdale-High Park is situated in the west end of Toronto and was created out of two federal constituencies, High Park-Humber Valley and Parkdale. Our constituency houses the Canadian National Exhibition, Ontario Place, Sunnyside Swimming Pavilion for which we hope the new government will give us some funds to restore its historical nature, and the famous High Park.

For my own part, I very much identify with the mosaic concept of Canada as it is often described by our leader, the right hon. member for Mount Royal (Mr. Trudeau). Boasting more than two dozen identifiable ethnic strains, Parkdale-

High Park easily touches all corners of this planet. Its inhabitants include Canadian Indians, English, Polish, Ukranian, Germans, Austrians, Lithuanians, Maltese, Italians, Spanish, Serbs, Croats, Slovenians, East Indians, West Indians, Chinese, Japanese, Koreans, Greeks, Portuguese, Irish, Scots, Filipinos, Latvians, Estonians, French, and many others, including Inuit. There are Catholics, Protestants, Jews, Moslems, Hindus, Buddhists, and other religions too numerous to mention. There are some that are very wealthy and some not so wealthy. I have so far enumerated only the differences.

What binds these people together? They are bound by a common bond of being Canadians. They each have a personal identity based on their ethnic heritage which they have been encouraged to preserve. My identity happens to be Polish. I am proud to be a descendant of a culture that has a 1,000 year history of Christianity, and a culture that has been blessed with producing today's Roman Catholic Pope, John Paul II.

To answer the question further what binds these people together, I would like to quote from a speech made in this House 22 years ago by a gentleman who now sits in the other chamber after many years of distinguished service. The hon. Senator Stanley Haidasz said of the constituency which I now represent:

> This enviable mosaic, composed of different shapes, sizes, and colours is, may I assure you, strongly cemented by a common allegiance to the Crown and a common Canadian citizenship but also by convictions of loyalty, pride, and faith in the past, present, and future of Canada.

As the present member for Parkdale-High Park, I would not hesitate to offer my riding as a model of co-operation amidst diversity for all of Canada. Racism is a reality in many communities today, a reality based on ignorance of the changing nature of Canadian society. Co-operation and living in harmony such as I see in Parkdale-High Park are based on knowledge, understanding, appreciation, and respect for each other.

I would be remiss if I did not at this time offer my congratulations to the community of Parkdale on this, the occasion of its centennial. The Parkdale crest bears the words "Progress and Economy", words which will be a guiding influence for the community during its next 100 years. Perhaps the present government would consider adopting them as its motto also.

A Speech from the Throne in essence is a blueprint for the future. The role of the government is therefore to lead us into that period. I regret that the Speech from the Throne which opened this Thirty-first Parliament is long on verbiage and magnanimous exhortations, but lacking in genuine commitment to action by this government.

One province is about to vote on its continued existence within the Canadian federation. This is not considered important enough by the government to require mention in the Speech from the Throne. We have a promise to amend the preamble to the Immigration Act to acknowledge the multicultural reality of Canada. If the government is serious about a commitment to multiculturalism, I challenge it to entrench the principle and support of multiculturalism in a revised Canadian constitution, and I challenge the new government to bring the constitution home where it belongs. My constituents and I are insulted that a mature country such as Canada does not have ultimate authority over its own constitution.

The Prime Minister has said that he has contributed more to federalism since coming to power than the right hon. member for Mount Royal accomplished in 11 years. Ignoring the dubious nature of this statement, I would urge the government to put forth proposals leading toward the renewal of the federalism so as to convince Quebeckers that there is a new image and new substance to federalism as the Prime Minister indicated in Montreal last month. The time for action is now, in this Parliament.

The intent of the government with regard to Petro-Canada remains a puzzle even after the Speech from the Throne. Its fate was a major plank in the electoral platform of the present government, but no mention of it appears in the speech. The persistent equivocation which has been the hallmark of this ministry is most clearly demonstrated in regard to PetroCan. Let me read a few quotations. As quoted on March 24, 1977, in the Calgary *Herald* the hon. member for Calgary Centre (Mr. Andre) stated:

> Obviously, if it's a thriving operation, we'd be crazy to shut it down.

Given the multi-million dollar assets of the firm at this time, Mr. Speaker, I will resist the temptation to editorialize on that observation. On April 6, 1979, in Winnipeg, the hon. member for Rocky Mountain, now the right hon. Prime Minister, stated, "I believe that it's a dud". Well I believe that we have a "dud" of a government if that is his assessment of PetroCan. On July 20, 1979, in the Calgary *Herald* the headline read:

> Andre easing PetroCan stance.

Again from the Calgary *Herald* on August 11, 1979, the Minister of Energy, Mines and Resources (Mr. Hnatyshyn) was reported as follows:

> The minister said that the concept of the need for a state oil company had changed dramatically since 1974 when Petro-Canada was created. Since then, dwindling oil supplies have underscored the need to ensure security of supply, he said.

Pity the *Montreal Star*. Two days after reporting the Minister of Energy, Mines and Resources as saying "PetroCan will stay", the Prime Minister said "PetroCan still goes". Who's on first? What's on second? The Canadian taxpayer—out at third! The new government had better stick to football.

One wonders why myopic party dogma should stand in the way of Canada maintaining its own national oil company, just as Britain and most other industrialized nations do. The multinational oil companies that would control our energy future in the absence of Petro-Canada have demonstrated that their supply objectives do not coincide with those of the Canadian people. Petro-Canada must answer to its owners. Its owners are the Canadian people.

● (1710)

The leaders of our new government have expressed a concern in the past over an alleged abrogation of the powers of Parliament during the last few years. This is certainly an

impressive statement to make inasmuch as no democratically minded person would argue that the elected legislature should be anything else but the focus of initiative and review in government policy. Is the new government acting in accord with this lofty ideal? I think not. The reason given for the longest delay in Canadian history between election day and the summoning of Parliament was for the ministers to become expert in their respective portfolios. Judging from the responses that we have been hearing to opposition questions in the last few days, one is left to wonder why it was assumed that five months would be sufficient.

By the appointment of a freshly defeated and unproven, novice politician to a senior economic portfolio, the Prime Minister has made a blatant end run around Parliament and the democratic process as we know it.

Had Parliament the opportunity to debate it in advance, perhaps the government could have been dissuaded from its unfortunate policy on the Israeli embassy question. Under the guidance of prime minister Trudeau, Canada acquired a reputation of considerable stature in foreign affairs. This reputation has been seriously eroded in an ominously brief period of time, and all before a single member of Parliament was afforded the opportunity to ask who, what, where, when or why.

The revelation of budgetary substance by way of a press conference is an unacceptable affront to Parliament. The House of Commons is very jealous of its primacy in the knowledge of such matters. The Minister of Finance (Mr. Crosbie), who is as quick with his wit as he is slow with his answers, continues to mock the intelligence of all members with his evasiveness. Perhaps he was named to that portfolio because of his dexterity at passing the buck. Only last week we witnessed confusion by the President of the Treasury Board (Mr. Stevens) over responsibility for the estimates after presenting them on behalf of His Excellency the Governor General. The lack of organization apparent within this government is alarming.

The formation of the several parliamentary committees is a positive step. Parliament should have accurate data when reviewing the estimates, and it should have a major voice in the determination of such major policy areas as foreign investment, nuclear energy, cultural policy and the several other important matters cited for examination. To broaden the activities of Parliament, however, is not necessarily synonymous with broadening its powers. I truly hope that in this session we begin to witness a convergence of the two.

The importance of instilling confidence in the Canadian economy was stressed in the Speech from the Throne. The behaviour of the Toronto Stock Exchange last week suggests that this objective is not within reach at the moment. If the government wishes to restore confidence in the economy, it must withdraw such misdirected and hackneyed schemes as the mortgage interest and tax credit plan. Though conceived with an honourable motive, the plan is inadequate, as many Canadians such as renters and full home-owners cannot participate. Given the impact on increases in the interest rate permitted by the present government, all benefits of the plan have become extinct. Unfortunately, the costs of the plan will outlast the benefits by several years.

In other matters pertaining to the economy, it is heartening to see the effects of the last budget continuing to moderate the inflation rate and unemployment. I believe that governments should channel a great deal more resources toward youth and their interests than has been the case in the past in Canada.

In 1976, the Organization for Economic Co-operation and Development—we see it in the media as OECD—completed a study on educational policies in Canada. Our system was harshly criticized for lacking unity of purpose or any orientation toward the future in the face of overwhelming arguments in favour of some kind of central direction. The report made the following points in favour of a national authority to involve itself in education:

> Education is a right of each citizen, due to each system irrespective of his place of residence . . . The standards maintained by schools, community colleges and universities are of national interest, because a large part of scientific-technical achievement, and hence, economic and social well-being may depend on them . . . unity of the educational system is a national interest, in order to maintain and guard the freedom of choice (via mobility) of citizens . . . the educational philosophy of an educational system and the principles underlying its operation are matters of national interest, because cultural and national consciousness depend on it.

No political party in Canada has had the guts to infringe upon the provincial jurisdictions in education, but I believe the time has come to amend the constitution to allow for a federal ministry of education which would set national goals and national standards.

I applaud the initiatives of the government in assisting young Canadians in the work force. My own background is heavily oriented in education—equipping young people to cope with situations that they will encounter outside school. In this Thirty-first Parliament there are at least five dozen others who have been involved with education either through teaching or through school administration. As an educator I have witnessed first hand the value of, indeed the need for, a positive esprit de corps, be it a school spirit or a national will. Just as a winning team enhances the spirit of a school, a strong national pride enhances a country.

The Liberal government provided strong leadership based on winning ideas such as Petro-Canada and the plan of national health care. Both of these ideas are being undermined by the current excess of Tory governments in Canada. By shedding all of its powers to the provincial governments, this federal government is neglecting its responsibility to act on behalf of the national fact known as Canada.

My parents emigrated from Poland at the height of the depression. The fact that they settled in Saskatchewan as opposed to Manitoba or New Brunswick was only incidental to them—they considered their destination to be Canada. As a citizen of Canada by birth, I cannot help but be alarmed when I see the federal government jettisoning its responsibilities, left, right, and centre, to the provincial governments. These several provincial governments are answerable to and must act on behalf of the residents of their respective provinces. None of

them appear incapable of acting on their own behalf, but this federal government, this Prime Minister, under the guise of co-operation, is handing over lock, stock and barrel, the very elements that bind these provinces as one country.

The notion of regional interests is not alien to the concept of Canada; in fact, the presence of a federal government that bends like a willow in the wind to provincial demands as this government does, causes worry for my constituents and, I am afraid, for all Canadians.

It is Premier Lougheed's job to fight for Alberta's interest, Premier Lyon's to fight for Manitoba, that of Premier Davis for Ontario. I pray that the Prime Minister gives serious reflection as to what constituency he should be fighting for.

I would like to thank the residents of Parkdale-High Park for bestowing upon me the greatest honour I, as the child of immigrant parents, could ever hope to achieve. To this role of member of parliament I bring with me experience as a farmer, small businessman, labourer, and educator.

I cherish the opportunity to convey the interests of my constituents to the federal government—constituents such as Dr. Ven who advised me on the maximization of research moneys. Mr. Czubak advises Mr. Clark that if he must sell off PetroCan, to sell only 45 per cent to the private sector, and retain 55 per cent control in federal government hands. This is not my stand; this is the stand of one of my constituents and I feel it is my duty to share it with you. Mr. Primicius, who comes from the Philippines, recommends that the new government call a constitutional convention. I bring to this House Mr. Wotton's concern of using foreign designers for publicly funded Canadian projects. Mr. Field, Mr. Szymanski, and over one hundred other constituents are irate over the present government's immigration policy. Several petitioners wish me to draw to this Parliament's attention that Canadians do not want the legalization of marijuana use.

● (1720)

The constituents of Parkdale-High Park whose parents come from Lithuania, Latvia, Estonia, the Ukraine, Czechoslovakia, Romania, Bulgaria, and other eastern European countries want this government to challenge the Soviet Union's dual citizenship policy.

Another constituent, Mr. Cozzi, helped me appreciate the contribution made to Canada and the world by our senior veterans and the present personnel in the armed forces.

Miss Milne requests that the External Affairs Department disband Canada House or force it to improve its service to Canadian travellers.

Mr. Bosley, like many other residents of Parkdale-High Park, is furious over the misuse of our social welfare services. Many people are worried about the low morale in the immigration department caused by public statements made by the Minister of Employment and Immigration (Mr. Atkey).

Mrs. Plesha, Mr. Hanzlik, Mr. Tiwari, Mr. Previlon, Mr. Palaniandi, Mrs. Paech, Mr. Singh, Mr. Halaby and Mrs. Baptista would like the ministries of immigration and external affairs to get off their bureaucratic high horses and allow these people to reunite with their families while immediate families, sons, daughters, sisters, brothers, and parents, are still alive, and not after they are dead.

Mr. Kolev wants to know why the Secretary of State for External Affairs (Miss MacDonald) refuses to meet with him to discuss the release of his ailing 69 year old father from a Bulgarian concentration camp.

Mr. Manat wants to know why he has to pay $3,000 for a patent on an energy saving engine which could save Canada millions of dollars in lowering fuel consumption.

In the past it was often assumed that elected officials were more knowledgeable than the constituents in many strategic areas. My brief experience as a member of Parliament has demonstrated to me that this is not the case now, if in fact it ever was. As the elected representative, I depend on the collective expertise of my constituents. It is my responsibility to convey their opinions, suggestions, needs and know-how into this House of Commons. Upon reflection, we must all realize that no one of us has a greater responsibility than this.

Mr. Don Blenkarn (Mississauga South): Mr. Speaker, the Speech from the Throne in broad general terms is a speech designed to outline the government's proposals for the session. It is my view that the speech of a member speaking in the throne speech debate should outline that member's intention, his philosophy, and how he proposes to act during the parliamentary session.

I was a member of this House in the Twenty-ninth Parliament and spoke many times during that time. But in a sense this is my maiden speech because at no time in that Parliament did I really have an opportunity to talk about some of the matters that I would like to talk about in this address.

I bring to this House some basic principles which I think are important in the way that I will perceive my role as a member of Parliament and which I think are important in outlining to members here how they can understand the member from Mississauga South.

There is only one kind of Canadian, a very ordinary Canadian. That is my first principle. There is nothing special about being a black Canadian, a yellow Canadian, a red Canadian, or a white Canadian. There is only one kind of Canadian.

I am perhaps slightly colour blind. A lady came to my constituency office the other day and asked me if I knew she was a black Canadian. I thought she was chocolatey-brown, but I told her that I didn't care what she perceived her colour to be, I perceived she was a Canadian. I told her that that was all I was concerned about, and that she was entitled to the same rights and privileges in Canada as anyone else, no more, no less.

Over past years we have had a tendency to develop a description of Canadians by calling them Francophones, Anglophones, Irish Canadians, French Canadians, and Polish Canadians, and so on. By doing this we have got away from the spirit of the late Right Hon. John G. Diefenbaker who

stood up and said that there was but one kind of Canadian, in Canada, an unhyphenated Canadian. My executive assistant in my constituency office was born in Hungary. She told me the other day that it was not until Mr. Diefenbaker said to her—and her name was Berkovits at the time—"you are a Canadian; you did not have to be born here and you don't have to have a WASP name, you are a Canadian," that it was not until that point that she felt she really belonged.

Throughout the election campaign a candidate opposed to me from a party on the other side of the House proposed that there were four kinds of Canadians, namely, French-Canadians, English-Canadians, native-Canadians, and immigrant Canadians. That is not the kind of Canada I will speak for, nor should it be the kind of Canada that this government should speak for.

It should not matter when we, in government, appoint people to offices in the civil service or wherever to make our country work, whether the person is a Baptist, or a Moslem or a Jew, a woman, a Francophone or from an underprivileged minority. Surely we should treat all our citizens in the same fashion without attempting, by virtue of colour or whatever, to say that one is better than the other.

Since the election, some members in this House may have said things in certain letters with regard to a letter I wrote to the president of the National Indian Brotherhood. The president replied by saying "your white immigrant government this, and your white immigrant government that." I had the opportunity of sitting on a white immigrant airplane with him. Each of us were enjoying a white immigrant alcoholic beverage. I put my fist up against his and discovered that my colour was a little browner than his. Perhaps he has been under the colour of the neon lights too long.

Our attempts to try to balance race, religion and sex are in many cases an attempt at reverse discrimination so we have the nominal woman, the nominal new Canadian, or the nominal WASP on a board. That is reverse discrimination, and my actions will be to oppose that type of thing. In the very same way I will be opposing anything that insists that because you were born as a UEL and can trace your heritage to indicate that, somewhere along that line you may have some privilege in Canada. That is the kind of thing members of this House must convey to all of Canada.

● (1730)

Last evening I was at the home of the Consul General for Poland. I was at a reception in connection with a mutual exchange between a Polish city, and I am having a hard time pronouncing it, Wroclaw, and North York. A gentleman there told me he had been in Canada seven years, that he was a Polish and Canadian. I said, "No you are not. If you are a Canadian you are a Canadian and Polish is your culture, and that culture is part of Canada. That is the kind of thing we must preserve." I told him that just because he had a Polish culture that did not make him Polish because he had decided to be a Canadian. Culture, whether it is Polish, Ukrainian, or Italian, preserved in its panoramic sense, makes Canada the kind of place in which we want to live. Differences of culture and race cannot be allowed to be the basis for differences between our people. They must be the uniting force for our people because we have one Canada, one people.

My second principle is that we in Canada are over governed and the least government we can have is probably the best. In that sense I am in agreement with the Leader of the Opposition (Mr. Trudeau) when he says we have been expecting too much. Canadians have been expecting far too much from government. No organization of government can do anything other than try to regulate and control in human terms the activities of one person to another.

Too often we ask government to do the impossible. We ask it to regulate, control, and redistribute. To a large extent the efforts of government have not proved very satisfactory. In the 25 or 30 years since the last war we have been trying to eliminate poverty in this country. Massive redistributions of money have not done very much to equalize between wealth and poverty. Despite all our efforts, despite government in action, not very much has been done to alleviate some of the questions the hon. member for Winnipeg North Centre (Mr. Knowles) has brought to this House on many occasions concerning veterans and people of native origin on the reserves I sometimes call Bantustans. A great deal of the effort by government has been nothing but a waste of money and a waste of administration, without any real effort at bringing forth a better standard of living for the disadvantaged in our society.

The late John Kennedy said it is not what you can get from your country but what you can do for your country. What we have to inculcate is a sense of individualism in Canada, a sense that people individually can do things for themselves and that big brother government cannot accomplish, indeed it has proven unable to accomplish, those social aims and objectives that had been placed before it. It is essential as we go into this Thirty-first Parliament that the direction of bigger and bigger government being asked to accomplish more and more be turned back.

I am reminded of a speech made in this House by the former member for Crowfoot. He mentioned Hardin's law. I do not know where Hardin or the law came from. It went something like this. If you have a problem and you pass a law to solve it, often what you do is create three more problems which require three more laws that require and require and require, and your problems are never solved.

This House has directed the problem of interest rates to the Standing Committee on Finance, Trade and Economic Affairs. All of us are upset about the astronomical rates of interest charged by our banking system. We see young people being forced to pay 13¼ per cent on mortgages, and small businesses paying 15 or 15½ per cent interest just to stay alive. We see the destruction that high cost money will cause to employment opportunities. We have a right to be concerned.

What do we do about high cost interest? Do we pass a law like foreign exchange control? Do we make more wage and price controls mandatory? What do we do to break this

country away from the North American high interest costs imposed on us by the banking system in New York and elsewhere? When our committee meets on this matter it is essential that we bear in mind that we cannot have it just the way we want it, that sometimes passing a law only creates the problem of more and more laws and more and more control over the life of the individual.

I have looked at government, particularly since I have come back and have had much more experience in the private field, in manufacturing, construction and so on. I look at where we spend the taxpayers' money.

The other day I was in a manpower office, a glorious place with three or four floors of booths and people in Mississauga trying to work within the manpower requirements of the present legislation. I asked how many of the unemployed they would place. I was told there are probably 5,000 jobs in Mississauga right now, that they would probably fill 1,000, and the rest would be filled by people never even bothering with their service.

I looked at the cost of that operation. I began to wonder if we did not have the operation at all whether more people would find jobs than presently find jobs with the assistance of that operation. It is important that members of Parliament look critically at the activities of ministries. Do we really need the service we are paying for? Is the service supplied by a government really worth the effort?

The hon. member for Brampton-Georgetown (Mr. McDermid) mentioned tourism. I understand in that committee a senior bureaucrat was asked what do you really do, do you really bring more tourists to Canada, can you show what you have accomplished? The witness was a bit taken aback. He said, "Well, you know, we co-ordinate things between the provinces, you know, and that sort of thing". We have to really examine the functions of government, some of the things we are attempting to do for Canadians, to see whether they need to be done.

I could give other instances. I talked with someone in the National Farm Marketing Products Council. Their budget started off at $300,000. This year it will be $1 million. They co-ordinate marketing boards in all the provinces. I asked one of the employees whether they really accomplished anything. She said you could probably get rid of the board as there is enough expertise in the ministry to handle all the marketing problems, but the board was created by statute. She said their big job was dealing with the ministry. Therefore we have a ministry dealing with a ministry dealing with a ministry all over the province, and all over the country. What does that man who is raking asphalt for a construction company and paying 30 per cent or 40 per cent of his dollars in income tax think about an agency or a board which is accomplishing nothing for him? That is part of the concern I bring to this House and I shall act as a member to seriously cross-examine our government activity.

● (1740)

The next thing is this: I shall be bringing to this House a very high respect for private ownership. Look at farms throughout the world and then consider the kind of production we get from prairie farms and from our farms in Ontario where we raise some of the finest Holstein cattle in the world. This is done by people privately working on their own property, building on their own activity and initiative. They own the property. We look at the people who are retiring. We look at the ones who own their homes when they retire and we look at their ability to look after themselves and not come to the state for a handout or extras. We look at the people who never own property and what their condition is at the time of retirement and we must, over the years, acknowledge ownership of property, the wide distribution of ownership in Canada, to be very important to the social structure and fabric of the nation. That is why I am proud of our government for its decision to make interest charges on home mortgages recoverable from tax, recognizing that home ownership is a method by which individuals can acquire a personal stake in the ownership of Canada.

A proposal was tabled today with respect to Petro-Canada, a proposal to distribute broadly individual shares in that corporation so that individual Canadians can own a bit more of Canada. What we need are laws which will enable corporations in this country to distribute their stock to their employees. One of the advantages of the privatization of Crown corporations is that it will enable the distribution of shares in those corporations to the employees of those corporations to give them a chance of feeling they really belong, that they really have a place in Canada. When people feel they belong, when they feel they own the soil they farm or the backyard where their home is, when they own an interest in the firm for which they work, they have a sense of security, a sense of belonging. That is the purpose of this government, the aim I shall be working for this session.

Next is the question of individual liberty. All too often big government has meant erosion of the liberty of the individual. So we have seen efforts to reverse the burden of proof under the Income Tax Act to allow people to come in and seize a company's books and records without even a court order, or garnishee a person's wages or property because some official says money is due to government. There have been situations where people have been allowed to place taps on telephones, spy, and find out about an individual, or force an individual to use his social insurance number just to get a ticket on a Sun Tour charter. Respect for the individual and the individual's right to privacy is essential in Canada, so I shall be working on that kind of issue.

Last, when speaking as a member of Parliament I deem it my job to represent my constituents. Sometimes in representing my constituents and speaking on their behalf I may say things we are not supposed to say as members of Parliament. The other day the hon. member for Churchill (Mr. Murphy) and the hon. member for Notre-Dame-de-Grâce (Mr. Allmand) suggested I should be kicked out of the caucus of my

political party because I said some things of which they did not approve. Perhaps some of the people in my own party did not approve of what I said either. Surely, though, it is essential that I, along with other members, should be entitled to state opinions for and on behalf of constituents, which might not be popular with others.

Sir, it is not the job of a member of Parliament just to stand up and bow to you at the appropriate time on an appropriate vote. It is the job of a member of Parliament to seek out the opinions of his constituents and to represent those opinions on the floor of this chamber, and in carrying out my duties here it will be my policy to do that. It will be my duty to find out what my constituents think and desire and to advise you, Mr Speaker, and other hon. members, as to the opinions of the people of Mississauga South. Sometimes their opinions will not agree with my own at which time I shall be paying more attention to their opinions than to my own because, after all, I am their representative—they cannot all come here and speak for themselves; they must depend on me to say for them what is in their minds. It is my job then, to distil and generally organize what is in their minds for them and bring their opinions and needs to the attention of this chamber.

The job of a member of Parliament is a difficult one, sir, but with your help and the help of the other members I shall endeavour to do my best to represent my constituency.

[*Translation*]

Mr. René Cousineau (Gatineau): Mr. Speaker, first I would like to congratulate my colleagues, the hon. members for Erie (Mr. Fretz) and Cardigan (Mr. MacDonald), on their speeches last week as movers of the Address in Reply to the Speech from the Throne. Using the same opportunity, I want to congratulate you, Mr. Speaker, as well as your colleague, the Deputy Speaker. Finally, I extend my congratulations to the hon. member for Ottawa West (Mr. Binks) for the speech he gave this morning.

Allow me, Mr. Speaker, in my first speech in this House, to pay homage to my predecessor who sat in this chamber for 16 years. Mr. Gaston Clermont, who sat as member for the ridings of Gatineau and Labelle, built himself a reputation as a parliamentary fighter, an untiring worker, a totally honest man with a true sense of fair play both in the House and in committees. In 1973, he was nicknamed the "beaver of politics". He was respected by all and I wish him well in his new responsibilities.

Prior to being elected to this House, Mr. Speaker, I had often said that I wished to replace him and occupy his position with the same dignity and strength, for the best interests of my riding, of my province and of my country.

I would also like to pay tribute to the late Right Hon. John Diefenbaker whose memory will remain alive in the hearts of all politicians regardless of their party. It was an honour for me to be able to greet him the day I took the oath, and after speaking with him for a few minutes he said to me,

[Mr. Blenkarn.]

• (1750)

[*English*]

"Good luck, and I can say that with much sincerity." I had much respect for the old fellow, and I was looking forward to being here in this House at the same time as he to hear him speak and to see him point that famous finger of his accusingly at the colleague who had merited his intervention.

For those who might not know where Gatineau is, my riding is right across the river.

[*Translation*]

I hope to prove to the people of Gatineau, whom I represent and whose concerns are mine, who gave me an overriding majority on May 22, and who trusted me, that they were right to do so.

[*English*]

I am one of the privileged members of this House because I can reach my home and family in a matter of minutes, unlike most hon. members who will have to settle for a weekend or visit twice a month to see their families and loved ones.

Even though the majority of the population of my riding is concentrated in the town of Gatineau, of the same name, my riding has a large rural area and is a paradise for fish and game. If any hon. members in this House travel that way, I hope they will not hesitate to try their luck in moments of leisure, if they are not too busy and have time.

[*Translation*]

Mr. Speaker, given the fact that my constituency is near Ottawa, I should like perhaps to talk geography, for the benefit of the new hon. members. It can be identified easily as we have the Gatineau River to the west, the Ottawa River to the south, the town of Thurso to the east, the nice little village of St. Sixte to the northeast which is always very hospitable. To the north is the municipality of Notre-Dame-du-Laus and it, together with the municipalities of Val-des-Bois, Bowman and Notre-Dame-de-la Salette, is a fisherman's and a hunter's paradise. To the northwest is the municipality of Val-des-Monts, which is another fisherman's paradise. By the way, the Ottawa mayor, Mrs. Dewar, honours me with her presence in my constituency—not every weekend as she is too busy to do so—in the Saint-Pierre de Wakefield and Poltimore section where she has a cottage in that part of my constituency.

Mr. Speaker, the main employers in my constituency are the federal government and the pulp and paper and newsprint industries. I am pleased to stress to the House, for those who are not aware of this, that you can find there the largest newsprint machine in the world, and I invite hon. members to go and see it because it is a worth-while experience.

In spite of those two big employers, there is unfortunately too much unemployment. It would be important to encourage tourism more and more in the Lièvre Valley so that it could benefit from Highway 50, half of which is subsidized and paid by federal funds, if the provincial government can at last

complete its construction and administer it, of course. Unfortunately the home building industry in the cities of Gatineau, Buckingham, Masson and Thurso is idle. Our tradesmen suffer awfully from that situation. There are but few small and medium enterprises in our region. The industrial park of Gatineau is almost empty. The city council of Gatineau and the Société d'aménagement de l'Outaouais urged the former government many times to consider that region as a designated area, thinking it was the only way to attract industries to the region. Mr. Speaker, I hope the Minister of Regional Economic Expansion (Mr. MacKay) will take a stand on this matter as soon as possible so that we know whether or not our region will be designated and so that the people concerned within the Société d'aménagement de l'Outaouais and the city council of Gatineau know where they are going.

In that regard, Mr. Speaker, he allegedly stated to a local newspaper that the Minister of Industry, Trade and Commerce and Minister of State for Economic Development (Mr. de Cotret) has recently met with Mr. Landry, a minister in the Quebec cabinet, and that following that meeting it is possible that the Quebec side of the Ottawa region will be considered as a designated area. Could I ask the ministers who are the colleagues of the hon. senator—I do not know who is responsible for delivering messages to him, because it is not the first nor the last time—to repeat my comments to the senator so that in the first place he would confirm that such a meeting has taken place and such a discussion on the designated area has been held? Second, does the senator intend to discuss with the Minister of Regional Economic Expansion the advisability of considering that region as a designated area?

Mr. Speaker, during the election campaign the Conservative candidates pointed out unemployment and inflation in the country, especially in the Outaouais region in Quebec. The Liberal candidates recognized the problem and did not conceal the facts. However, the Conservative candidates stated and promised that they would solve the unemployment problem. Well, Mr. Speaker, the last government set up the Canada Works Program to help eradicate unemployment and it was highly successful and appreciated by the constituents and the communities.

In my constituency for the year 1978-79 Mr. Clermont obtained subsidies of $1,240,000 but for the year 1979-80 that amount was reduced to $501,000, a 50 per cent cut, Mr. Speaker. It is a strange way of providing assistance to the unemployed because in 1979 in my constituency the number of unemployed was unfortunately almost the same as in 1978. Mr. Speaker, may I call it six o'clock and resume my speech at eight o'clock?

Mr. Speaker: The hon. member may resume his speech at eight o'clock. It being six o'clock, I do now leave the chair until eight o'clock.

At six o'clock the House took recess.

• (2000)

AFTER RECESS

The House resumed at 8 p.m.

Mr. Cousineau: Mr. Speaker, may I signal the presence of ministers on the other side of the floor? This afternoon they were conspicuous by their absence. Knowing that they are very busy, I can understand that.

Mr. Speaker, when I was interrupted this afternoon at six, I was speaking about my riding's problems which are not different from those of the rest of the country. The President of the Treasury Board (Mr. Stevens) has decided to add some more to them by promising massive personnel reductions in the public service that will affect 60,000 employees.

[*English*]

After the election there was a meeting with the President of the Treasury Board, to which reference was made by my colleague, the hon. member for Ottawa Centre (Mr. Evans), on Friday, October 12. At that meeting it was clearly stated that a task force would be created to study the impact of the cutbacks in the civil service. A month passed, two months, now nearly three months, but I still have not heard anything. I even tried to obtain a copy of the minutes of that meeting which were promised. My secretary tried on several occasions, but unfortunately was given the same answer and no copy of the minutes was sent to my office. How is it that no study was made before the decision to cut 60,000 jobs was taken? Supposedly this expert minister did not think there might be such an impact.

[*Translation*]

To these two questions, Mr. Speaker we did not get an answer. I have not yet received one and the reason is very simple. The minister himself does not know either. Since May 22 the Progressive Conservative government has been much more concerned with setting records. Never in our history has a period of five months elapsed without the Houses being recalled, when they had all the answers during the election campaign. Never have we heard so many contradictory statements by ministers of the Crown. Never in my political career have I heard a minister tell the Canadian people that an election promise does not have to be kept if later on one discovers that it is nonsensical, unrealistic or impossible. Never in the history of this country has a federal government been seen in such a short period of time to lose its authority, its powers as well as its perception of the country as a whole.

Since May 22, Mr. Speaker, we have witnessed irresponsible decisions and statements as in the case of Petro-Canada, the lotteries, the sale of certain Crown corporations, the deduction of mortgage interests, and as if it were not enough, the ministers are now contradicting each other regarding our aid policy of the Third World.

No wonder a young member of this House, and I am not speaking only for myself Mr. Speaker, who sees all this day

after day, week after week, is a little bewildered if he expected specific and well defined decisions and policies on the part of the government.

[*English*]

Mr. Speaker, there was absolutely no reference to national unity in the Speech from the Throne, and no comments whatsoever made of what would happen in case the referendum procedures of the PQ government were unfair to the people of Quebec. There is a situation in which the government will have to think about the unity of this country, and this should not be postponed. The government of Quebec is now thinking of borrowing money from Alberta, money necessary for the expropriation of the Asbestos Corporation.

An hon. Member: Hear, hear!

Mr. Cousineau: Instead of saying "hear, hear", the hon. member should just listen. The premier of Alberta has declared that Alberta will not dictate to other provincial governments what the loans should be used for. These words worry me, and I appeal to the Prime Minister (Mr. Clark) and to all my colleagues from Alberta to express their concern about this matter, and to attempt to ensure that the government of Alberta make the loan for a specific purpose and not for the discussion of the PQ government to facilitate the vile intention to dismantle and break up this country.

[*Translation*]

It seems that the Prime Minister will not take part in the referendum campaign and that the Quebec referendum should not be the government's only concern during the year. According to the Prime Minister, Mr. Speaker, the economy and energy matters are equally pressing. I fully agree with the Prime Minister that those matters are equally pressing, but they should not be dissociated; unity and economic matters must be faced together, not separately. If this country's unity were to be broken, there would still be energy; that is not lost, but in what state would the Canadian economy be?

Mr. Speaker, the Prime Minister has the tools at hand, but for how long I do not know; the fact, however, is that the House will have to know one day, not in 1981, what he intends to do to help us, from Quebec, fight against that separatist ideology.

Mr. Speaker, there are in my riding a good many residences for senior citizens built through assistance provided by the former government, but, unfortunately, the number of people on the waiting list who want to reside there is increasing weekly. There is mention of pensions in the throne speech, but the question of old age housing has been omitted. The throne speech mentions the creation of committees to study the needs of the handicapped and the invalid. I congratulate the government for that initiative, but there is no question of a committee to study the needs of senior citizens.

There was a lot of talk about the mortgage interest deduction plan recently. Several of my Liberal colleagues made remarks in that respect which I strongly support. The deduction, I should say this discriminatory deduction, of mortgage interest will cause senior citizens a serious prejudice because most of them do not have a mortgage on their house.

For nearly five months, Mr. Speaker, there has been very negative talk about the National Capital Commission and the Canada Mortgage and Housing Corporation. Some ministers are talking these days of abolishing them. At other times, they talk of reducing their roles and, finally, they talk of reducing their staffs. I dare believe, Mr. Speaker, that regardless of the decision made by the government in this matter, the presence of the federal government will continue to be felt on the Quebec side of the Ottawa area.

Over $1 billion was spent by the federal government in the past few years on the Quebec side of the Ottawa area, and this had very favorable and positive effects on my riding. It is my firm intention in this House to keep on working to maintain the presence of the federal government on the Quebec side of the Ottawa area, whatever government is in power in Quebec. Living in a healthy democracy where the majority rules, the majority decides. I have no doubt that this is what my people told me on May 22 and what the people of Hull also told my colleague. The May 22 vote was an order to serve and to make sure the presence of the federal government continues to be felt on the Quebec side of the Ottawa area.

Mr. Speaker, I should like to conclude by inviting the right hon. Prime Minister to take a look at my riding every morning from his residence at 24 Sussex. He will see the fine steeple of the St. François de Sales Church in Pointe-Gatineau, the fine CIP plant as well as the beautiful mountains which form part of the Laurentians. I must ask him to give special attention to a place that has unfortunately, owing to the force of circumstances, become the city dump for the city of Gatineau for a period of four to five years. The government, through the National Capital Commission, should give support to any organization trying to find a use for the place that we call the Kettle Bay and Island problem.

During this Thirty-first parliament, I plan to bring this up in the House, before the population, and in the various committees of which I shall be a member, as often as possible. Various studies have been made and many opinions have been given. I think that the time has come for action. Mr. Speaker, my colleagues in the House may think that the problem of Kettle Bay and Kettle Island is a municipal or provincial problem, but for my part, I insist on saying in the House that it is a national problem. This part of my constituency is within the area designated as the national capital region and if Canadians want to be proud of their capital and its region, whether they are English-speaking or French-speaking.

● (2010)

[*English*]

It does not make a difference to what ethnic group he belongs. All Canadians should be proud of the entire capital region, and not proud only of one side of the Ottawa River where there is a beautiful and tremendous tourist attraction which is Rockcliffe Park and Sussex Drive, while on the other side of the river, as I said in French, there is such a contrast, with such disparity between the two sides of the river, and where a municipal refuse dump has been used in such under out of the ordinary circumstances.

[*Translation*]

Mr. Speaker, there is no short-term solution, but we must come to an agreement and make a collective effort to show to our children and their children that men and women came to Ottawa from throughout Canada to serve their constituencies and their country.

Mr. Speaker, I ask all those people to work even harder with one common thought, that of love for their country, a country represented by a capital and a national capital region of which all Canadians can be proud. Thus, they can show true patriotic feeling.

Mr. Speaker, I do not intend to go over the time allotted to me. I thank you for having allowed me to say these few words and I hope that there will not be too many problems cropping up during the Thirty-first parliament and that you will continue to preside over the debates of the House with the impartiality that we all recognize and admire.

[*English*]

Mr. Gordon Ritchie (Dauphin): Mr. Speaker, I rise to take part in the throne speech debate, as I have done on a number of occasions over the years, but this is the first time I have done so from the government's side. I should like very much to congratulate the mover and the seconder. They have much to offer, as do all new members of this House. I am sure the new members will appreciate the generosity and good will of individual members regardless of their parties. Although parties are necessary in this democratic process, still much can be accomplished on an individual basis, and a lasting understanding of all regions of the country can be shared.

Like you, Mr. Speaker, I am one of the class of '68, as is one of the hon. members from Hamilton who is present, and I should like to congratulate you on your re-election as Speaker. Over the years you have been, in my opinion, a reasonable and impartial Speaker, and you have expedited the business of this House. I think it can safely be said that you have carried out your office with dignity and justice. I wish you the best during this minority Parliament.

The election of May was significant in that it ended, for the moment anyway, an apparent domination by central Canada of the periphery, and now western Canada will have a chance to exert some effort in the executive, instead of indirectly, in attempting to change legislation designed specifically for the central region. In fact, with the enlargement of the House, western Canada has finally come of age and will be enabled to exert on its central neighbours a much greater influence, regardless of which party is in power.

The redistribution carried out in the last Parliament based on the 1971 census, with the enlargement of the House, has largely brought this about. Had the redistribution based on the 1971 census been carried out with no enlargement of the House, with the proposed redistribution of that time, the old order would have held so that for another decade western Canadian representation would have been reduced in relation to other regions.

As one who served on that redistribution committee at the time I should like to pay tribute to one who has since departed but who contributed so much to our political life, the Right Hon. John Diefenbaker. It was his consistent questioning regarding representation in Saskatchewan that moved the prime minister of that day, now the right hon. Leader of the Opposition (Mr. Trudeau), to cause a re-examination of the electoral process and redistribution. I believe the result enhanced the political influence of western Canada markedly, and as well to some extent improved the influence of the eastern provinces and Newfoundland, so that our various regions have now become more important in actual political influence on the executive decisions of this government.

It has been obvious that for over 100 years Canada has been a compromise of the two large provinces of Ontario and Quebec, and when their economic influence was threatened they tended to influence the federal government to take positions that, of course, benefited them but were often inimical to western and eastern regions of Canada. I am hopeful that this Parliament will for a time give a better balance to all regions in the country.

● (2020)

There are many things to speak on in this throne speech debate, but I would like to confine any remarks largely to an area which affects my own constituency as well as the prairie region of Canada. That is the grain industry.

For some time we have had a discussion regarding food policy for Canada, but it is a fact that policies and suggestions have been piecemeal. It is also a fact that we import a great deal of our food from the southern United States and the tropics. This has been offset by the export of cereal grains and oilseeds. With our high standard of living and our high consumption, there are fewer and fewer agricultural products that we can export to other parts of the world efficiently enough to sell to countries which have a lower economic level than our own. At one time we were a significant exporter of beef, pork and apples, but we seem to have lost that position and have not been able to meet the competition from other exporting nations around the world.

The problem of food exports was the subject of a pamphlet issued by the Toronto-Dominion Bank from their department of economic research, and in it they detail something which is known to most farmers. It was suggested that exportable wheat could rise by 50 per cent by 1990. Since wheat exports

pay for some 50 per cent of all food that we import, this is highly desirable because, as our population grows, so will our demands for those imported foods we ourselves do not produce. In the pamphlet they point out the importance of the government, the Wheat Board, the railways and the terminals, all of which are necessary for Canada to be a reliable world supplier of grains.

In 1978 Canada's over-all food and agriculture trade surplus was $1.9 billion, but if imports of food and agricultural products continue to grow at the rate they have in the past 12 years, then a trade deficit in this area would appear within five years. This would result in grain and oilseed exports reaching $6 billion by 1990. Yet, for those who give a critical analysis of the industry of grain growing, there are reservations as to whether or not the projection of the increase in grain and oilseed production will occur.

Once the grain is grown the product follows a long and tenuous pathway to the ocean terminals, passing through many hands. It is therefore very susceptible to interruptions by the many different unions and groups who are vital to the movement of this grain. It has been suggested that there are some 30 different unions, any of which could interrupt the flow to the terminals. The grain transportation system has been relatively free of strikes in so far as any single union is concerned, but there have been frequent interruptions. I do not feel that these interruptions have been unduly restrictive, but they have certainly had their effect, on occasion.

There are many problems within the industry which are perhaps not as well understood as they might be. From the producers' point of view there has been a steady drop in the number of grain farmers producing grain and oilseed. This slow attrition will likely continue, causing the production to fall to fewer farming units. A new influence in this circumstance might be the rising cost of energy which is now being felt throughout the world. It is significant that for many decades there has been a stable relationship between the price of oil and the price of wheat.

The American balance of payments problem can be directly related to the fact that the grain exports of that country have not kept pace with the world price of oil. Before 1973 a bushel of wheat paid for a barrel of oil. I make this comparison based on the imperial system and not the metric system, which we are slowly adopting and which is such a bad system for agriculture. At the present time it takes approximately three to four bushels of wheat to pay for one barrel of oil.

Historically the relationship of the export price of wheat to oil has existed for many decades. Until the economy of the world corrects itself and brings the prices closer together, Canada and the United States are in for a bad balance of payments. When the economic forces do correct it, it is obvious that the world price of food will rise dramatically and pose new problems for those countries that import food. At the moment the world price of grain and oilseeds can be described as being at rock bottom.

The price received by Canadian farmers has reflected the low price of grains and oilseeds and, although energy costs have been kept artificially below world prices, the continued low price of wheat and cereal grains has been a definite deterrent to production. The initial price paid by the Wheat Board has not changed for three or four years, except for a slight increase in initial prices announced by the minister in charge of the wheat board. Indeed, the initial price this year was slightly below the price of one year ago. Unless world prices rise, producers will not reach that goal of a 50 per cent increase in grain exports in this coming decade.

As well, there are the increased costs of farm machinery, transportation, fertilizers and fuel, which will have to be offset by a general increase in real return to the farmers before they can reach this increase of 50 per cent. Agriculture has become a very big energy consumer but, I believe, a very efficient user of energy.

The necessity to increase production brings into sharp focus the question of whether the wheat board and the grain commission are pursuing the best policies with regard to increasing the export potential of our grain. We have, up to the present time, attempted to give preference to the export of classes one and two grade wheat, hard spring and high protein wheat. This is the result of a deliberate effort on the part of the wheat board over the past two years in order to get the most dollars for our farmers. Unfortunately it has left in limbo a number of grain producers, particularly in the northern parts of the prairies and my own region, the parkland region.

The introduction of this new grading system has tended to force the parkland grown wheat into the number three grades and lower. The Wheat Board has not been able to move this number three wheat and equivalent quantities of barley. Indeed, many producers of number three wheat and barley have merely sold the minimum quotas, and there is certainly no way in which a viable grain operation can be carried on with the sale of quantities such as that.

● (2030)

Indeed, barley grown in 1977 which is now moving into the system will not have its final payment made until 1981, almost four years after the growing of the grain. Small wonder then, that having to wait four years for payment of the grain to the producer, with our high inflation rate, does not make for a prosperous grain producing industry. If we are to have a large increase in volume of wheat exports, consideration will have to be given to the growing of lower protein wheats and whether, this is in our best interests or not. I do not believe that the grain growing area where the high protein wheats can be grown is large enough to bring the needed increases, at least without sacrificing other crops, and then there is always the problem of tillage in a low rainfall area.

The Wheat Board and the grain commission will have to tackle this problem and decide whether to continue with the high quality Marquis type wheat or do as the Americans have, who increased their exports by some 70 per cent in the last six years by producing a low protein wheat. Apparently many countries buy this for milling.

Much has been said about grain rates and transportation of grain. Protected by statutory rates, the grain has moved to ocean ports at modest charges compared to the equivalent American rates. Although the railways have complained bitterly about their losses on this grain movement, it seems that at least until 1973 returns to the railways were reasonable. They were reasonable because although the railways' wage structure was rising, their efficiency was increasing. Since 1973 the railways have claimed a marked deterioration in their position, as the Snavely report indicates. To increase the statutory rates this time, while meeting the railways objectives, would impose on the producer a price differential that would be too great for him to support. As well, there is real evidence that higher rates on grain necessarily has the railways moving it. For instance, in North Dakota, railway rates of 56 cents per bushel have not produced an entirely satisfactory movement of grain nor have they kept the railways in the position of keeping up their lines to modern standard. It seems significant that trucking costs as quoted for U.S. grain, are close to what the rail costs are, and it does seem to me that trucking will enter into grain transportation more in the future. While everyone would concede that a properly optimum loaded grain train, such as a unit train, with the proper locomotive power, is a very efficient way of moving grain as opposed to truck transportation, still, in small amounts and in shorter distances, trucks would seem to have their place. They lend themselves to versatility, to individual ownership, and give a great deal more flexibility.

I believe that this individual ownership would do much to enhance our transportation system. I think we should look at the fact that the railways are also in the trucking business although, generally speaking, I do not believe it is good to have such large monopolies as the railways also being able to control their trucks. It seems to me that we could improve facilities for unloading and transporting grain by truck, particularly for those grains that are not under quota or where quotas are of lesser importance in relationship to volume. We have high quality grains with high unit potential being trucked out of Manitoba as far south as Minneapolis thus reducing the strain on our existing transportation system.

I would like to reiterate my support for Churchill as the export port for the northeastern prairies. While in the short run an immediate reduction in the movement of grain out of Churchill might give some more slight movement in the south, it would discriminate against the northern areas of the eastern prairies. But these areas are already the farthest from Thunder Bay or Vancouver and so are already disadvantaged. It is widely said, and it has not been refuted, that at the present price, wheat brings some 40 cents a bushel more and barley 25 cents more when shipped out of Churchill, as opposed to the St. Lawrence Seaway. Under the pooling system, of course, all producers share in this benefit, but the producer whose grain goes via Churchill has to wait almost a year to deliver his grain even at the earliest. This, of course, is because the shipping season is over before the grain harvest is ready to be sent to Churchill.

The Wheat Board should make some effort, I think, to see if they could not reward producers who must wait this long time for delivery of their grains for Churchill shipment, and must hold back some grain for this purpose. It seems to me that they should be rewarded in some manner, and I would bring this to the attention of the minister in charge of the wheat board.

The value of Churchill has always been that it acted as a brake for excessive demands of interests in the lake system and St. Lawrence Seaway. We have experienced the four-month long strike of grain loaders in Montreal who, incidentally, are likely to make more income than the grain producers themselves. For all the people who handle the grain the wage structure is based on the prevailing rates of our internal economy. But the producer of grain does not get an automatic index in the world market. He has to take what the markets of the world pay him. His final payment for his product is the world price less what is involved in the handling and transportation of the grain. At the moment, world prices are such that the producer is finding his returns squeezed by the cost of moving grain from his farm to the world market.

I close with the thought that the typical permit holder with something like 600 acres, who is a good producer and gets a good crop, will be lucky to gross $35,000 to $40,000 from the sale of his crops. Many of the people handling this product from the time it leaves the farm until it gets on the boat for overseas, will make almost as much. We have to ask ourselves how we can expect production of grains to increase in the next decade, and what our future pattern will be.

Our domestic wages are high, but we must increase the amount of grain available to export in the 1980s if we are to keep the balance of payments in food at their present level. Indeed, I believe it is doubtful if we can do that by the end of the next decade. The grain industry is probably facing as severe problems as any food industry in the world. It means that the historic relationship between oil and wheat must be restored if grain farmers are to become prosperous and make their contribution to the economy of Canada as they have done in the past.

Some hon. Members: Hear, hear!

[*Translation*]

● (2040)

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, I rise for the twelfth time in this chamber to take part in a throne speech debate. I wish to thank the good people of Bellechasse for their ever renewed support which enables me to sit in this House for a fourth term. I wish to welcome the entire population of the provincial riding of l'Islet who for the first time, due to the redistribution of the electoral map, took part in the election of May 22 last as electors of Bellechasse. In effect, those people became full-fledged citizens of the electoral riding of Bellechasse. I thank them as well as my organizers who worked hard to help me cross the "Red Sea".

Mr. Speaker, let me assure every citizen from this new part of my riding that they can count on my fullest dedication to

defend their personal interests as well as the interests of the South Shore which has never been recognized in the past, and I ask the new government to take good notice of the fact that this region called the South Shore does exist, is located in the province of Quebec, and the riding of Bellechasse forms a part of it. I wish there would be more justice in the distribution of funds from taxes paid by Canadian taxpayers. Of course I regret that the parishes of Beaumont, St. Charles and St. Anselme, which have always supported me, have been cut off from my riding.

I thank all those people for their great co-operation. If we consider the great honour of being elected, of being one of those 282 members who form this House, and the fact that the population of Canada is now near 24 million, it is plainly obvious that from that honour flow responsibilities as well as duties that we must fulfil objectively and in the interest of our country, if we are going to prove without failure that our democratic system really means something. Indeed a democracy is a government of the people, by the people and for the people. Being convinced of those basic truths, I tried hard to live the parliamentary life I like very much.

Following the example of other members, I would like to congratulate His Excellency the Governor General who has presided with humility and dignity over the opening of the first session of the Thirty-first parliament. I would like also, through you, Mr. Speaker, to send His Excellency and his charming wife my best wishes for good health and success in their mission that is to favour harmony in all the country.

At the election of May 22, no political party succeeded in having enough members elected to form a majority government. Therefore, all parties in this House are minority groups and for the first time in the history of the Canadian parliament, a member from the official opposition has been unanimously chosen Speaker of this House. The coming into this parliament of a third and even a fourth group is not new. Indeed, when we read history, we see that in 1921 there was a minority group. If I had time I would relate the history of that group. Maybe some day we shall have the opportunity and the obligation to go over past decisions which would help us reflect seriously on the problem that has been facing this House recently, as well as on civil liberties enunciated in the Bill of Rights so that those rights and liberties may continue to form the basis of our democratic system.

I understand that it is not an easy task to be Speaker of the House. After all, this role is assigned to a human being who can, obviously, make mistakes. *Errare humanum est*, it is true and will always be. To err is human. I wish to emphasize that in his acceptance speech he reminded us that according to the custom an hon. member proposed as Speaker accepts that obligation only under protest. This is why Mr. Speaker, as he was led by the right hon. Prime Minister (Mr. Clark) and the Leader of the Opposition (Mr. Trudeau), showed some reluctance and we saw the left foot of the former Prime Minister now Leader of the Opposition get close to his rear end—this is what we call to give a kick in the pants. There are other words for it, but it is always at the same place!

[Mr. Lambert (Bellechasse).]

Mr. Speaker, I wish to quote the remarks of Mr. Speaker:

> I say that so that my reluctance in coming to the Chair will be understood, and I have no illusions that on many days during the course of this Parliament that would be a fate which would seem quite acceptable as far as most members of the House of Commons are concerned; and in fact, on some days there will be some who will be glad to take a hand at the axe.

The image with which he recalled the tradition of the use of the axe makes me shiver when I think that it might be pointed towards one or two members of the House. I want to extend my congratulations to Mr. Speaker on his appointment and I want to assure him of my collaboration; saying that I mean working together in the spirit of parliamentary tradition and with respect for our democratic system. On this matter, I think we should all study the history of our parliament, the history of traditions in the life of British parliamentarian to help us carry out our duties in a better way under possibly difficult circumstances.

Also I would like to extend a cordial welcome to the member for Beauce (Mr. Roy) who sits in this House for the first time as a member and as leader of a national political party, namely, the Social Credit Party of Canada, whose existence has been entrenched for many years in the Canada Elections Act. The member for Beauce has been a member of the Quebec National Assembly for many years where he demonstrated exceptional abilities as a parliamentarian. He devoted himself to the interests of all people, and more specifically of those who could not speak up for their rights and claims. Now that through the will of his electors he works at the national level, I have no doubt that he will discharge his duties with dignity and firmness, and that my colleagues in the House will recognize not only that this democratic system of ours accepts diversity as well as equality of rights and privileges within our Parliament, and that they are also willing to live up to them in practice because, whether we like it or not, we will have to get used to parliamentary life in which several political groups live side by side, as is the case in several European countries.

Mr. Speaker, our democratic parliamentary system demands that the political group with the greatest number of elected members is called upon to form the government, and therefore to constitute the executive whose duty it is to implement the laws passed by Parliament. I congratulate the Prime Minister on having acceded to that office. I wish him good health and all the energy he will need to fulfil those duties efficiently for the greater good of Canada. I also wish fortitude to all the hon. members who have been called upon to become members of the cabinet, and wish them every success in their mission, especially the Minister of Finance (Mr. Crosbie) who always had a supply of excellent formulas when he sat in the opposition.

Amongst other things, I remember that when the Bank of Canada increased its rates, the present Minister of finance had rather embarrassing questions to put to his predecessor. Today, the roles are reversed: the former minister of finance now puts questions to the present minister about similar situations. The situation has really not changed that much. I do hope the new government will be able to tackle those problems and give this country the best possible administration. This being a minority government, I have no intention of causing it any useless trouble. On the contrary, I am quite aware of my responsibilities and am willing to co-operate in giving our country the best possible administration.

● (2050)

There were times when I was sitting on the other side of the House and supported government measure, and some of my Progressive Conservative friends would say that "the Social Crediters are voting red". On the other hand, whenever we supported a motion introduced by our NDP friends, some people would shout, "Same old gang! The Social Crediters have turned socialists or vice versa!" These are some of the inconsequential remarks hon. members will make; in any event, however, when the hour of decision comes, I am sure there will be no need to call upon the conscience of any of them: they will assume their responsibilities.

This being said, Mr. Speaker, I understand that the government has a difficult mission to carry out, and I feel more than ever that no contemporary problem of today will be solved through traditional means. We shall have to turn aside from the beaten track. We shall have to innovate. We shall have to cease looking tailside at so-called "new" solutions which proved inadequate when first considered headside. No matter the effort we shall put into it, a pike will remain a pike and a pickerel a pickerel, no matter how you show it to the customer.

Mr. Speaker, a little after the election I had a message published in a newspaper to thank my constituents for the confidence they had put in me. In that message, I said, "Unless the government make deep changes in the way of financing the public sector and bring forward amendments to the Bank of Canada Act, the plagues of inflation and unemployment will continue to ruin our economy and our society". And I am convinced of that today more than ever.

I was sorry to note that the Speech from the Throne shows no intention from the government to set new ways of financing the public sector. It means that on such matter the new government will act just like the former government did. One should not forget, however, that the same causes produce the same effects. Therefore, Canada will still have budget deficits of $10 billion or $11 billion as was the case in recent years; the national debt will continue to increase and absorb a high proportion of government revenue which now comes from taxes, and that will prevent the government from getting the necessary funds for the undertaking of public works which would create jobs for thousands of unemployed people and at the same time realize useful projects requested by the public for a long time.

The Speech from the Throne contains practically nothing regarding the lowering of voluntary retirement age to 60, yet this would be a valid solution to the problem of unemployment among the young and would allow our country to use this vast reservoir of human potential to increase the gross national product, thus reducing our trade deficit, and it would also be a means of preventing delinquency among the young.

The throne speech is also practically devoid of anything on the establishment of a guaranteed minimum annual income, yet the federal government has spent considerable sums of money on studies of all kinds on this subject. When will we go ahead with it? I do not want to press the government too much, but since it has many studies on the subject, which we paid for, I want to ask the Minister of National Health and Welfare (Mr. Crombie) to consider seriously the possibility of introducing before Parliament legislation to implement this policy which will help in the administration of the country, namely as regards unemployment insurance, but also in the area of social welfare.

I am nonetheless happy to see the intentions of the government regarding parliamentary reform which it wants to introduce in Parliament, as well as its proposed legislation on the rights of Parliament and of the public to information. We shall certainly support the measure when the moment comes if it is really positive and if it really aims at getting to the bottom of the problem.

I would like to talk about many other things, but time is short and I do not want to impose on the House. However, I am convinced that all our colleagues in the House, and even the members of the press and the Canadian people are interested in knowing what will be our position this evening concerning the amendment proposed to the main motion. We have wanted to act responsibly and we have reserved our decision before announcing here in the House and justifying it to prevent speculation throughout Canada. I want to be very clear, Mr. Speaker. The amendment on which we are asked to vote represents a false problem at this time. In my opinion, in its present form, as a question concerning Petro-Canada, the motion is unjustified. It is imbued with petty politics and partisanship. We are asked to defeat a government which has just come into power and which has inherited all sorts of business, financial and economic failures. Mr. Speaker, we believe that we must seek the common good and go beyond such manoeuvres. In summary, the vote is on one question: do we want general elections or not? Do the people want them?

Some hon. Members: Yes.

Mr. Lambert (Bellechasse): It is easy to shout yes, but it is the people who must answer. Do the people want two months of electoral campaign? We have just come out of an election

campaign and of five months of waiting for Parliament to be convened so that we may study seriously the problems and the administration of our country. Do the people want expenditures of $50 million and several months of uncertainty? It is a known fact that minority governments are generally the best for our country. We had the proof of this when the Trudeau government held a minority and when for many months this administration was to the liking of the people and every bill introduced in the House received serious consideration. We were able to do in-depth studies. The population wants responsible people. They do not want us to play tricks on them. They made a democratic decision and we must live with the results.

Let us look now at Petro-Canada, a corporation constituted by a vote of this House. The House made that decision. I will say very carefully, Mr. Speaker, that when the government makes a policy statement, we will take a stand on this issue. Meanwhile, it is a waste of time. Let us rather move to the most urgent matters: unemployment, inflation, deficits, instead of putting things off by studying the wrong solutions. In due course we will be able to voice our position on precise projects. I hope that this government will be able to present us with specific projects. We will put them under scrutiny and we will pass judgment on them at that time. And rest assured that we will voice it as strongly as we are usually known to do. But these traditional non-confidence motions are a formality stemming from the British system of Parliament. It is quite normal to present motions of non-confidence. It is within our parliamentary tradition, but that does not entail that the whole opposition must necessarily support them. At a given time last week, for instance, a sub-amendment moved by the New Democratic Party was rejected by the official opposition group which thereby supported the government.

The same goes for our party. So, tonight there will be a vote and we will see the result. Everyone is going to vote according to his conscience and responsibilities. It is indeed interesting, Mr. Speaker, to note tonight the absence in the House of several members of the official opposition. Of course they still have time to make it. It is not up to me to say when our colleagues should or should not be in the House. But I am merely making an observation. Indeed, Mr. Speaker, those very people who would be interested in supporting the motion are not in the House at the moment. Let us stop showing off. We must stop showing off. If they really wanted to defeat the government they only had to support the motion introduced by the New Democratic Party last week.

So, Mr. Speaker, let us deal with the urgent matters. I want to make something clear. We are a political group determined to take our responsibilities, and on votes that are brought before the House we will consider first the substance of the matter. Our concern is not to support the Progressive Conservative party or the Liberal party but the public good. Our vote on the amendment to the motion on the Speech from the Throne is not a partisan vote in the same spirit that has guided our attitudes in the past. So, we do not have to make a choice between the two political formations—Liberals or Progressive Conservatives—as we have our own political formation. And as I said at the beginning of my remarks, we are going to have to get used to living with different political groups in this House, understanding one another and having a procedure that will enable us always to be in a position so as never to bog down the business of the House, that will enable every member to voice his opinion and will enable at the same time the executive to carry out the will of Parliament in running the business of the country. And if the government makes a slip-up and persists in going against the will of Parliament, then we will have the responsibility of taking the necessary means to let it know it is going against the wish of the people.

So, Mr. Speaker, I think everyone understood and we for all those reasons are going to vote tonight, not for the government or against the opposition, but against the amendment that is brought forward until we know what the policy of the government is on this whole energy issue. I hope it will be courageous enough to state its policy when the time comes and then it will be judged according to its performance. Thank you, Mr. Speaker.

• (2100)

[*English*]

Mr. Roy (Laval): May I ask the hon. member a question?

[*Translation*]

Mr. Speaker, I would like to put a question to the hon. member. It has nothing to do with their next vote but I think, Mr. Speaker, that such information should be provided to the Canadian people. Each time a member of the Social Credit Party of Canada rises in the House, Mr. Speaker, he always refers to the possible or eventual recognition of the party because they have a certain number of electors. I would like to ask the hon. member whether the choice—

[*English*]

Mr. Speaker: Order, please. If the hon. member has a question would he please ask the question?

Mr. Roy (Laval): Yes, Mr. Speaker.

[*Translation*]

I would like to ask the hon. member, I say quite sincerely that he is a true federalist, but I would like to ask him whether the member for Beauce (Mr. Roy) was chosen as the leader of their party as a result of a vote at a national convention or by a certain number of members in—-

[*English*]

Some hon. Members: Oh!

The Acting Speaker (Mr. McCain): The remarks and the question do not relate to the debate. I will recognize the hon. member for St. Boniface.

[*Translation*]

Mr. Robert Bockstael (St. Boniface): Mr. Speaker, I would like in the first place to extend my congratulations to the hon.

member for Erie (Mr. Fretz) and the hon. member for Cardigan (Mr. MacDonald) for their speeches as mover and seconder of the Address in Reply to the Speech from the Throne. Also, I wish to congratulate the Speaker of the House of Commons, the worthy member for Subdury, (Mr. Jerome) although he is not in the House at this moment and the Deputy Speaker, our colleague the hon. member for Beauharnois-Salaberry (Mr. Laniel). I pay tribute to their reputation and acknowledged ability to fulfil their duties fairly and efficiently. To the constituents of St. Boniface who elected me to this House, I express my appreciation for their trust, committed as I am to serving them to the best of my abilities.

It is indeed an honour and a privilege to represent the historical constituency of St. Boniface. St. Boniface, east of the Red River, is the southeastern district of Winnipeg, made up of the twin cities or communities of St. Boniface and St. Vital to their municipal limits.

Following the redistribution which took effect for the 1979 election, the constituency of St. Boniface lost the community of Transcona in the northeast, and the majority of its farm territories in the south and in the east of the constituency which are now in the riding of Provencher. In the area we fondly call the old St. Boniface, Bishop Provencher established the first church in the west, where we find the basilica, St. Boniface general hospital, which was founded by the Grey Nuns, the University College, as well as a concentration of our most important social and cultural institutions. The winter festival of Manitoba, the "Voyageur" Festival, takes place in St. Boniface.

St. Boniface is recognized as the cradle of French civilization in western Canada and it remains the rallying point of French-speaking people. This gives the impression that the constituency of St. Boniface should have a French majority. However the population of that constituency can be divided roughly as follows: 40 per cent have British ancestors, 27 per cent French ancestors and the remaining 33 per cent represent native and ethnic groups, namely, Ukrainians, German, Dutch, Belgian, Polish and Scandinavians, as well as a scattering of citizens from all over the world. Thus St. Boniface is a Canada in miniature; it is multicultural and multilinguistic. After that brief comment on my beautiful constituency of St. Boniface, I should like to comment on the throne speech and its import which, according to me, leaves much to be desired.

[*English*]

• (2110)

As a member of the official opposition policy committee structure I have undertaken some particular responsibilities. Coming, as I do, from the prairies, I have a special interest in the health and vitality of the western grains economy. This sector of industry is crucial to the prairies and is a key, positive aspect of our national economy as well. That is why I am pleased to be serving on both our agriculture and our transport caucus committees.

I must say that I was dismayed that the Speech from the Throne did not contain a specific proposal of policy directed to the advancement of agricultural production in our nation.

As I begin, I want to extend congratulations to the new Minister of Transport (Mr. Mazankowski), who is also the minister responsible for the Canadian Wheat Board. Admittedly, he has a tough job to do, so in the interests of the west, particularly farmers, and in the interests of all of Canada, we wish him well in his assignment.

Some hon. Members: Hear, hear!

Mr. Bockstael: We expect to have much good advice to offer him along the way. So far I believe he has generally been on the right track in the steps he has taken. I can say that quite confidently, since the announcements from the minister to date, namely, about the Prince Rupert terminal and about more hopper cars and the repair of boxcars, are a continuation or an extension of a policy initiative already put in place for the new minister by his predecessor.

Some hon. Members: Hear, hear!

Mr. Bockstael: He is following the pattern established, confirming that the pattern was a good one. Indeed, I hear that the new minister now says there really was not very much wrong with the western grain transport policy ideas of his Liberal predecessor, even though he vehemently criticized the former minister prior to May 22. It is my understanding that the new minister is most likely to pursue virtually the same policies as those pursued by the former minister except, and I hope the public recognizes the fact, that these policies will now be sold or marketed more effectively across the west by a flock of backbenchers out there who previously could only express criticism for same.

What has happened to our grain transportation system since Parliament last met in March? Newspaper reports around Christmas time indicated that the start-up problems affecting grain movements in the 1978-79 crop year had been overcome, so farmers could expect a shipping performance close to the record set in the previous year. I remember the mood of optiminism which emanated from that much publicized meeting in Winnipeg early last February when the premiers and key federal representatives looked forward to a reasonably good level of grain movement by the end of the crop year on July 31.

In the latter part of February some statistics reported in *Hansard* showed that our grain-moving performance to that date at Vancouver was 13 per cent ahead of the previous year, and that at Thunder Bay it was 6 per cent ahead in terms of cars being unloaded. I ask, if this was the case at Christmas-time and through February, what happened from March through to the present time to put us so far behind for 1978-79 and, to date, for the 1979-80 crop year?

An hon. Member: The weather, I suppose?

Mr. Bockstael: If things looked so good in the spring, what transpired to cause a shortfall of one million to two million tonnes compared with our exports a year earlier? Why are there almost as many ships waiting at Vancouver and along the St. Lawrence as there were during the most difficult periods the previous government had to face?

Let us look at the more serious political point. Why do we not hear anyone among the Conservatives complaining about this situation any more? How their practices change when the shoe is on the other foot! It is an outright display of a double standard.

For the immediate future, to the middle 1980s, the major challenge for the grains industry will be to produce and move ever-increasing volumes of grain just to maintain our share of the world market. Since the demand for grain in the world is likely to grow by some 30 million tonnes per year, Canada, according to the expectations of the Canadian Wheat Board, might anticipate a 50 per cent increase in our level of exports by 1985.

Farmers will want to take advantage of this opportunity through advanced methods of tillage, through the use of fertilizer and chemicals and less summer fallow. Once farmers and prairie producers have done their job, we need a grain handling system to move grain efficiently to world markets. In 1977-78, for example, when the system took in a record volume of grain deliveries, in excess of one billion bushels, a corresponding record export of 830 million bushels stretched and strained our facilities to the limit.

To meet the challenge of exporting over one billion bushels annually the Liberal government initiated the purchase of 8,000 grain hopper cars, and it is encouraging that the new government is continuing to modernize the grain fleet. The previous Liberal government undertook extensive boxcar repair programs, and the new government is following that lead. The previous administration, through its prairie branch line rebuilding program, was committed to upgrade western rail lines to modern hopper car standards.

Liberal action to boost grain-handling capacity included an improved quota system, the block shipping system, the Mants report on grain car allocation, the appointment of port co-ordinators for Thunder Bay and Vancouver, reciprocal railway routing agreements, incentives for line upgrading through the Rockies, the groundwork for a terminal at Prince Rupert, expansion of terminal space at Vancouver, and improvements at and on the way to Churchill.

It was disconcerting to note that rather than pursue that latter policy, the spokesman for the task force on grain transportation, made up entirely of Conservative members, declared that the port of Churchill was a luxury we could not afford. As a member from Manitoba, I was appalled that an experienced Conservative member of Parliament and a fellow Manitoban, the hon. member for Lisgar (Mr. Murta) who complained that he was passed over for a cabinet post, could express such a damaging opinion on the welfare of his constituency province.

Could it be that he was only following his own leader's example? The Liberal members of Parliament from Manitoba, the hon. member for Winnipeg-Fort Garry (Mr. Axworthy) and myself—

An hon. Member: That's it, pal.

Mr. Bockstael: —will fight to make sure Churchill receives the wherewithal to attain future record-breaking results. The Tory caucus have their task force's report. It is time they revealed their ready answers which seemed so obvious to them a few months ago.

• (2120)

We intend to be far more constructive than they ever were when they sat on this side of the House and made it incredibly difficult to pass into law such beneficial measures as the two-price system for wheat and the western grain stabilization plan, both of which stand to the everlasting credit of the previous government.

Some hon. Members: Hear, hear!

Mr. Bockstael: Grain is likely to be one of Canada's greatest growth industries of the 1980's. Already there is hardly a more positive element in our balance of trade picture. Grain is crucial to the west, and vital for the national economy of the country. The future for grain is bright, if we get the added production, about which I am confident, and if we get the added capacity to move it. This is where the new government's responsibility lies.

Western farmers, Canadian producers, small business operators, are concerned about fuel and energy costs and about their heating costs. They are wary of sleight-of-hand proposals advanced by this government to put a little money in one pocket of the people who have a mortgage, while at the same time picking the rest of their pockets for twice as much to operate their vehicles, their implements and their machinery, and to heat their homes and their buildings. These people must realize that this government's headlong race toward world prices for oil and gas will primarily serve to make the rich province of Alberta, the oil companies, and many speculator financiers so much wealthier. As is stated in the words of a song, "the rich get richer and the poor get poorer," ever widening the class disparities, while this government spouts pious phrases advocating the nation of Canada as a brotherhood of communities.

The people of Manitoba are concerned with the great exodus of doctors, architects, engineers and many other professionals who have found themselves obliged to move from Manitoba to seek out an opportunity to earn a decent living in a more favourable environment.

The citizens of St. Boniface are industrious and hard working, employed in the multiple and varied industries that are located in this constituency which is also the work place and residential domain of the owners of many small businesses. Recently workers from my area were adversely affected by the announced closing down of the Swift Canadian Co. Ltd. Meat

Packers in St. Boniface where 600 hundred or more jobs are being eliminated in favour of more modern facilities elsewhere. Other branch plants of industries located in Winnipeg are also announcing their intended closings. This will further tarnish the employment picture. In most cases these people seem to be the victims of policies embraced by a provincial Conservative government. They have reason to fear that this federal Conservative government might not only emulate but surpass their provincial counterparts in stifling the whole of Canada. The electors in my constituency are fearful of joint federal-provincial cutbacks in the area of health and social services.

In conclusion, I want to repeat my earlier inference that the Speech from the Throne was more significant in what it left unsaid than in what, in fact, it stated.

We in the opposition share the concerns of Canadians working in industries related to the Department of Agriculture, such as livestock raising, poultry raising, dairy farming, cheese production, production of diversified specialty crops, and other food production industries. It is noteworthy that the new Minister of Agriculture (Mr. Wise) had nothing to add in favour of these tremendously important industries in what can be termed a rather short Speech from the Throne. That is further tangible proof that this government is only prepared to continue, sustain, implement and expand the policies initiated by the Liberals. The attitude of the government members must reinforce the opinion which the people of Manitoba hold of them. Throughout the general election the people in my area were amused at the Conservative slogan "Let's Get Canada Working Again".

Some hon. Members: Hear, hear!

Mr. Bockstael: Consider that in England, although she had to deal with far greater numbers, the right honourable Margaret Thatcher convened Westminster in less than two weeks after the election. In Canada, it took 140 days for the Prime Minister (Mr. Clark) to reconvene Parliament. This long delay logically raised everyone's expectations. One of the famous quotes of the Right Honourable Sir Winston Churchill, in reference to the Battle of Britain in 1940, was, "Never in the field of human conflict was so much owed by so many to so few." I am sure the great gentleman will forgive me for altering it and applying it to our situation today after hearing an extremely shallow throne speech by saying "Never in the Parliament of Canada have so many waited so long for so little."

Some hon. Members: Hear, hear!

Mr. Bob Wenman (Fraser Valley West): Mr. Speaker, let me congratulate you, as everyone else has done, on your election as Speaker, but, what is more important on this occasion is my wish to pay a special tribute to the democracy and freedom of our great nation of Canada and to commend our Prime Minister (Mr. Clark) and the government on the Speech from the Throne, particularly as it relates to new opportunities to restore the House of Commons, so that it may become an even greater arena of freedom and opportunity for members of Parliament.

As a child of the Second World War I remember attempts, on Remembrance Day, to teach me the value of freedom and democracy. As an adult I remember trying to teach my students in school about freedom and democracy. I felt at that time that I had some measure of understanding of the meaning of freedom and democracy. Having returned just recently from southeast Asia, I appreciate this great land and great democracy even more.

Recently, in Vietnam, after a long conversation over a dinner in Ho-Chi Minh Ville, my elderly Communist host said to me, "I was born in war and have lived my whole life in war—will I live to know peace?" I responded that if any of us are to know peace in the world, we must first start by knowing truth. He then asked, "Ah, but what is truth?" This in turn led to further definitions and a philosophic interchange, but my conclusion following my trip is that the question "Ah, but what is truth?" is that this is truly the dilemma of southeast Asia and it is one of the prime reasons that I travelled there.

• (2130)

Later in a discussion with a group of Vietnamese intellectuals I posed the question, "Are you free? Do you know freedom?" Again following a long exchange a Vietnamese woman with a doctorate from Harvard said, "But, Mr. Wenman, how do you define freedom?" I responded, "I see freedom as the absence of coercion", and she responded, "Yes, but that is only one part of freedom that perhaps comes following freedom of security of food, shelter, and provision for health and education."

I might well have added that freedom of security of food, shelter, and provision for health and education is an extremely limited freedom without the absence of coercion.

The Acting Speaker (Mr. McCain): Order, please. It being 9.30 p.m., it is my duty, pursuant to Section (4) of Standing Order 38, to interrupt these proceedings and put forthwith the question necessary to dispose of the amendment now before the House. Accordingly, the question is on the amendment of the right hon. member for Mount Royal (Mr. Trudeau). Is it the pleasure of the House to adopt the amendment?

Some hon. Members: Agreed.

Some hon. Members: No.

The Acting Speaker (Mr. McCain): All those in favour will please say yea.

Some hon. Members: Yea.

The Acting Speaker (Mr. McCain): All those opposed will please say nay.

Some hon. Members: Nay.

The Acting Speaker (Mr. McCain): In my opinion the nays have it.

And more than five members having risen:

The Acting Speaker (Mr. McCain): Call in the members.

● (2140)

The House divided on the amendment (Mr. Trudeau), which was negatived on the following division:

(Division No. 3)

YEAS

Messrs.

Allmand
Andras
(Thunder Bay-Nipigon)
Appolloni
(Mrs.)
Axworthy
Baker
(Gander-Twillingate)
Bégin (Miss)
Benjamin
Berger
Blackburn
Blaikie
Blais
Blaker
Bockstael
Breau
Broadbent
Buchanan
Bujold
Bussières
Caccia
Chenier
Chrétien
Comtois
Corbin
Corriveau
Cousineau
Daudlin
Dawson
De Bané
de Corneille
de Jong
Demers
Deniger
Desmarais
Dion
(Portneuf)
Dionne
(Chicoutimi)
Dionne
(Northumberland-Miramichi)
Duclos
Dupont
Dupras
Duquet
Evans
Faour
Fleming
Flis
Foster
Fox
Fulton
Gauthier
(Ottawa-Vanier)
Gendron
Gourd
Gray
Guay
Guilbault
Harquail
Herbert
Hervieux-Payette (Mrs.)
Hogan
Hopkins
Isabelle
Ittinuar
Jewett (Miss)
Johnston
Kaplan
Killens (Mrs.)
Knowles
Lachance
Lajoie
Lalonde
Lamontagne
Laniel
Lapierre
Lapointe
LeBlanc
Leduc
Lefebvre
Lessard
Loiselle
Lumley
MacEachen
MacGuigan
MacLaren
MacLellan
Malépart
Maltais
Marceau
Massé
McRae
Miller
Mitchell (Mrs.)
Munro
(Hamilton East)
Murphy
Nicholson (Miss)
Nystrom
Ogle
Olivier
Orlikow
Ouellet
Parent
Pelletier
Penner
Pepin
Peters
Phillips
Pinard
Portelance
Prud'homme
Rae
Reid
(Kenora-Rainy River)
Robinson
(Burnaby)
Robinson
(Etobicoke-Lakeshore)
Rodriguez
Rompkey
Rose
Rossi
Roy
(Laval)
Sargeant
Savard
Skelly
Stollery
Symes
Tardif
Tousignant
Trudeau
Turner
Veillette
Waddell
Whelan
Yanakis—128.

NAYS

Messrs.

Alexander
Allard
Andre
(Calgary Centre)
Atkey
Baker
(Nepean-Carleton)
Beattie
(Hamilton Mountain)
Beatty
(Wellington-Dufferin-Simcoe)
Binks
Blenkarn
Bosley
Bradley
Brisco
Cameron
Campbell
(Sarnia)
Caouette
Clark
(Yellowhead)
Clarke
(Vancouver Quadra)
Coates
Cook
Cooper
Corbett
Cossitt
Crombie
Crosbie
(St. John's West)
Crosby
(Halifax West)
Crouse
Darling
Dick
Dinsdale
Domm
Elliott
Ellis
Elzinga
Epp
Fennell
Ferguson
Fish
Forrestall
Fraleigh
Fraser
Fretz
Friesen
Froese
Gamble
Gass
Gauthier
(Roberval)
Gilchrist
Grafftey
Graham
Greenaway
Gurbin
Gustafson
Haliburton
Halliday
Hamilton
(Qu'Appelle-Moose Mountain)
Hamilton
(Swift Current-Maple Creek)
Hargrave
Hawkes
Hees
Higson
Hnatyshyn
Holmes
Howie
Huntington
Janelle
Jarvis
(Willowdale)
Jarvis
(Perth)
Jelinek
Jupp
Kempling
Kilgour
King
Korchinski
Kushner
Lambert
(Bellechasse)
Lambert
(Edmonton West)
Lane
LaSalle
Lawrence
Lewis
MacDonald
(Egmont)
MacDonald (Miss)
(Kingston and the Islands)
MacDonald
(Cardigan)
MacKay
Malone
Mayer
Mazankowski
McCain
McCrossan
McCuish
McDermid
McGrath
McKenzie
McKinley
McKinnon
McLean
McMillan
Mitges
Munro
(Esquimalt-Saanich)
Murta
Neil
Nickerson
Nielsen
Nowlan
Nylander
Oberle
Paproski
Patterson
Reid
(St. Catharines)
Reimer
Richardson
(Humboldt-Lake Centre)
Richardson
(Beaches)
Ritchie
(Dauphin)
Ritchie
(York East)
Roy
(Beauce)
Schellenberger
Scott
(Hamilton-Wentworth)
Scott
(Victoria-Haliburton)
Siddon
Speyer
Stevens
Stewart
Stratas (Mrs.)
Taylor
(Cowichan-Malahat-The Islands)
Taylor
(Bow River)
Thacker
Thomson
Towers
Vankoughnet
Wakim
Wenman
Whittaker
Wightman
Wilson
Wise
Woolliams
Yurko—137.

● (2200)

Mr. Speaker: I therefore declare the amendment lost.

It being after ten o'clock, this House stands adjourned until tomorrow at eleven o'clock in the morning, pursuant to Standing Order 2(2).

At 10.07 p.m., the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Tuesday, October 16, 1979

The House met at 11 a.m.

• (1105)

ROUTINE PROCEEDINGS

[*English*]

DIVORCE

CALL FOR COMMITTEE STUDY ON QUESTION OF ENFORCING MAINTENANCE PAYMENTS—MOTION UNDER S.O. 43

Mrs. Ursula Appolloni (York South-Weston): In view of the reports from the Law Reform Commission that as many as 75 per cent of divorced spouses are unable to enforce a maintenance order made by the courts, and in view of the fact that there are at present no reliable statistics covering the number of defaults in payments under maintenance orders in Canada, I move, seconded by the hon. member for Saint-Léonard-Anjou (Miss Bégin):

That this House order its Standing Committee on Justice and Legal Affairs to undertake an immediate review of the problem of enforcing maintenance payments ordered under the Divorce Act, to review the history of defaults and to consider the advisability of instituting public means of enforcement.

Mr. Speaker: Presentation of such a motion for debate at this time can be done, pursuant to Standing Order 43, only with unanimous consent. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

[*Translation*]

OFFICIAL LANGUAGES

PROPOSAL AGREEMENT BE REACHED WITH PROVINCES ON TEACHING OFFICIAL LANGUAGES—MOTION UNDER S.O. 43

Mr. Jean-Robert Gauthier (Ottawa-Vanier): Mr. Speaker, under the provisions of Standing Order 43, I ask for the unanimous consent of the House to move a motion concerning an urgent matter of pressing necessity.

Considering that the federal-provincial agreements supporting the teaching of official languages ended on March 31 last; considering that the federal government has morally and financially supported the provinces in their endeavour to teach the official languages by giving them additional funds; and considering that the provinces badly need those additional funds to maintain some programs, I move, seconded by the hon. member for Vaudreuil (Mr. Herbert):

That the House state its complete support of the Secretary of State in his negotiations with the provinces to sign multilateral agreements on the teaching of official languages and that failing the unanimous approval of the provinces about accounting procedures and public disclosure of those accounts, the Secretary of State give the reasons to this House and make a public statement indicating the government's position on that very important program.

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

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

SOCIAL SECURITY

REQUEST FOR ESTABLISHMENT OF GUARANTEED ANNUAL INCOME—MOTION UNDER S.O. 43

Mr. Eudore Allard (Rimouski): Mr. Speaker, pursuant to Standing Order 43, I seek the unanimous consent of the House to move a motion on a matter of urgent and pressing necessity.

In view of the fact that the unemployment rate is high in the main areas of our country, that there is every indication that it will get higher within the next few months, and that inflation eats away at the people's purchasing power, I move, seconded by the hon. member for Beauce (Mr. Roy):

That the House urge the Minister of National Health and Welfare to take forthwith all necessary steps to introduce legislation calling for the establishment of a guaranteed annual income of universal application and without discrimination, with a view to ensuring the economic safety of all Canadians generally.

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

Some hon. Members: Agreed.

Some hon. Members: No.

S.O. 43

[*English*]

NORTHERN PIPELINES

REQUEST THAT EMERGENCY DEBATE BE HELD—MOTION UNDER S.O. 43

Mr. Jim Fulton (Skeena): Mr. Speaker, under the provisions of Standing Order 43, I ask for the unanimous consent of the House to move a motion dealing with a matter of urgent and pressing necessity.

In view of the fact, first, that the Foothills Pipe Line application for an overland oil route will not now be heard by the National Energy Board and, second, that the Secretary of the Interior in the United States, Cecil Andrus, has given support to the northern tier route, I move, seconded by the hon. member for Vancouver-Kingsway (Mr. Waddell):

That an emergency debate be held on this matter in the House of Common; that the government immediately send a strong diplomatic protest to the United States stating unequivocally our opposition to tanker traffic which will endanger the Canadian west coast.

Mr. Speaker: This motion can be presented for debate at this time, pursuant to the Standing Order, only with the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

NATIONAL DEFENCE

RENTAL RATES FOR MARRIED QUARTERS—MOTION UNDER S.O. 43

Mr. George Baker (Gander-Twillingate): Mr. Speaker, I rise on a matter of urgent and pressing necessity pursuant to the provisions of Standing Order 43.

In view of the government's decision to increase accommodation rental rates of married quarters for DND personnel across Canada on November 1, in some provinces by as much as 50 per cent to 75 per cent, in view of the fact that this will widen the gap between take-home pay of personnel in Atlantic Canada compared to that received by personnel in provinces which have lower taxes and rent control boards, forcing personnel to ask for transfers to the provinces in which they receive more take-home pay, and in view of the fact that the pay increase scheduled for this month is being reviewed and may now be phased-in over a period of time, I move, seconded by the hon. member from Thunder Bay-Atikokan (Mr. McRae):

That the government cancel this cruel and unwarranted rent increase to DND personnel and assure the armed forces that the pay increase announced by the previous government will be honoured in this month's cheques.

● (1110)

Mr. Speaker: Presentation of such a motion for debate at this time can be done, pursuant to Standing Order 43, only with the unanimous consent of the House. Is there unanimous consent?

[Mr. Speaker.]

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

[*Translation*]

VETERANS AFFAIRS

REQUEST FOR LEGISLATION INCREASING PENSIONS—MOTION UNDER S.O. 43

Mr. Armand Caouette (Abitibi): Mr. Speaker, I rise under Standing Order 43 to ask for the unanimous consent of the House to introduce a motion concerning an important and urgent matter.

In view of the precarious position of our veterans, who defended this country with great courage, like the Socreds did yesterday by preventing an expenditure of $50 million for a general election, and in view of the fact that a great number of them have no other income outside their pension and are living in poverty, I move, seconded by the hon. member for Rimouski (Mr. Allard):

That the House direct the Minister of National Defence and Minister of Veterans Affairs to introduce in the House a bill to amend the existing Veterans Act and to increase the pension in order to ensure a decent and human level of income for those who defended our country and our values.

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

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

[*English*]

TRANSPORT

RAIL AND MARINE SERVICES IN EASTERN CANADA—MOTION UNDER S.O. 43

Mr. Russell MacLellan (Cape Breton-The Sydneys): Mr. Speaker, I rise, under the provisions of Standing Order 43, on a matter of urgent and pressing necessity concerning the importance of marine and rail services to eastern Canada.

I move, seconded by the hon. member for Cape Breton Highlands-Canso (Mr. MacEachen):

That the government take action to correct the eroding rail services in eastern Nova Scotia and CN Marine facilities in eastern Canada and put a freeze on all reductions on facilities and employment until the completion of such action.

Mr. Speaker: The motion can be introduced for debate at this time only with the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

NORTHERN PIPELINES

LAND CLAIMS NEGOTIATIONS WITH YUKON INDIANS—MOTION UNDER S.O. 43

Mr. Rod Murphy (Churchill): Mr. Speaker, under the provisions of Standing Order 43 I ask the unanimous consent of the House to move a motion dealing with a matter of urgent and pressing necessity.

In view of the fact that Foothills Pipe Lines stated that the slow pace of negotiation with the Yukon Indians is a reason for their withdrawing their application, in view of the fact the American government has imposed a deadline for us to settle this question, and in view of the fact that the new federal government cancelled negotiating meetings with the Yukon Indians in September and again in October, and again attempted to delay and stall negotiations for the rest of this year, I move, seconded by the hon. member for Nunatsiaq (Mr. Ittinuar):

That the government stop stalling on land claim negotiations and immediately commence intensive and high-level negotiations with the Council of Yukon Indians.

Mr. Speaker: The motion can be presented for debate at this time only with the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

PUBLIC SERVICE

REQUEST FOR ESTABLISHMENT OF CONSULTATIVE PROCESS—MOTION UNDER S.O. 43

Mr. Howard Crosby (Halifax West): Mr. Speaker, I rise, under the provisions of Standing Order 43, on a matter of urgent and pressing necessity.

The failure of the former government to discuss with representatives of public employees changes in legislation affecting the public service has damaged labour-management relations and demoralized some public servants. Accordingly, I move, seconded by the hon. member for Dartmouth-Halifax East (Mr. Forrestall):

That this House request the President of the Treasury Board to consider establishing a process whereby public service representatives will be consulted on legislative changes affecting public employees and their employment.

Mr. Speaker: The introduction of such a motion for debate can be done, pursuant to Standing Order 43, only with the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

ORAL QUESTION PERIOD

[*English*]

NORTHERN PIPELINES

WITHDRAWAL OF APPLICATION BY FOOTHILLS OIL PIPE LINES LTD.

Right Hon. P. E. Trudeau (Leader of the Opposition): Mr. Speaker, the news that Foothills did withdraw their application from in front of the National Energy Board is obviously shared with concern by both parties on this side of the House.

My question would be to the Prime Minister. We heard just last Thursday that his government had sent an aide memoire to the United States, supporting Foothills. Yesterday, we heard that Foothills had withdrawn its application. I wonder if the Prime Minister could tell us when his government sent this aide memoire and what contacts were made with Foothills during the course of the summer to establish the government's interest in this major project, which would mean many jobs for Canadians, and which would also clear us of the danger of tanker routes off the west coast.

● (1115)

Right Hon. Joe Clark (Prime Minister): Mr. Speaker, I do not have at hand the date of the aide memoire that was sent to the United States. I can get that and report to the House. I can also have prepared for the Leader of the Opposition a detailed list of the contacts that were made by ministers of the Crown and representatives of Foothills. That might be easier to table, rather than try to respond orally in the House. I will get back with the detailed information as soon as I can.

Mr. Trudeau: Mr. Speaker, I do not think it has to be very detailed. I am interested in a date. I want to know since the five months after the election whether there has been dithering, or action, by the government. The Prime Minister will know that last spring our government advised the President of the United States—and we made a public statement to that effect—that we wanted Foothills to be given preference and we supported that route. Now we hear that they are withdrawing in favour of a competitor.

Really, the detailed meetings are not important. It is the dates and the question of whether the meetings were recent and, particularly, whether the Minister of Energy, Mines and Resources met with his counterpart in the United States or with the Secretary of the Interior of the United States who is obviously favouring the northern tier route. That route will not only create jobs for Americans over Canadians, but will cause increased tanker traffic which is a concern to Canadians.

Mr. Clark: Mr. Speaker, if the question of the Leader of the Opposition is whether there was dithering, the answer is no.

Some hon. Members: Oh, oh!

Mr. Trudeau: Mr. Speaker, I think that is a matter of judgment. The country will be able to say whether it is yes or no when we hear the dates. The Prime Minister does not even seem to be aware of this question. Perhaps he should ask the Minister of the Environment, who dealt with it on Thursday but gave us no date.

Mr. Clark: To repeat my undertaking in response to the first question of the Leader of the Opposition, as soon as I have those dates—and I can, perhaps, have them sent to me in the course of the question period—I will communicate that to the House of Commons. He is speaking, I gather, of the date of the aide memoire. I will get that for him.

An hon. Member: No, no.

Mr. Clark: Now I am told by someone else that there are other dates. That is what I indicated in my earlier response. What I will try to do is provide the House of Commons, the Leader of the Opposition and his various spokesmen on the other side an indication of the various contacts that were made by representatives of this government with Foothills or with the United States in relation to this proposal.

I will also try to have, perhaps before the end of this question period, the date of the aide memoire sent by this government to the government of the United States.

* * *

ENERGY

PROPOSED OIL TANKER ROUTE ON WEST COAST—EFFECT ON ENVIRONMENT

Mr. Arthur Phillips (Vancouver Centre): Mr. Speaker, my question is for the Prime Minister, and it is also on the Foothills subject. Last Friday, the Minister of the Environment said publicly that a proposed oil tanker route off the British Columbia coast has some merit in it.

Did this backtracking on the government's previous position, which opposed oil tankers down the coast of B.C., indicate a change of policy, or was it just a coincidence that the statement was made last Friday and the proposal was withdrawn yesterday?

Right Hon. Joe Clark (Prime Minister): It certainly indicated no change of policy, Mr. Speaker.

Some hon. Members: Oh, oh!

Mr. Clark: I am trying to deal seriously with the question, which I think was posed seriously. There was no relation between the statement made by the Minister of the Environment on Friday and a decision announced later about which he did not know on Friday.

I should take this opportunity to tell the House that, in light of the decision by Foothills, which we regret, the government will be reassessing the communication that we should be making to the United States. It is our intention to send, at the earliest possible time, another communication to the United States on the question of the pipeline route.

An hon. Member: Send Stanfield.

Mr. Phillips: The Minister of the Environment was also quoted as saying that there are more than just environmental considerations to take into account on this question. Can the Prime Minister tell us what non-environmental considerations worked against the all-Canadian Foothills proposal which, as the Prime Minister knows, was primarily sponsored by Westcoast Transmission Co. Ltd., of which the largest shareholder is PetroCan, and involved a construction project primarily in Canada with no tankers?

• (1120)

Mr. Clark: It is my understanding that the representatives of Foothills indicated a series of reasons for reaching the decision they did with regard to their application.

Mr. Phillips: My question did not really refer to the reasons for which the Foothills people withdrew; it had to do with the statement by the Minister of the Environment about "non-environmental considerations" which, apparently, did not favour an all-Canadian route. Can the Prime Minister tell us what non-environmental considerations worked against an all-Canadian route?

Mr. Clark: Well, Mr. Speaker, it is well known to the House that there were concerns, for example, on the part of the Council of the Yukon Indians and there was concern in the United States about which would be the more viable route from the point of view of the economic delivery of energy. A wide range of considerations was taken into account. Naturally, we were concerned mainly, as we remain concerned, about the environmental implications of any sort to Canada, particularly tanker traffic along the west coast.

* * *

PETRO-CANADA

STATEMENT OF PREMIER DAVIS ON POSSIBLE DISMANTLING OF CORPORATION

Mr. Edward Broadbent (Oshawa): Mr. Speaker, I have a question for the Prime Minister. Yesterday, the Premier of Ontario, Canada's largest oil-consuming province, expressed the view that it would be folly to break up Petro-Canada for the reason it is good business sense for Petro-Canada to have a profit-making component to help finance the unprofitable part.

In the light of that serious statement by Premier Davis, added to those of other important people on the subject, will the Prime Minister assure the House that he will accept this principle of integrating the profitable with the non-profitable

when the government reaches its conclusion on the task force report introduced to the House yesterday?

Right Hon. Joe Clark (Prime Minister): The government and the people of Canada have received a very valuable and imaginative proposal from the task force on Petro-Canada. The government will be considering that proposal very seriously and we hope to be able to make an announcement of our response as quickly as possible.

Mr. Broadbent: I am not asking the Prime Minister for a detailed response, because I understand it will presumably take at least a few days for the government to reach a decision on the recommendations. I am asking the right hon. gentleman, however, to indicate to the House a basic principle in approaching his conclusions.

Does he agree that a large, integrated, Canadian-owned firm with a profitable and non-profitable aspect has to be maintained on the ground that it is good business to use the profits of part of the firm to finance the non-profitable part?

Mr. Clark: I can certainly assure the Leader of the NDP that among the factors which will guide our decision in responding to the task force on Petro-Canada will be to arrive at a conclusion which will make good business sense.

Mr. Broadbent: Well, Mr. Speaker, the way this government has performed so far, that would be a contradiction in terms. Considering that the government seems to be moving willy-nilly toward the break-up of Petro-Canada on the basis of some doctrinaire predisposition against public enterprise, will the Prime Minister acknowledge that by breaking up Petro-Canada we shall be left with two smaller firms in an industry dominated by multinationals?

• (1125)

In that context, will the Prime Minister tell us what he is going to do about the assertion yesterday of the Minister of Consumer and Corporate Affairs that, even as the law exists today, his government is powerless to intervene in the supply and price practices of the multinationals?

Mr. Clark: Mr. Speaker, there were two questions. Let me deal with the second first. We are reviewing the powers of the Government of Canada in relation to being able to respond to some of the problems cited yesterday by the Minister of Consumer and Corporate Affairs. He was speaking of legislation inherited from the former government, and we are going to take a look at that legislation and see if there are ways by which we can make it more effective in dealing with problems which are now becoming familiar to this House of Commons.

In relation to Petro-Canada generally, we are very much attracted by the proposal put forward by the task force which would allow individual citizens to participate directly in a significant Canadian oil company with the capacity to operate in a very major way here and perhaps beyond here. We are very much attracted by that idea.

We are going to take a very serious look at all of the implications of the task force report, and hope to be able to indicate the formal response of the government to that report at the earliest possible date.

Some hon. Members: Hear, hear!

* * *

ENERGY

PURCHASE OF OIL FROM MEXICO

Mr. Paul E. McRae (Thunder Bay-Atikokan): Mr. Speaker, my question is to the Prime Minister. In January of this year the previous minister of energy, mines and resources made an agreement with the Mexican government whereby we would purchase $5 billion to $6 billion worth of Mexican future oil production for an equivalent amount of Canadian goods and services. This deal was initialled, I believe, in early May.

Has the expected visit of the President of Mexico in September to sign this agreement been postponed, or has the deal fallen through?

Right Hon. Joe Clark (Prime Minister): Mr. Speaker, I can answer, in October, that the visit for September has been postponed. It will be rescheduled, I believe, for May of 1980.

Mr. McRae: Mr. Speaker, can we assume that we have not been outmanoeuvred by the Japanese? Can we assume that the deal is still on? Why do we have to wait until next May or June for this particular meeting and signature?

Mr. Clark: Mr. Speaker, the hon. member will make what assumptions he wishes, and then they will bear their usual relation to reality.

The visit of the President of Mexico was postponed until May because that is the first opportunity which he will have to be able to come to Canada.

* * *

PUBLIC SERVICE

INTRODUCTION OF AMENDING LEGISLATION

Hon. Robert K. Andras (Thunder Bay-Nipigon): Mr. Speaker, my question is for the President of Privy Council. In view of the tabling yesterday of the D'Avignon committee report, can the minister inform the House of both the procedure and the timeframe for coming to decisions about that, the Lambert commission report, and so on, and reference to a parliamentary committee and/or legislation, if any? Can he give us an indication of procedure, process and particularly the time in which legislation or other policy decisions might reach Parliament?

Hon. Walter Baker (President of the Privy Council and Minister of National Revenue): Mr. Speaker, in answer to the question, I indicated yesterday and am pleased to indicate to

the House that the D'Avignon report will be going to the cabinet committee of the public service chaired by the Prime Minister, where it will be considered along with the implications for the public service and the Lambert report.

With respect to the question of time-frame, I hope there will be sufficient time allowed for consultations with the public service unions involved and public servants generally who are involved in the course of that consideration. I will be in touch with the public service unions directly to invite them to comment with respect to that report. It is difficult to say how long that consultation will take, but given the importance of the subject, I want it to be complete. I have no objections at all to considering the involvement of Parliament in any draft legislation which might be required or the results of the considerations of the cabinet committee.

Mr. Andras: Mr. Speaker, can the minister not be a little more precise? I fully agree with the idea that there has to be full consultation with the representatives of the public service employees, but can the minister not give us a little more precision as to the time-frame in which decisions will be made and presented to this House?

● (1130)

Mr. Baker (Nepean-Carleton): I would like to be able to do that in terms of a specific date. I think it would be unfair and perhaps unrealistic to do that. I hope the hon. member will accept my assurances that we will be doing it as quickly as we can having regard to the importance of the subject not only to the Government of Canada but to the public servants who serve the people of Canada.

Mr. Andras: Mr. Speaker, in view of that comment, or answer, and in view of certain press reports that there might be legislation next spring or next fall, I ask the minister if he is really satisfied with the rather leisurely pace of progress toward decision, in face of the fact that the public servants of Canada, not only here in Ottawa but in communities all across the country, have now hanging over their heads profound changes proposed by the D'Avignon committee, profound change proposals in the Lambert commission report, a 60,000 cut in the federal public service, rumoured changes in the federal public service pension act, with even hints of retroactivity, and rumours of changes in the collective bargaining process. Is there not more urgency to get all this resolved so our public service can settle down and go to work?

Some hon. Members: Hear, hear!

Mr. Baker (Nepean-Carleton): I see no difficulty with the public service settling down and going to work. As a matter of fact, despite implications to the contrary from the hon. member, I think the Public Service of Canada is doing a relatively good job for the government.

Some hon. Members: Hear, hear!

Mr. Baker (Nepean-Carleton): Given the importance of the subject to the public service and to the government, and given the real importance of the consultative process which the former government denied the public service when it brought in Bills C-22 and C-28, I do not want to repeat the mistakes of the former government.

[Mr. Baker (Nepean-Carleton).]

RECOMMENDATIONS TO IMPROVE THE LOT OF WOMEN, INDIGENOUS GROUPS AND THE HANDICAPPED

Mrs. Ursula Appolloni (York South-Weston): I, too, should like to refer to the D'Avignon report, Mr. Speaker. I would like to address my question to the President of the Treasury Board who, I am sure, is well aware of the degree of confusion and anxiety that his remarks have created among public servants, particularly among the women in the public service who are very concerned about the lack of opportunity that his statements seem to make even worse.

Can the minister, unlike his predecessor who has just spoken of the lack of urgency, assure the House that the recommendations contained in this report for the betterment of women, indigenous groups and the handicapped, will be pursued with vigour and with a great deal of urgency?

Hon. Sinclair Stevens (President of the Treasury Board): Mr. Speaker, in answer to the hon. member's question, I would indicate that I read chapter 7 of the D'Avignon report yesterday with great interest and I thought many of the observations contained therein were pertinent. As you know, there were about 50 recommendations. But I would assure the hon. member that the actual proportion of women in the public service has risen this year from December 31, 1978, when there were 34.4 per cent, to 34.7 per cent today.

Mrs. Appolloni: Mr. Speaker, I am really appalled at the insensitivity just displayed by the President of the Treasury Board. I can assure him that it is no great comfort to the women of Canada to know that more of them are doing menial jobs in the public service.

Some hon. Members: Hear, hear!

Mrs. Appolloni: My question to the President of the Treasury Board is, what is he going to do about these very positive recommendations contained in the D'Avignon report in order to afford more opportunity and much more security to the women in the public service?

Mr. Stevens: Mr. Speaker, in reply to the hon. member's question, I would indicate, as I mentioned previously, that I have read the chapter to which she has referred and I thought it contained some pertinent observations. As my colleague, the President of the Privy Council, has indicated, we will bring in suitable legislation in due course to reflect not only some of the recommendations in the report to which she referred but also some of the recommendations in the Lambert report.

IMMIGRATION

CALL FOR RESCINDING OF NEW REGULATIONS

Mr. Bob Kaplan (York Centre): My question is for the Minister of Employment and Immigration. Last Thursday, the minister tabled regulations in the House tightening the general criteria for immigrants coming to Canada. In his press release, he gave as one of the reasons the increased inflow of boat people as refugees.

I want to ask the minister if he realizes the resentment that this decision causes to other groups wanting to bring their families into Canada. Will he rescind the regulations, bearing in mind in particular that the Joint Senate-House Committee on Immigration unanimously recommended that refugees not normally be included in the general immigration levels?

Hon. Ron Atkey (Minister of Employment and Immigration): Mr. Speaker, I want to thank the hon. member opposite for his first question in his new job. I should tell him, also—and I am sure he is well aware of it—that the ten-point penalty is merely reinstating a rule that was imposed by the previous government. That rule was in effect until the spring of this year, when that rule was suddenly taken off mid-way through the election campaign, the policy reasons for which have never been clearly explained to me.

That ten-point penalty, as the hon. member well knows, is a flexibility device to permit the government to meet its preannounced target for immigration levels, which in 1979 was 100,000 as established by the previous government. The special movements dealing with refugees by which Canada hopes to take up to 50,000 by 1980 are in addition to the particular target of 100,000.

I want to assure the hon. member opposite that the Indo-Chinese refugee program is in addition and will not mean a cutback in any way of other immigrants allowed into Canada in the normal way.

Mr. Kaplan: The press release which the minister tabled last week states very clearly that the larger number of refugees was one of the considerations for introducing these tougher criteria. I want to ask him whether he has consulted the provinces, and did they approve of this retrograde step which he took last Thursday?

Some hon. Members: Hear, hear!

Mr. Atkey: There are ongoing consultations with the provinces, most particularly consultations having to do with the report that I will table in the House on November 1 establishing the level for 1980. Quite obviously, the provinces' concern about employment opportunities have been made known to me and they will appear evident in the report filed on November 1. The hon. member will have full opportunity to see the implications of the ten-point penalty which has been reimposed, a policy of the previous government, so we can meet the particular target both for 1979 and, as he will see, for 1980.

REQUEST MINISTER ALLOW POLISH SAILORS TO REMAIN IN CANADA

Mr. Jesse Flis (Parkdale-High Park): Mr. Speaker, my question is for the Minister of Employment and Immigration. Given the plight of six Polish sailors who jumped ship in Newfoundland in the hope of escaping from an oppressive regime in their native country, and the fact that a deportation order returning them to Poland, and probably to jail sentences and other forms of harassment is imminent, is the minister prepared at this time to issue a ministerial permit which will allow these men to remain in Canada?

Hon. Ron Atkey (Minister of Employment and Immigration): Mr. Speaker, I thank the hon. member opposite for his first question in the House and, of course, I refer to the fact that we have had discussions on this very delicate situation. The six individuals who deserted the various Polish fishing trawlers have had a degree of due process already. I should indicate that they have been before the special refugee committee and were turned down. They have had, of course, an opportunity to go to the Immigration Appeal Board.

Right now I have ordered that no further action be taken pending my personal review of each individual's situation. This review includes searching for a third country which might be willing to take these unfortunate individuals caught in the present circumstances.

* * *

THE ENVIRONMENT

POLLUTION BY ACID RAIN—MEASURES TAKEN BY GOVERNMENT

Mr. Derek Blackburn (Brant): Mr. Speaker, my question is for the Minister of the Environment. Given the evidence reported yesterday on the damage that has already occurred to the North American lakes and future damage, as well as the resulting economic impact that will occur on our agriculture and forest industries if the acid precipitation problem is not brought under control immediately, what extraordinary measures has the minister recommended to his cabinet, to Environment Canada and to his American counterpart?

Hon. John A. Fraser (Postmaster General and Minister of the Environment): Mr. Speaker, I thank the hon. member for the question. As the House knows, the provinces and the federal government agreed in June to strike a committee to attack the acid rain problem, and in July a joint communique was issued by the government of the U.S. and the Government of Canada indicating their desire to co-operate.

● (1140)

On October 8, I returned from Washington with agreement by my counterpart of the Environmental Protection Agency, Mr. Costle, that joint action on both sides of the border was the only way in which the problem would be solved. On September 25, the first full meeting of the provincial-federal

committee was held. Two working groups have now been established, one on control strategies and one on the scientific program.

Yesterday, the House had the release of the report which, while we had some indication of what was in it, we were waiting for. The problem is extremely serious. Of course, the problem is understood to be serious by the government and by my department. That is why we have called it the most serious environmental problem Canada has ever faced.

Mr. Blackburn: Mr. Speaker, it is all very good for the minister to give us a rundown through his speech of what has been talked about. What we need now is action. I specifically address my supplementary question to the same minister. What instructions has he or his department given Inco, which is the largest single producer of sulphuric acid in acid rain fallout in all of North America? Because this is an interprovincial and international problem, the government cannot hide behind the Ontario provincial department of the environment.

What specific instructions has the minister given to Inco and other, similar industries to cut back drastically on their emissions so that we will then be in a bargaining position equal to that of the United States, equal to their much more stringent standards, when it comes to hammering out the pure air or clean air treaty?

Some hon. Members: Hear, hear!

Mr. Fraser: Mr. Speaker, the whole purpose of the provincial-federal discussions now taking place, and the control and scientific strategies being worked out, is to enable us to know exactly where and in what place the most stringent controls must be placed.

The hon. member has mentioned one particular emission source which is a very serious problem in Canada and it is a known source in the United States, but that is not the only source; there are many of them. Now we are working together to identify the sources and to define a control strategy which will work. We are not moving unilaterally against any single, particular emission source.

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NATIONAL SECURITY

DECLASSIFICATION OF TASCHEREAU PAPERS—GOVERNMENT POSITION

Mr. Tom Cossitt (Leeds-Grenville): Mr. Speaker, my question is directed to the Solicitor General and Minister of Consumer and Corporate Affairs with reference to the so-called Taschereau papers on national security which were due to be released several years ago, but which were seized by the then prime minister's office and subsequently, on the orders of Michael Pitfield, were sealed for a further ten years in the National Archives.

Is the government reviewing this decision? Is there a possibility that these papers will be made available to Parliament and to the Canadian people?

Hon. Allan Lawrence (Solicitor General and Minister of Consumer and Corporate Affairs): Yes, Mr. Speaker, I am having what I hope to be a pretty intensive investigation into the whole question of the authority, the statutory jurisdiction or even the legality of actions taken which prevent public access to those papers now in the hands of the National Archives after what I understand to be the statutory period of 30 years.

* * *

[*Translation*]

EMPLOYMENT

INQUIRY AS TO DATE GOVERNMENT WILL PUBLICIZE CURRENT PROGRAM

Hon. Francis Fox (Blainville-Deux-Montagnes): Mr. Speaker, because one of the top priorities in the Speech from the Throne is job creation; because of the slowdown in the American economy and its effects on our own; because of the successive increases in interest rates, I should like to ask the Minister of Employment and Immigration (Mr. Atkey) whether he is aware of the urgency of the situation, and whether he can tell the House exactly when he intends to reveal to Parliament and the Canadian public his employment strategy for the current year?

[*English*]

Hon. Ron Atkey (Minister of Employment and Immigration): Mr. Speaker, I want to thank the hon. member for his first question in his new job.

Some hon. Members: Oh, oh!

Mr. Atkey: The details of the government's employment strategy were referred to in the Speech from the Throne. The employment tax credit plan will be expanded; training opportunities for Canadians will be expanded.

An hon. Member: When?

Mr. Atkey: There will be an opportunity for a national youth service corps. Most of the details of these programs will be announced in the budget since they may involve budgetary matters; so they will be announced at the time of the budget.

Mr. Fox: Mr. Speaker, I thank the hon. minister for congratulating me on my first question. I wish I was in a position to congratulate him on his first answer.

Some hon. Members: Hear, hear!

Mr. Fox: I wonder whether the minister, in preparing his employment strategy, has had economic studies made in his department on the impact on the job market of successive

increases in the rate of interest, and whether, in keeping with the Prime Minister's stated intention of making all pertinent data available to the Canadian public, he would be willing to table this economic impact study, if it exists, in the House of Commons at the earliest possible moment.

Mr. Atkey: Mr. Speaker, we are looking at all economic data, including interest rates. Also, we are looking at the current rate of unemployment, which is at the lowest level in three years.

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

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PUBLIC WORKS

FUTURE OF HARBOURFRONT, TORONTO

Mr. Peter Stollery (Spadina): Mr. Speaker, my question is directed to the Minister of Public Works. In view of the great success of Harbourfront in Toronto, the fact that the project was visited by 1.3 million Torontonians in the past 12 months, and that the minister is responsible for whether Harbourfront continues, I should like to ask him if he could give some indication of whether the project is being scrapped. Certainly, we have heard rumours that part of it is being sold or leased on long-term leases. Could the minister inform the House what is actually taking place?

Hon. Erik Nielsen (Minister of Public Works): Mr. Speaker, I thought the hon. member would never ask.

Some hon. Members: Hear, hear!

Mr. Nielsen: I can assure the hon. member and the House that there is no intention to scrap Harbourfront. There are ongoing discussions with the directorate to work out arrangements to regularize the previous operations of the commission.

Mr. Stollery: Mr. Speaker, could the Minister of Public Works tell us whether it is true that a major part of Harbourfront is being let on a long-term lease to private interests, following the guidelines of this government of privatizing public projects?

Mr. Nielsen: Mr. Speaker, I am awaiting now recommendations by the board of Harbourfront.

* * *

REGIONAL ECONOMIC DEVELOPMENT

DREE COMMITMENT RESPECTING SYDNEY STEEL CORPORATION

Mr. Andy Hogan (Cape Breton-East Richmond): Mr. Speaker, my question is addressed to the Minister of Regional Economic Expansion. Last April, there was a commitment made by DREE of a $50 million expenditure for the Sydney Steel Corporation; $32.5 million to be allocated initially, followed by $17.5 million upon completion. This was confirmed by the Prime Minister during the campaign, that he would agree to this.

Last Friday, the minister and the Premier of Nova Scotia announced—

Mr. Speaker: Order. Will the hon. member put his question?

Mr. Hogan: I am putting it now, Mr. Speaker. The minister announced last Friday that approximately $7.2 million would be given. What happened to the pledge of $50 million? The steelworkers in Sydney are wondering.

Hon. Elmer M. MacKay (Minister of Regional Economic Expansion): Mr. Speaker, the member opposite will know, because of his interest and knowledge in Sysco, that considerable moneys in the past which were allocated were not managed or used too wisely. Expensive equipment was bought which remained for months in crates.

At this particular point in time, several million dollars have been made available for the rehabilitation and renovation of Sysco. The board of directors has been strengthened, new management is there. In the future we will be guided in fulfilling these commitments by the management and by those most affected to provide aid as needed and which can be usefully implemented.

Mr. Hogan: Mr. Speaker, I wonder if the commitment still stands. Specifically, I want to ask in my supplementary question whether some of the money which was announced to be spent will be spent on the submerged injection process technology in the open part of the Sydney Steel Corporation. That was tried before and failed.

● (1150)

Therefore, I would ask the minister, though the matter is primarily of provincial jurisdiction, if he would guarantee to the House that Stelco, which has already turned down this technology, would oversee and evaluate this process, if it is to be introduced into the Sydney Steel plant, so that we do not have the continuous, useless expenditures of the past to which the minister has referred, and that that plant will be put into a viable position.

Mr. MacKay: Mr. Speaker, that is a very perceptive question. I cannot tell the hon. member the answer now, but I will undertake to do that.

Most of the funds which have been allocated to date will be used to improve the open hearth furnaces and to rehabilitate the plant, as I have said. I will undertake to inform the House and the hon. member exactly what fate, if any, awaits the SIP process that has been tried before.

Oral Questions

NATIONAL DEFENCE

RENTAL RATES FOR MARRIED QUARTERS

Mr. George Baker (Gander-Twillingate): Mr. Speaker, my question is to the Minister of National Defence. Has the minister had an opportunity to review the substantial rent hikes scheduled for November 1 for married quarters of DND personnel across the country, and if he has had an opportunity to review those hikes, what action will he be taking?

Hon. Allan B. McKinnon (Minister of National Defence and Minister of Veterans Affairs): Mr. Speaker, I had a short opportunity to review the hikes yesterday. The rent increases vary depending on the location. I must say that the location of Gander is the worst of those which I saw in my review. I have asked my seatmate, the minister responsible for the CMHC, to review Gander particularly, and he has promised to do that.

I might say that the rent increases are due on November 1. The pay raise will be effective on October 1, and I have issued instructions that there be no increases in rent until after the pay raise is in the pockets of the servicemen.

Mr. Baker (Gander-Twillingate): Mr. Speaker, I thank the Minister of National Defence for his review of the Gander situation. Could the minister tell the House, with regard to the pay increases for DND personnel, whether or not the personnel will receive the total pay increase which they thought they would be getting, or is that pay increase going to be phased in?

Mr. McKinnon: Mr. Speaker, I am not sure what pay raise the personnel thought that they would get. The matter is under discussion between Treasury Board and my officials at the official level right now. The President of the Treasury Board and I have had a few words on the matter, and I think that any differences which we have will be straightened out in the next few days. I hope to be able to make the announcement as to the amount of the pay raise within a couple of weeks.

I do not intend to phase in the pay raises. They will become effective October 1, although I am not quite certain when we will get the raise into the serviceman's pocket.

Mr. Lefebvre: You had better watch Sinc, though.

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AGRICULTURE

NEGOTIATIONS WITH UNITED STATES ON CHICKEN IMPORTS

Mr. R. E. McKinley (Huron-Bruce): Mr. Speaker, I have a question for the Minister of Agriculture. Now that the Canadian Chicken Marketing Agency has been set up and negotiations are being held with the United States government on the amount of imports which will be allowed into Canada, and due to the fact that there is a tremendous surplus of chickens in the United States which is having the effect of forcing the price of chickens in Canada down below the cost of production, could the minister tell the House how those negotiations are proceeding and when the Canadian chicken producers can expect some relief?

Hon. John Wise (Minister of Agriculture): Mr. Speaker, I appreciate the hon. member's question. Because of the hon. member's experience in the poultry industry over the years, he will appreciate the fact that this is not a new problem: this problem has been with us since 1974. There was some delay, of course, before the proclamation of the national agency, which was proclaimed on December 27.

I can assure the hon. member that after assuming the office of Minister of Agriculture on June 4, we encouraged the national agency to move forward and to resolve all its problems. Prior to the national agency receiving its certification from the council, we were communicating with our counterpart in Washington so that we would not lose any time. We have had one round of negotiations in Washington, and the second round was in Ottawa. I hope to be able to make an announcement on that level within ten days.

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EMPLOYMENT AND IMMIGRATION

CO-ORDINATION OF DEPARTMENTAL PROGRAMS

Mr. Roland de Corneille (Eglinton-Lawrence): Mr. Speaker, I have a question for the Minister of Employment and Immigration, whom I wish to congratulate for his many congratulations.

Some hon. Members: Oh, oh!

Mr. de Corneille: How can the government justify its rigid departmental envelope spending policy, which has both immigration and employment programs in the same envelope and which will use an estimated $117 million to process Vietnamese refugees, which comes under emergency needs, while having ostensibly to take away from the same envelope funds for employment programs for Canadians this winter and spring? Does this not already prove that the rigid envelope system for departments does not work?

Hon. Ron Atkey (Minister of Employment and Immigration): Mr. Speaker, very, very simply, they are different envelopes. Immigration is in the social affairs envelope, and employment programs are in the economic development envelope.

Mr. Andras: And never the twain shall meet!

Mr. Atkey: I can tell the hon. member, and in fact I will give him some degree of assurance, that there is not going to be a severe cutback in any way whatsoever on either item. They are too important.

[*Translation*]

AIR TRANSPORT

INQUIRY WHETHER GOVERNMENT HAS REACHED DECISION ON SALE OF NORDAIR

Hon. Marcel Lessard (Lac-Saint-Jean): Mr. Speaker, I should like to put a question to the Minister of Transport and ask him whether he would kindly advise the House of the progress achieved in the negotiations on the transfer of the Nordair shares to the groups that are interested in taking it over. We know that several groups have made offers. Is the minister now in a position, or will he be in the near future, to tell the House and the Canadian people what group will benefit from its decision?

[*English*]

Hon. Don Mazankowski (Minister of Transport): Mr. Speaker, the hon. member is correct; there have been a number of proposals submitted. I indicated to all interested parties that I wanted to receive their latest update by last weekend. Transport Canada officials and I are currently reviewing the various proposals and I hope that I will be in a position to make a recommendation to cabinet within the next 30 to 40 days.

[*Translation*]

Mr. Lessard: Mr. Speaker, on a supplementary. It has been said there may be a new group. Three groups have already been identified; they themselves have said they were interested in buying Nordair, but according to rumors in recent days it seems that a new group we have not yet heard of has, in fact, filed an offer to buy with the minister. Is it true that a new group, as yet non-identified, intends to be the buyer, and who are they?

[*English*]

Mr. Mazankowski: Mr. Speaker, I am not sure whether the so-called unidentified or identified group to which the hon. member refers is, or is not, in the proposals which we have received. We have a number of proposals before us and we did attempt to give all interested parties the opportunity to present their proposals and to modify the previous proposals which they originally submitted.

Since we have eagerly desired to bring this matter to a head, we did attempt to contact all those who had expressed an interest in sufficient time to have their proposals in our hands by the end of last week. I am certainly prepared to look at those proposals with every degree of earnestness. My officials are currently doing just that.

ENERGY

GOVERNMENT RECOMMENDATIONS TO PROVINCES ON PRICES OF OIL AND GAS

Mr. Russell MacLellan (Cape Breton-The Sydneys): Mr. Speaker, my question is for the Minister of Energy, Mines and Resources. In view of the government's intention to allow the public more information, and the government's intention to increase the role of Parliament, could the minister tell the House what price he is recommending to the provinces in his latest discussions with them as to the prices that will be implemented on oil and gas?

Hon. Ray Hnatyshyn (Minister of Energy, Mines and Resources): Mr. Speaker, I can only tell the hon. member that in the course of the negotiations with the provinces a number of options with respect to pricing, and the regime, were discussed. These discussions with the provinces have been carried on in earnest.

● (1200)

The hon. member will understand that there has been a lot of speculation. There would be no purpose served in giving all the various options that have been discussed with the provinces. We are working to meet a deadline for an early consensus with respect to this matter, and I hope we can come to an agreement. We will work as hard as possible to meet that objective.

Mr. MacLellan: A supplementary question, Mr. Speaker. In view of the minister's answer, I should like to ask him if the House can be privy to these conversations with the provinces in the very near future.

Will the minister tell the House as soon as possible what price he is recommending to the provinces, and the point of view of the provinces with regard to that price?

Mr. Hnatyshyn: Mr. Speaker, once the consultation has taken place, the House will know immediately.

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CONSUMER AND CORPORATE AFFAIRS

POSSIBLE PROSECUTION UNDER COMBINES INVESTIGATION ACT—ROLE OF TRANSPORT MINISTER

Mr. Svend J. Robinson (Burnaby): Mr. Speaker, my question is for the Minister of Consumer and Corporate Affairs. On Friday, the minister confirmed that a meeting had taken place that morning which involved himself, the Minister of Transport and the Attorney General of Canada to discuss the possible prosecution of two tariff bureaux under the Combines Investigation Act.

Will the minister explain, first of all, why the Minister of Transport was involved in this meeting and, second, the nature of the representations made by the Minister of Transport at that meeting to discuss possible prosecution?

Hon. Allan Lawrence (Solicitor General and Minister of Consumer and Corporate Affairs): Mr. Speaker, quite gladly. First of all, this was one of a series of meetings that take place quite frequently in regard to various prosecutions recommended by the Minister of Consumer and Corporate Affairs to the Minister of Justice. To my mind, these briefings obviously have to include the relevant ministers in respect of the operating departments. For instance, we have a recommendation now that certain activities take place in regard to the petroleum industry.

I conceived, as part of the ongoing consultation within government, that I should bring the Minister of Energy, Mines and Resources up to date on these matters. It is an information-giving type of meeting. In regard to the trucking industry in the west, the same situation applies; this was an information-giving briefing to the Minister of Transport, but no representations were received from the minister at that time. Indeed, I believe this was the first time the minister had been to that type of meeting.

As far as the status of the recommended prosecution is concerned, the matter is now in the hands of the proper minister, the Minister of Justice.

Mr. Robinson (Burnaby): Mr. Speaker, my supplementary question is for the right hon. Prime Minister, who is well aware of the very sensitive constitutional role of the Attorney General of Canada in considering possible criminal prosecutions.

Will the right hon. the Prime Minister outline to the House what action he intends to take, in view of the statement made by his colleague that there has been ministerial involvement in discussions of possible prosecution? Will the right hon. Prime Minister also confirm to the House that there will be no further such involvement, particularly by the Minister of Energy, Mines and Resources, in discussing possible charges of price-fixing by oil companies under the Combines Investigation Act?

Right Hon. Joe Clark (Prime Minister): Mr. Speaker, if I properly interpret the question put by the hon. member, he is asking that I guarantee that before the government takes action, ministers who might have a particular interest in an action that would be taken should not be consulted. Naturally, I am not going to give that kind of guarantee.

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PRIVILEGE

MISS NICHOLSON—ANSWER OF MINISTER OF CONSUMER AND CORPORATE AFFAIRS

Miss Aideen Nicholson (Trinity): Mr. Speaker, my question of privilege arises from the answer given to my question yesterday by the Minister of Consumer and Corporate Affairs.

In that reply, the minister stated that regulations had been made under the Hazardous Products Act concerning cellulose insulation. When I checked with his office later, I was told that the orders were passed on Friday but the information will not be published in *The Canada Gazette* until October 24. This means that the information is still not in the public domain. I am sure that the minister did not mean to imply that it was in the public domain, when it was not. Perhaps he would be willing to clarify that by making a statement.

The second part of my question of privilege concerns my discovery that the minister issued a press release on Friday. Yesterday afternoon, after two or three telephone calls, my staff succeeded getting a copy of it. I trust that the minister can reassure the House that in the future, on matters that are so very much in the public interest, he will not bypass the House but will ensure that members of Parliament as well as the press are informed of his intentions.

Hon. Allan Lawrence (Solicitor General and Minister of Consumer and Corporate Affairs): If that is a question of privilege, I will be glad to respond, Mr. Speaker. First of all, it was fairly widely reported in the press on Friday that orders in council had been passed earlier in the week. The hon. member waited until Monday to ask me a question which I assumed, in her position as critic, she already knew the answer to.

Certainly, if all hon. members wish to receive the many press releases that emanate from the Department of Consumer and Corporate Affairs, that can be arranged and it might be useful, although I know a lot of them go into my wastepaper basket. We are trying to control some of the paperwork, but if the hon. member wishes to have them, she shall; although I think she is already on the distribution list for that type of material. If that is not the case, I will see that her name is added to it.

MR. FLIS—ANSWER OF MINISTER OF EMPLOYMENT AND IMMIGRATION

Mr. Jesse Flis (Parkdale-High Park): Mr. Speaker, I rise on a question of privilege. The constituents of Parkdale-High Park and I have been very offended by false information given to the House by the Minister of Employment and Immigration (Mr. Atkey). He said that the six sailors who want to remain in Canada cannot because they are exploring asylum with third countries.

The minister knows very well that the third countries have turned this request down because the minister would not give the third countries the guarantee that these sailors could return to Canada. Furthermore, the minister told me in person that he is waiting for word from the Secretary of State for External Affairs (Miss MacDonald), who is not paying attention this morning. I have a letter from the Department of External Affairs stating that this is a matter for the Department of Immigration.

Would the Prime Minister please clarify, for his ministers, which ministry will be handling refugee problems, and would the minister please give us an accurate answer as to whether he will—

Mr. Speaker: Order, please. The hon. member will realize, I am sure, that he is raising a disagreement and a matter of debate with the answer of the minister and is seeking, frankly, to extend the question period, a temptation to which all hon. members would be delighted to succumb, but which is a luxury we cannot afford.

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POINT OF ORDER

PRIME MINISTER—DATE OF AIDE MEMOIRE ON NORTHERN PIPELINE

Right Hon. Joe Clark (Prime Minister): Mr. Speaker, I rise on a point of order. I am in a position, now, to respond to the question put today by the Leader of the Opposition (Mr. Trudeau), if that would be agreeable.

The government responded to the President of the United States in a formal statement of our position on September 28. There had been ongoing discussions during the summer with the United States government and Foothills, during which we indicated our support for Foothills and our opposition to the effects of tanker traffic.

Right Hon. P. E. Trudeau (Leader of the Opposition): On that point of order, Mr. Speaker, was the date of the aide memoire September 28? Perhaps I could reserve for a further question period supplementary questions on this, such as the nature of the ongoing discussions.

Mr. Clark: For clarification, Mr. Speaker, that was the date of the aide memoire.

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PRIVILEGE

MR. BLACKBURN—ANSWER OF MINISTER OF THE ENVIRONMENT

Mr. Derek Blackburn (Brant): Mr. Speaker, I rise on a question of privilege. This relates to a question, but I will not put another question during this question of privilege. My question of privilege relates to the question I asked today with respect to the acid rain fallout in Ontario, the United States and Quebec, and specifically to a report drawn up by a team of American and Canadian scientists.

● (1210)

My question of privilege relates to a piece of paper that I have here entitled "Bulletin". It comes from Environment Canada. The headline is "John Fraser to comment on the acid rain report". I feel that the minister, particularly when dealing with a matter of such urgent and pressing importance as the acid rain fallout, should not be making a statement to the press first on this matter of acid rain, and specifically this report released yesterday afternoon but that, rather, he should be making a statement on motions or a statement directly in this House to hon. members so that the critics on this side of the House may respond, instead of manipulating the media to do so.

I might also add that it was his party which was so critical of the Liberal administration for doing exactly the same thing, that is, running to the press first and answering questions in the House afterwards.

Hon. John A. Fraser (Postmaster General and Minister of the Environment): Mr. Speaker, I am not exactly certain if that was a question of privilege. I am prepared to tell this House and the hon. member that I am prepared to make a statement on motions concerning this particular matter on Thursday, which will give members opposite a chance to respond. That is a commitment I give to the House at this time.

Mr. Speaker: Just to keep the record straight, since the hon. minister has made reference to it, the practice of making statements is a practice which is within the authority of the minister to choose whether to do so here or not. While the House may express a preference and raise the point as a grievance, the matter does not constitute either a question of privilege or even, for that matter, a point of order.

MR. FLIS—ANSWER OF MINISTER OF EMPLOYMENT AND IMMIGRATION

Hon. Ron Atkey (Minister of Employment and Immigration): Mr. Speaker, the hon. member for Parkdale-High Park (Mr. Flis) has made an allegation that I have placed false information before this House. I would ask him to retract that allegation, and clarify for the record, if it requires clarification, so that he might consider a withdrawal of such an allegation.

As I have advised the hon. member, just as I have advised the Minister of State for Fitness and Amateur Sport and Multiculturalism (Mr. Paproski), the Minister of Transport (Mr. Mazankowski), and the hon. member for York-Scarborough (Mr. McCrossan), who have also made representations in this case, that I have deferred action on the case of the six Polish ship-jumpers pending a further review by me personally of their situation. Part of that responsibility which is mine is to investigate the possibility of third countries to which those persons might safely go, as other persons in similar situations have done.

I hope that clarifies the record, and I ask the hon. member to withdraw his allegation of false information.

Mr. Speaker: The House will realize that I have set aside the question of privilege raised by the hon. member for Parkdale-High Park (Mr. Flis). However, I wish to advise him that he was on unsafe ground in attempting to extend the question period to pursue a matter which was essentially one of disagreement.

I did not go on to point out that, while he did not say that the minister has deliberately misled the House, he did use the

words "false information." The hon. member will come to realize that that is a very dangerous accusation to make and he almost turned what was a non-procedural point into a question of privilege by the minister.

I would take it that further study of the matter might benefit the hon. member, so that in future he will be more careful in his choice of language.

* * *

NATIONAL DEFENCE

CLARIFICATION OF ANSWER BY MINISTER OF NATIONAL DEFENCE

Hon. Allan B. McKinnon (Minister of National Defence and Minister of Veterans Affairs): Mr. Speaker, I want to correct what may have been a possible misunderstanding in answering the question raised by the hon. member for Gander-Twillingate (Mr. Baker), who unfortunately is not in the House.

He asked if we were planning to bring in an increase in pay for the armed forces in stages; I believe those were his words. It did not register with me that what we are planning to do might be considered as introducing a pay raise in stages. However, what we are planning to do this year is to change the basis of the pay year and the annual pay increase. This will now be effective from the end of March, so that the pay raise will coincide with the fiscal year instead of a year that begins October 1 each time.

This is being done in no way to save money for the Treasury Board or anything of that nature. I hope this will clarify the situation beyond any doubt.

ROUTINE PROCEEDINGS

[*English*]

PETITIONS

MAINTENANCE OF PETRO-CANADA—MR. BROADBENT

Mr. Speaker: I have the honour to inform the House that the Clerk of the House has laid upon the Table the first report of the Clerk of Petitions stating that he has examined the petition presented by the hon. member for Oshawa (Mr. Broadbent) and finds that it meets the requirements of the Standing Orders as to form.

* * *

SPEECH FROM THE THRONE

CONTINUATION OF DEBATE ON ADDRESS IN REPLY

The House resumed, from Monday, October 15, consideration of the motion of Mr. Fretz for an address to His Excellency the Governor General in reply to his speech at the opening of the session.

Mr. Bob Wenman (Fraser Valley West): Mr. Speaker, last month, in a discussion with a group of Vietnamese intellectuals in Ho Chi Minh ville, Vietnam, I posed the question, "Are you free; do you know freedom?" A Vietnamese woman who holds a doctorate degree from Harvard asked, "But, Mr. Wenman, how do you define freedom?" I told her that freedom, to me, is the absence of coercion. She responded by saying, "Yes, but that is only one part of freedom that perhaps comes from freedom of security of food, shelter and provision of health and education."

Following a long conversation at dinner in Ho Chi Minh ville, my elderly communist host said, "I was born in war and have lived my whole life in war. Will I ever know peace?" With this simple question and the earlier remark of the Vietnamese scholar, the dilemma that is Southeast Asia was aptly portrayed. Ironically, the search for peace and economic security has only led to more war, more starvation and some of the most inhuman brutality ever known to man.

The Soviet Union establishes spheres of influence in Vietnam, Kampuchea, and Laos to assure their own security against the threat of China. China establishes spheres of influence in Kampuchea to assure their own security against the threat of the Soviet Union. The U.S. seventh fleet cruises offshore to provide security for a "proper" international balance of power among these three major world powers—all, of course, in the name of international peace and security.

Vietnam, after a series of border disputes and living as neighbouring witness to the slaughter of two million out of six million people in Kampuchea, invades Kampuchea with the lofty motive of liberation but, even more important to them, to establish a sphere of influence to assure their own security against an historically-perceived and real threat from China. Malaysia fights communists in southern Thailand to assist Thailand but, even more important, to protect its own northern border and maintain internal security. Thailand tries to display an image of even-handed diplomacy, again in the name of international peace and security.

• (1220)

It is all a very curious display of multilevel conflict of nations and cultures making war on each other in order to maintain their security against each other. It is easy to condemn in Southeast Asia. Condemnation is indeed appropriate as we see victim after victim flee or fall in the face of man's inhumanity to man, as individual rights are trampled under the heavy boots of inhuman military machines. It was easy for all of us in this House, through television, to watch and sit and condemn Malaysia for pushing those boats laden with the victims of this repression back into the ocean, watching the boats tip over and the people drown. We condemned Malaysia for that.

It was easy in the case of Thailand, after they received over 100,000 refugees and took 43,000 men, women and children

and pushed them back across the border into Cambodia or Kampuchea. They pushed them back across the border and the world press and world politicians knew that those 43,000 starved to death in the jungle along that border. We watched that and we condemned Thailand for pushing those 43,000 back into the jungle.

It is so easy to feign pious, self-righteous indignation when we see this human tragedy. Really, who is more guilty, the country which received, in the case of Malaysia and Thailand, hundreds of thousands of refugees and finally said no, or the rest of the governments of the world, including ourselves, who in fact said, "No, we will not accept refugees from the Third World." We only said the same as Malaysia and Thailand.

Before we proceed with this self-righteous indignation, let us recognize that a group of people is in the middle of the ocean in a no-man's land, with no way back and no way forward: they then become a responsibility of the entire world. That responsibility is to be shared. That sharing, while late, was seen in the Geneva Conference on Refugees, where Canada along with other parts of the world agreed to take 50,000 people. This condemnation that we make of other nations and other human beings—and we must make it when we see man's inhumanity to man—must be followed with understanding and action, action that must be humane, fair and corrective.

Three weeks ago I talked with walking skeletons called refugees fleeing from Kampuchea. They told me how severe monsoon conditions destroyed the crops, how starving people were dying all along the roadside as they walked by, or maybe I should say crawled by in some cases because of the deprivation. Certainly, it was a fine noble and humane gesture that Canada should accept some of these victims of starvation, war, racism and genocide. However, unless we recognize that these refugees are but the symptoms of a more complex, more deeply-rooted problem, the 350,000 refugees now in camps in Southeast Asia will grow into millions.

Canada's acceptance of 50,000 refugees is, by any standards, a generous gesture toward humanity. It is, as well, of considerable assistance in relieving social pressure on our ASEAN friends. But unless Canada and the rest of the world want to face the pressure of new waves of refugees, the problem—that is, the cause of the refugee exodus—must be understood and treated with as much vigour and concern as the refugee flight itself is being treated in the world, because the refugee flight is not the problem but the symptom. The problem is economic, political and social instability of the entire region, perhaps at this time with particular reference to Kampuchea.

On the economic side, which must be looked at first, basic needs for food and water must be satisfied. Vietnam is experiencing considerable food shortages, with an estimated three million-ton shortfall this year in spite of good prospects for a satisfactory harvest expected in the next few weeks. Vietnam is unlikely to get by without experiencing considerable difficulties that you and I cannot imagine. The Vietnamese ration for food for their people is 13 kilograms of rice per month per family, and one pound of meat per month per family. Certainly, they will suffer. There are shortages. However, it appears they will make it through to the crop end without a substantial degree of starvation.

Kampuchea has suffered severe genocide under Pol Pot, with estimates, as I mentioned before, of up to one-third of the population bludgeoned or hacked to death under the auspices of the Pol Pot regime. Last year, severe weather conditions badly damaged crops. The sparse crop that resulted was largely destroyed in the January offensive which saw Vietnamese and Heng Samrin forces and the Pol Pot forces pillage the land in war. This series of events led to massive starvation, and it is estimated that while we sit here today 2½ million people in Kampuchea are starving to death.

I have no way of explaining to this House or the Canadian people the feeling when you meet a father in a camp who is holding his starving son and he tells you his story. He said that the crop was poor, "We saved what rice we could until the next crop. We put it in two piles, one pile for eating and the other pile to plant. Soon the first pile was consumed. I looked at the little bit of rice left for planting. I said, 'What shall I do; plant the rice and watch it grow while my family starves to death, eat it or take it and flee for the border where we hear there may be an opportunity for some form of food?' "

What do you say to that father? In Canada I hear so many expressions of greed amongst our wealth. How can you describe the look on that father's face as he holds the skeleton of his son? There is no way to do it. But I tell you it is real; it is true; it is the tragedy of 1979 and 1980. It is a tragedy to which everyone in this House has an obligation to respond.

I was very disappointed when I put my simple motion asking for just a small amount, just encouragement and assistance to the NGO, not to give more food because there is an adequate resource available, but just to assist in the delivery of that food. I am sorry to say that this House of Commons turned down that motion. I have to believe it is not because they have less humanity than the United States, which just yesterday gave $7 million. Of course, not all our members have had an opportunity to visit, to share and to really know. I cannot believe those who said "no" could face that father and that child who had been reduced to skin and bones.

• (1230)

Kampucheans told me last month that they would return to their homes and farms if returning did not mean the prospect of their death by starvation. Surely, some level of economic aid to Kampuchea is a better alternative than further massive influxes of culturally dislocated and uprooted refugees seeking asylum in Third World countries. The seemingly universal tool of using starvation and isolation as pressure to force political change is a brutally cruel and inhuman method which will result in our generation being condemned in history.

In the short or long range, is it wise to treat Vietnam, Kampuchea and Laos as lepers in the world community? The absence of western nations up to now has created a vacuum into which the Soviet Union is only too anxious to step. It would seem to me that the Vietnamese do value their freedom

and independence and want to preserve those values from the Soviet Union, yet at present they have no choice but to receive the Trojan Horse.

Neither the Vietnamese forces nor the Heng Samrin troops can be starved out of the region. We may well have to accept their reality in the same way as we accepted the reality of communist China. For that reason, I have called for food aid for Kampuchea and the beginning of the process for normalization of relations with the nations of Vietnam, Laos and Kampuchea.

This is a substantial statement I am making and it is a substantial step. It should not be assumed that in proposing them I support communism in Southeast Asia as a liberating force or as a better way for the people of this region. Communist regimes in Southeast Asia have participated in the most inhuman acts of barbarism and human rights atrocities in this century. Communism has meant less food, less shelter, less health protection, less education, more war, more starvation and more suffering than the region has known in many centuries. That is what communism has brought.

We used to say it was a struggle between communism and the forces of free enterprise, but that old dogma does not apply any longer; that excuse no longer remains. It is a struggle between communism and communism. It is of the utmost importance to realize that the key to the success of communism in these areas is its very promise of a richer economic future. Until the west recognizes that the people of Southeast Asia require food first, and then political liberties, our hopes for a more democratic future for that unfortunate area are bound to be disappointed.

Of equal importance to the region is the stability of our ASEAN friends—Malaysia, Thailand, Indonesia, Singapore and the Philippines. The failure of communism in Vietnam, Laos and Kampuchea stands in stark contrast to the increasing living standards of the ASEAN nations. Thailand is actually an exporter of food—the only one in the region. Real economic growth in Malaysia stands at 10 per cent, one of the highest rates in the world. The Philippines and Singapore, too, all have sound financial futures and are worthy of the support of this House, in my opinion.

An hon. Member: Singapore is a police state.

Mr. Wenman: I would suggest to the hon. member that he take a trip to Vietnam and Singapore and then tell me where he would prefer to live; tell me where there is more freedom, more security or health and education services. I am not talking about particular governments; I am talking about systems. The answer is obvious. I ask the hon. member to think about it; he does not even have to pay a visit. Communism has not worked in Southeast Asia to the benefit of the people.

Though expected by some to fall apart because of social and political pressures caused by instability within the region, the ASEAN nations have strengthened their alliances and, correspondingly, their security and economic potential as they move into the 1980s. As the ASEAN nations move from underdeveloped to developing and finally to developed status—and they certainly seem to be heading in that direction—they become increasingly a potential market offering trade opportunities for Canada.

Canada should seize the new opportunities provided by our acceptance of 50,000 refugees from these countries and begin a new trade initiative. I suggest we should pick up on the renewed interest of the prime minister of Thailand in a new Pacific community organization by organizing a Pacific Rim conference. In so doing, the Government of Canada could recognize that the Far East is really the near west and introduce a Canadian face into these markets. British Columbia's request for a trade and convention centre should be accepted as a first step in this direction. Such a centre should not be an exposition area for Pacific Rim imports but, rather, an exposition of the productivity and potential of Canadian manufacturers and producers, emphasizing Canadian exports. It should emphasize Canadian exports and provide a meeting place for the nations of the Pacific Rim generally within the region of Southeast Asia.

We must recognize that the major markets of the world are there in the sense that they have the major populations. These are growing markets, markets which are expanding. In Europe and in the United States we must compete in mature markets where competition is more intense. Opportunity is greater in the Pacific Rim because the countries there are maturing and developing. It is important that we move in at this stage, get in on the bottom floor of the trading process. This would be of mutual interest to both Canada and the countries of Southeast Asia.

Mr. Speaker, my eyes have been opened as a result of my visit to the region. I hope the eyes of Parliament will be opened, as well, as the region reaches out to Canada, not just the ASEAN nations but the nations of Vietnam and even of Laos and Kampuchea. All the nations of Southeast Asia are opening to us. It is up to us to respond and accept the challenge of the 1980s in Southeast Asia.

• (1240)

Hon. E. F. Whelan (Essex-Windsor): Mr. Speaker, I enter the debate today with a little bit of—

An hon. Member: Reluctance?

Mr. Whelan: —reluctance maybe, and maybe not; but I do enter it with some hesitancy because of the things which have been said, especially by the member who spoke just before me. I could not help but be impressed by the things he said, and I will touch on them later on. However, it seems that the hon. member may be trying to convince someone who is already convinced, especially on this side. After having read what the Minister of Finance (Mr. Crosbie) said, and after having read what the Secretary of State for External Affairs (Miss MacDonald) said, I have some reservations about how the government is getting its point across to hon. members opposite who are backbenchers.

I want to congratulate Mr. Speaker and the new Minister of Agriculture (Mr. Wise), whom I have known for some years.

He has been in this House for five years as a member of the opposition. It has been a long time since members of this House sat, and when I was contemplating speaking in the House, I was worried about how to act. After going over some records, I found that since confederation this government has taken the longest time between dissolution before an election and reconvening this House to do the business of the country.

The other day the Prime Minister (Mr. Clark) said that we should not rehash the election campaign. After having gone through the campaign, I find that rather startling. I can understand why the Prime Minister does not want to rehash certain parts of the campaign. We were the ones who were supposed to have no use for Parliament; Parliament was something we did not want to be bothered with!

I ask hon. members here, or anyone in the country, to ask themselves who has respect for Parliament. In one of the last public statements I remember his making before his passing, even the right hon. member for Prince Albert said that this House should be resumed in August of this year to get on with the important decisions this country and this government were faced with. This House was not resumed. We waited and waited, and finally the decision that the House would be reconvened in early October was made. As a long-time member of this House, I find that to be something of an affront to elected members.

We can wait an eternity for some government ministers whom we have the right to question, but we will not be able to question them as elected members of this House because they are in the other place. There are three of them. I have responsibilities to my constituency for things other than agriculture. I represent a large number of auto workers who are concerned about industry and trade; but where is the Minister of Industry, Trade and Commerce? He is in the other place.

I read the other day that one of the members of the other place said that they have more time to question those ministers because they do not have to be bothered about electors. Some members of the other place think they represent electors in some fashion or form, and they think they can question on my behalf cabinet ministers who are administering the business of this country. Never can they question them on my behalf. As far as I am concerned, no one can question them on my behalf. I do not want members of the other place to be doing so, because the people of Essex-Windsor sent me to question ministers on their behalf, but I cannot do it when they are in the other place.

I find that to be an affront to Parliament. Who has the real concern about Parliament? In the election campaign we were supposed to be the bad guys; we had no use for this place. The people told the Minister of Industry, Trade and Commerce that they did not want him as their representative, but he was put into the other place. At one time I put down a private member's bill in this place to abolish the other place. I never thought the other place would be used to this extent. If I had known it would, I would have supported the hon. member for Winnipeg North Centre (Mr. Knowles) who brings in a bill nearly every session to get rid of that place.

The other place was never set up as an elected assembly, as some people seem to think. There are countries—and the hon. member who spoke before me mentioned some—where non-elected people govern. Surely we are not going to allow that to continue here. Surely those brilliant members of Parliament from Toronto and from Ontario—and there are many of them—and those brilliant members from out west or from all over Canada, could fill those positions just as well, but the Minister of Justice, the Minister of State for CIDA and the Minister of Industry, Trade and Commerce do so from the other place. Boy, oh boy; democracy runs wild!

The right to question those people was taken away from those who are obliged by their electors to do so. I am not saying that those three people are not capable, but they are not in this place. They are not in this democratic institution which we all know. In a democracy people are elected. In light of such use of Parliament, we should ask ourselves who has respect for Parliament. By your actions you shall be known, and I say this government shall be known by its actions in the election campaign.

Lord knows, I was confronted with this in the about 62 constituencies I visited. We were the ones who abused Parliament; we were the ones who had no use for it. We were not sitting for so long that for a while I thought the President of the Treasury Board (Mr. Stevens) discovered he could save money by not having Parliament convene at all. He might have been recommending to the Prime Minister just that kind of thing, because he talks about saving money all the time.

The new Minister of Agriculture has had four months or so to get things in working order, if they were out of working order. It is obvious that he likes the programs the former government and the former minister of agriculture were carrying out for agriculure in Canada, because he is carrying them on. I will touch on that more later on.

The Minister of Agriculture tells of how many committees of cabinet he belongs to. I say congratulations to him. I was a member of only two full-time committees and three ad hoc committees of cabinet, but one of the ad hoc committees of which I was a member was more time-consuming than the full-time committees because it dealt with trade and tariffs and the Geneva trade negotiations which were going on. It was rewarding and educational to be on that committee, because I discovered some of the problems in trade to which I thought I knew all the solutions.

I did not have all the answers, but the committee continued to fight for the things it thought were best for society as a whole. Members had to give a little and take a little, and that took a long time. It took four years, and in the last two there was not a month and sometimes not a week in which meetings did not take place. Sometimes there were two or three meetings a week. Our chief negotiator, Mr. Warren, would return and say, "I must meet with you. No matter what you are doing, you will have to cancel it". We met with him. The

Geneva trade negotiations were very important, perhaps the most important negotiations in many years.

The new Minister of Agriculture must agree with me because I saw his press release telling how much those negotiations meant to agriculture and how important they were, but one would almost think he was responsible for them. We on this side were, Mr. Speaker. Those negotiations were completed before the election was called. Not everything was published, but long weeks, months and years were spent in multilateral trade negotiations. I must say that they were tiring, but it was rewarding to know that we made gains for agriculture. We got some protection for certain commodities which we did not have previously. It was necessary to encourage that kind of production.

I was asked the other day about what I thought, because there was some discussion. I have not seen anything official about it publicly but apparently the government was asked to remove the tariff protection which we had gained for tomato paste. They asked, "What do you think should be done about that?" They should make sure of the supply of paste in Canada at present because we raised it previously—I am not sure of the exact figure—to 13 cents a pound or to 13 per cent, in accordance with what the tomato growers and the processing industry wanted. So the government should make sure there is enough of that product in Canada to take care of the needs, and it must make sure that some trader is not given an unfair advantage over the processor who may be enlarging his or her facility at this time to take care of future supply from the tomato industry.

● (1250)

Southwestern Ontario shows a great potential for the production of that product: it seems to be unlimited in the view of those of us who have been associated with that industry. There is no reason, for instance, why some of the big chains, restaurants or whatever, should have to use an imported product to serve the people whom they are licensed to serve. In my view, Canadian products should always be used.

They say that when I was minister of agriculture I devoted too much time to agriculture. They said the former minister of agriculture, the member for Essex-Windsor, devoted the majority of his time to agriculture. Sadly, but proudly, I say that I accept this uninformed criticism that Whelan was, and is, always concerned about farmers, agriculture production, food, farm incomes and the like, because I say that in any country you want to check in the world—I am sure the hon. member opposite must have found that during his trips—those who neglect agriculture make the rest of society suffer for that.

According to the facts that I have, no ministry ever took over a healthier agricultural industry than the present Government of Canada. That is why the minister has so much time. I think he said he is on five cabinet committees. It is because of all the work I did. He is reaping the benefits of it. I have not yet received a "thank you" letter from him.

Some hon. Members: Hear, hear!

[Mr. Whelan.]

Mr. Whelan: He said that he is seeing three to ten farm groups a day; and he is also on five cabinet committees? There are not any cabinet ministers in the House. I do not know how long their meetings are and what they are dealing with, but to be on five cabinet committees and to see three to ten delegations a day is quite something. I do not believe I ever saw ten groups in a day, although I saw several in a day. Say he averages seven a day in the four months, and he works seven days a week, that is 49 a week. He must have seen every farm organization that exists in Canada, if he sees that many a day.

That would be pretty well working like some of the doctors who abuse medicare. You come into the doctor's office and he says, "How are you?". He tells you to take an aspirin or a 222, and then he opts out. That is what he would say at the end of it, because he would send me a bill with an increase of 15 per cent or 20 per cent.

But, you know, this is all well and fine because Parliament has not been sitting and you can see more people on farms when Parliament is not sitting and you can be more often around the country in those circumstances. But I never neglected my job when I was minister of agriculture, because I travelled on Wednesday nights, Friday nights and weekends, and the record will show that at those times I was most often busy in many parts of Canada and many cities, no matter how big or small.

The new Minister of Agriculture is a farmer, and that is an asset. I think one has to get out and see the country from coast to coast and understand the people because agriculture in our country is so diversified. I want to congratulate the Minister of Agriculture, the hon. member for Elgin, for being bright enough, smart enough and intelligent enough for the Prime Minister to have appointed him Minister of Agriculture over such outstanding members as the hon. member for Lisgar (Mr. Murta), the hon. member for Medicine Hat (Mr. Hargrave), or the hon. member for Northumberland (Mr. Hees).

The Prime Minister had no other political choice but to select his Minister of Agriculture from Ontario, because it would have been bad in Ontario had he not done so. I think the Minister of Agriculture from Ontario is well qualified, but let him not waver in his determination to get the things that are needed in agriculture to make it healthy. Let him not waver in continuing on with the Farm Credit Corporation to raise funds from farmers themselves. It has been over four months, and farmers need this. But let us not forget that the farmers' net income from 1977 to 1978 increased 30 per cent. That was contrary to anything the economists had said would happen. But it did happen and the farmers' net income increased by 30 per cent in 1978 over 1977.

The cost of land increased by 14 per cent. This, in itself, underscores the tremendous need for increased funding of the Farm Credit Corporation. This government should practice what it preaches and put up the money for an industry which benefits all Canadians. It is ripe for expansion. In fact, the agricultural industry has been left in very good shape. As I said, it has been expanding so profitably that even banking

institutions are lending farmers more money than they ever have before, and they are investing in land.

Let us hope that land does not exceed the price of gold, but I heard a banker say the other day that the cost of land is practically the same as the cost of gold. Perhaps you can find more gold—that is the difference, he said—but you cannot find more productive land in the world, and land is much more important. You could die in this chamber if it were filled with gold and there were no food here; but with food here, we could live and talk forever. Can you imagine that, Mr. Speaker?

So when the bankers are taking this attitude toward farms, and the records show that for the last three years some of the leading banking institutions in this country have taken a real step forward in lending money to the agricultural industry and to our farmers, I say that in itself is a glowing tribute to the previous Liberal administration and to the former minister of agriculture. I have to say that, humble as I am, but I want to say again that we saw a press release which said that the farm improvement loan administration has been turned over to the Minister of Agriculture. That was done before the election, and I want to correct the record on that.

I want to encourage the government, but I do not know which minister is handling the Department of Industry, Trade and Commerce. I saw some confusion in the previous government, but it is even worse in this one. You have three ministers handling that department. Two of them said they would answer questions here, and one is in the other place. We are one of few nations in the world who do not look after agriculture the way we should, apart from what the Minister of Agriculture does. This government has not changed that much. Otto and I used to fight all the time about the Wheat Board and who should have control of it, but when we went to world meetings I was embarrassed when I had to say that the minister of transport handles wheat, or the minister of justice handles wheat. The same thing will happen to the present Minister of Agriculture. That is ridiculous and as asinine as could be.

We have made a decision to establish the Agricultural Export Development Corporation made up of people who know the agricultural business, and 51 per cent of which would be made up of producers. Some people ask, what do producers know about agricultural export? Well, they know as much or a lot more than some city slicker who is in the bond market or works in some stock exchange. Or an economist might know more about it, when he goes to talk about it in some other part of the world.

As minister of agriculture, going to many different parts of the world, such as the World Food Council meetings, FAO meetings, etc., I was appalled on seeing some of the people who really tried hard but who had only limited knowledge, not the knowledge they needed to understand really what those people were talking about when they were talking about trading in agriculture.

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

Mr. Deputy Speaker: It being one o'clock, I do now leave the chair until 2 p.m.

At one o'clock the House took recess.

● (1400)

AFTER RECESS

The House resumed at 2 p.m.

Mr. Whelan: Mr. Speaker, when we adjourned for lunch I was talking about some of the matters I thought were important in agriculture. I was reminding the House and anyone interested of some of the things we should be doing, some of the things we are doing, and some of the things the government should be doing.

I should like to return to the Speech from the Throne and express my sincere disappointment in the little mention of agriculture. The only thing mentioned in the entire Speech from the Throne which had anything to do with agriculture was Prince Rupert and hopper cars. Was there anything new about the agreement concerning the Prince Rupert elevator being turned over to a different authority? No, Mr. Speaker. That agreement was well on the way when the election was called. Is there anything new about hopper cars? No, Mr. Speaker. Already we have purchased 8,000 hopper cars for the transportation of grain in Canada. I am disappointed in the government, in the party which makes itself out to be a friend of rural Canada.

I should like to remind the House how many good rural members of Parliament there are opposite. I knew some of them but not all of them before they came to the House. When I look at the front bench opposite, I only see one member who is a real farmer, the Minister of Agriculture (Mr. Wise). The Conservative party has many capable rural people elected to the House who know farming and agriculture. One would have thought that at least two of those members would have occupied the government front benches. When the Liberal party formed the government, we had two members in cabinet who represented rural constituencies, yet supposedly we were not a friend of rural Canada. One member of the Liberal government was the former minister of agriculture from Prince Edward Island who was the acting minister of agriculture when I was not present, the Hon. Dan MacDonald, the former member for Cardigan. He was a farmer in his own right, a war veteran, minister of veterans affairs and acting minister of agriculture when I was absent. I had his strong support at all times in cabinet.

The Prime Minister (Mr. Clark) has already made a slight noise. Some people call it a shuffle because he gave one minister who had no authority some authority. May he do that with one of his rural backbenchers in the very near future. We all remember the morning Parliament opened. When we arrived in Ottawa, it snowed outside. When one looks at the Speech from the Throne and what it contains for agriculture,

one realizes the biggest snow job was in the other place because the Speech from the Throne contained nothing about agriculture.

Earlier today I said that we ought to get on with the Canadian agricultural export proposal. We promoted this idea. For over two years it was in the making. Several months have passed and nothing seems to have been done about it. The only thing I heard in the House yesterday was that we lost a small agricultural export contract to the Middle East for poultry products. The minister did not elaborate on what that was, except to say that it was lost. This is an area we must really sell. We require people who are knowledgeable in agriculture, not stockbrokers who are saying to the farmers, "You have the greatest know-how of probably any group of agricultural producers in the whole world. You produce and we will sell for you, even if we know nothing about your products".

When I was minister of agriculture I was almost of the idea that one can be the best cattle breeder who knew and used the best genetic breeding programs in the world, etc., who can show his wares and we will sell them for him. The same would apply to other agricultural products. We were saying that farmers did not have the intelligence to enter into the market. Those days are long gone. For a farmer to be successful today, he is as much a businessman as any other person in the business world. He is required to be many things in order to make his farming operation a success.

While I am dealing with matters of international concern, I should like to mention the hon. member who spoke before me, the hon. member who had visited Vietnam. On these matters of international concern, opposition members of the House were relieved to hear, via the press in September, that Canada would not have to hang its head in shame for lack of commitment in the world food council. It gave me great personal satisfaction to know that the moral leadership Canada gave to this organization, a branch of the United Nations, in 1978 when I had the honour to lead the delegation, would not be frittered away for a "messy potage". But since then the ungalvanized—some say heartless—but certainly rigid, if not cruel, speech of the Secretary of State for External Affairs (Miss MacDonald) has the population of Canada worried about our commitment to international aid.

Although I do not quote from *The Globe and Mail* very often, I should like to refer to a letter to the editor which expressed the anxiety of Canadians toward the ambivalence of the government in matters of external aid. The letter indicates that the policy of the government is very much like telling a patient dying of cancer, "I cannot help because I have a cold". If this government has any heart, knows anything about international politics or has any business sense, it should clearly come down on the side of international assistance and not on the side of those who would have a balanced budget at the expense of international aid.

● (1410)

When I hear what the Minister of Finance (Mr. Crosbie) has had to say at world meetings and so on, I am of the opinion that the economy in this country is good. Then I read what such a noteworthy person as Lord Thompson said when he was bidding for that big enterprise in Canada, that he knew of no other country in which it was better to make an investment, and he went on to elaborate on the economic strength of the country. Then when I see that the government is intending to cut back our aid, I wonder.

And talking about expenditures, members on this side of the House applaud the $18 million guarantees finally released for this year to producer organizations under the Advance Payments for Crops Act brought in by the previous Liberal government and proclaimed on August 15, 1977. All I can say is that the present Prime Minister took an awfully long time to call this House together on the pretence that his cabinet team was working to learn their jobs and to deal with the administration of their country, as I said earlier today.

The Minister of Agriculture must have been too busy with all those cabinet committees to give the impression of any dispatch in agricultural matters in this throne speech. We also applaud the $1 million of federal financial assistance released to help build increased feed grain capacity in eastern Ontario and Quebec this summer under the previous Liberal administration.

The Minister of Labour (Mr. Alexander) has talked about how long the strike at the port of Montreal by the grain handlers has been going on. I wonder if the Minister of Supply and Services (Mr. La Salle) is having any input into that. The strike is certainly having an effect in terms of extra cost for the feeders in *la belle province* and it has been going on I believe since May. As of today it has not been settled, and the shipping season is almost over.

I also encourage the government to continue the Liberal government's program of assisting the Canadian dairy processing industry expansion and, more particularly, exports. I am heartened to see that the hard work the previous administration put into helping the evaporated milk processing plant in Ste. Claire de Dorchester, belonging to la Coopérative Laitière du Sud de Québec, along with the storage facilities at the port of Quebec to export production from the co-operative, has been approved of by this government. That was our policy. The dairy industry in this country has never been healthier. Hon. members may remember that some months back it was said that the industry was in chaos. There is not a dairy industry in the world run better than the dairy industry of Canada, and we can take credit for that. I congratulate the Minister of Agriculture for continuing with that program.

In the minister's press release he said that the industry was dead on, that they were .3 per cent off production guidelines. If all other industries that do not deal with biological entities such as a cow could only be so good! If Chrysler in my area could be so good, imagine what their financial position would be. I can remember when people were saying that these policies which I proposed and propagated were bad, but they are now successful and are costing the government less and less all the time. I was one of the few ministers of agriculture who in his term did not give taxpayer dollars to the poultry

industry. That industry is an efficient operation and is below the anti-inflation board guidelines.

If all other things in our society were in the same position as the poultry industry, we would be even more so the country of admiration and the country that most people would like to be part of. I refer to that great country we call Canada.

Hon. George Hees (Northumberland): Mr. Speaker, I think it has now become obvious that a new and far more effective approach must be taken to stimulating the economy without increasing inflation. We must find a practical way to make available the jobs that are needed to overcome the serious unemployment which exists in the country today and which is costing the country $4.5 billion a year in unemployment pay-outs. These pay-outs are a completely unproductive expenditure because the people who receive them do no productive work and make no contribution to the economy. To stimulate the economy and create the jobs we need, we must greatly reduce our annual trade deficit of more than $12 billion a year in fully manufactured products—the ones that produce the jobs—which is increasing each year by more than $2 billion. The Canadian Manufacturers' Association has stated recently that if we can overcome this very large annual deficit, we can produce 800,000 new jobs.

In recent years the former government tried to stimulate the economy in two ways. The first was introduced by John Turner when he was minister of finance, and consisted of making a very large reduction in corporation taxes. This was done in the hope that industry would use the money to buy the new plant, equipment and production systems necessary to increase productivity, and by so doing lower costs and selling prices and increase sales. The plan failed because industry had three alternatives for spending the money. They could either buy the necessary new equipment; pay out the money in extra dividends; or put the money into company reserve. Unfortunately, a great deal of the money was spent in the latter two ways.

More recently, the former government tried to stimulate the economy by cutting sales and income taxes, in the hope that the money would be spent on buying more Canadian products. This plan failed because the people had four alternatives for spending this extra money. They could either buy more Canadian products; buy more foreign-made products; take trips to the United States and abroad; or put the money into savings accounts or government bonds. A great deal of the money was spent in the latter three ways, and these plans failed to stimulate the economy in any appreciable way on each occasion when they were tried.

It has now become clear that production and employment in Canada can only be increased substantially by convincing a great many Canadians and people living in other countries that Canadian products are a better buy in price, quality and design than the ones they are now buying. I believe that the only way the job can be done is by offering incentives to reduce costs, and thereby selling prices, and to improve quality and design. If we can do these things, we can increase our share of the existing buying power in the hands of Canadians and potential customers abroad, and increase production in Canada without increasing inflation.

The kind of incentives I have in mind are those which will induce substantial improvements in the following fields: lowering labour costs on potential new business; increasing productivity; increasing research and development; expanding export trade; processing more of our primary products in this country.

First of all, what must be done to reduce labour costs on potential new business to levels which will enable Canadians to compete successfully for that business? There is a great deal of business which Canadian companies are unable to compete for because of low labour costs in countries such as Japan, Hong Kong, Taiwan, Korea, and many others. These low wages are made possible by government subsidies paid on housing, food, clothing and other essentials of every day living. Labour costs in many of these countries are so low that their products can sell in Canada at prices which are well below the Canadian cost of production and still provide a satisfactory profit to the foreign producers.

• (1420)

If Canadian companies are to be able to compete for a good proportion of this business, and thereby obtain additional employment for Canadians and additional profits for their shareholders, they must have an incentive which will enable them to reduce their labour costs on this potential new business to a level where they are within striking distance of these low foreign rates. Then, by accepting a lower than normal margin of profit on this extra business in order to get started, they can compete for these orders and stand a good chance of obtaining a reasonable proportion of them.

First, let us take a look at the money which is available for use in reaching this objective. As I have said, we are today paying out $4.5 billion per year in unemployment insurance benefits to people who cannot find work. Of this $4.5 billion, the Canadian government has been contributing $2.2 billion per year, because it is responsible for meeting the total cost of all unemployment insurance benefits when unemployment exceeds 4 per cent per year.

As you know, Mr. Speaker, people receive 60 per cent of their former pay when they are receiving unemployment benefits. It would be very practical indeed for the government to draw on the $2.2 billion per year it is now paying out as its share of unemployment benefits, to contribute toward the wage costs of new products which are not now produced in Canada, and which could be produced if a reasonable subsidy were made available. In this way, useful and satisfying work would be made available to our unemployed people at a cost which would be lower than the cost of unemployment insurance. People so employed would then make a positive contribution to the Canadian economy, instead of the negative contribution which is the case today. They would also start paying income tax to help ease the strain on our overstrained finances.

The Department of Industry, Trade and Commerce would examine each application for assistance in competing with the kind of foreign products I have mentioned, and would decide

what percentage of the wage cost of the potential new product should be paid by the government to enable this new line of production to start up in this country.

I believe that the wage subsidies which the Department of Industry, Trade and Commerce would decide are justified in each individual case should be paid for a two-year period in order to allow the new line of production a fair chance to get started. During this two-year period, the company would be allowed to write off the cost of all machinery necessary to bring the new line into production. The wage subsidy should then be gradually phased out over a reasonable period, during which it would be up to the producer to steadily increase his productivity to take up the slack.

As soon as the new policy is announced by the government, Canadian businessmen should immediately start surveying the Canadian market to see what imported products not now made in Canada could be produced and sold here if wage subsidies such as I have outlined are made available. They should also travel abroad to find out what products are being bought in the export market which such a wage subsidy would bring within reach.

The second matter I would like to deal with is the need to induce greater productivity in our economy, so that we can further lower costs and selling prices and become increasingly competitive in the market place. To do so, we must offer incentives which will persuade producers that they will be able to pay for the new plant, machinery and production systems they will have to buy in a reasonably short space of time, and in this way make it as easy as possible for them to make the usually high expenditures involved. The kind of incentive I have in mind would be one whereby, first, all capital expenditures may be written off in one year and, second, a plant would be rewarded in the form of a tax rebate at the end of the year in proportion to its increase in productivity during the year compared to the base year—the last full year before the plan goes into operation.

This form of incentive has been very effective in increasing productivity in such countries as Japan and West Germany, where spectacular results have been achieved since the end of World War II. There is no reason why such an incentive would be any less successful in this country.

Next, I would like to deal with the steps which I think should be taken to increase the amount of research and development work which is carried on by industry in this country. One of the reasons we have had to rely so heavily on foreign investment in the past is that investment brought with it technology which was produced by research done in the country where the capital originates. To be less reliant on foreign investment, to capture new markets which are looking for new and better designed products, and to lower costs and become more competitive, it is obvious that we must carry out a great deal more research and development in this country.

To bring this about, we should allow industry to write off 200 per cent of the cost of current and capital expenditures on research and development in excess of those made in the base year, the last full year before the program is introduced. In addition to writing off the full cost in one year, it will put a considerable cash reward in the pocket of the company undertaking the additional research.

This kind of program has been successful in significantly increasing the volume of industrial research in countries where it has been introduced, and will prove equally effective in Canada. The former government's plan to allow a write-off of 150 per cent, which was announced a year ago, was an exact copy of the plan which the Conservative government introduced in 1961 and which worked very well indeed. A 200 per cent write-off will be even more effective.

The fourth incentive which I suggest is one designed to promote greater sales in the export market. Because of this country's great dependence on the United States market—70 per cent of our export sales—and the steady move of that country toward protectionism, the development of additional markets has become particularly necessary if we are to increase our volume of exports, or even maintain our present level of export sales.

Making sales in other countries depends to a very large extent upon doing four things successfully. First, going abroad and making personal contact with potential buyers; second, finding out what is required to meet the competition in those markets; third, returning to Canada and producing a product which can compete successfully; and fourth, displaying the product effectively before potential customers.

The incentive, I suggest, would allow producers to write off 200 per cent of all expenses connected with, first, making sales trips abroad; second, displaying their products at foreign trade fairs; and third, any other expenses incurred in sales promotion in the export market. These expenses would be in excess of those made in the base year, the year before the plan goes into operation.

Not only would all such expenses be completely written off in the year when they are made, but a considerable cash bonus would accrue to the company for its additional sales promotion activities. The kind of incentive I have mentioned will greatly encourage the kind of activity which is essential if increased sales are to be made.

Another thing which the government should do to help increase the sale of Canadian products abroad is to organize "Fly and Buy" missions, whereby the important buyers from the principal markets of the world would be brought to Canada once a year to see Canadian products displayed in giant trade shows in Montreal, Toronto, Winnipeg and Vancouver, and view our heavy machinery in the factories where it is made across the country. Such operations produced spectacular results when they were used in Canada between 1961 and 1963, and they paid for themselves many times over by the additional business which they generated.

Mr. Beattie: The minister then was a good salesman.

● (1430)

Mr. Hees: Finally, I would like to discuss the need for this country to process more of our raw materials to their finished

state, and what should be done to bring this about. For too long we have been shipping out of Canada a far too large a proportion of our primary products to be processed to their final stages of production in other countries. These countries thereby gain the many advantages of employment, taxes and profits which accrue from this further processing.

In Canada we have the skilled manpower, the managerial skill along with comparatively cheap power, and excellent transportation facilities. These things are needed for this further processing, and it is about time Canada started doing something about this. Now, what should and can be done? Thirty years ago the government of Ontario introduced a plan which has been largely responsible for the spectacular expansion of the pulp and paper industry in that province during the intervening years. Ontario required companies to process a far higher proportion of the logs which were cut, a large proportion of which had been shipped in their raw state to paper mills in the United States.

What has worked so well in the case of the pulp and paper industry in Ontario can work equally well in other primary industries across the country. For instance, it should apply to all raw materials being shipped to other countries for further processing because of the great dependence of other countries on our primary products to feed their manufacturing processes.

It is obvious that a certain proportion of the raw materials we produce must be exported in the raw state, but not nearly the proportion that is the case today. The Department of Industry, Trade and Commerce should now undertake an intensive study of our primary industries to determine what proportion of the primary products we produce can reasonably require to be processed to their finished state in this country.

Having decided what proportions of our various primary products should be further processed in Canada, we must produce an incentive sufficiently attractive to persuade those who normally export our raw materials that it will be profitable for them to build the plants necessary to carry out this additional processing.

It has become painfully obvious that the grants now provided by the Department of Regional Economic Expansion, although useful, have not proved attractive enough to bring to areas of slow growth sufficient new industry to reverse the dangerously high rates of unemployment that have persisted in those areas for many years.

As well as the DREE grants now available to areas of slow growth, we must also make available an additional incentive to permit new plants processing primary products in areas of slow growth to pay no federal taxes in the first 15 years of profitable operation. Starting with the sixteenth year, the company would pay 10 per cent of full taxation, and this would increase by a further 10 per cent each year, until the company is paying full taxation in the twenty-fifth year.

My conversations with leading businessmen across the country have convinced me that this incentive, added to the present DREE grants for slow growth areas, will prove sufficiently attractive to accomplish what has to be done. It is obvious that this 15-year tax-free period, and the following ten years of gradual taxation, will involve no loss of tax revenue to the government, because these taxes are not being paid now and will not be paid in the future if potential producers of finished products are not persuaded by this incentive to build the necessary plants in Canada.

In conclusion, the five incentives which I have outlined will pay for themselves many times over in the following ways. First, we can drastically cut the present far too high expenditure on unemployment insurance by stimulating the economy and enabling people to find work; second, we can greatly increase tax revenues, because more people will be working and paying income taxes; more commodities will be sold, and thus additional commodity taxes will be generated; and the increased volume of business will lower unit costs of production and make available more profits to tax.

It should also be borne in mind that tax rebates are not paid until July 1 of the following year, and by that time the improvements in the economy, which these incentives are aimed at achieving, will have been felt for some time. For this reason, these incentives will not bring about a "stimulative deficit".

I am convinced that if we can bring into operation a plan such as I have outlined, we can stimulate the economy without increasing inflation, make an important start on overcoming that $12 billion a year trade deficit we have in fully manufactured products and start creating the 800,000 new jobs which the CMA tells us can be created if effective incentives to increase production are introduced. The time to start introducing those incentives is now.

[*Translation*]

Mr. Pierre Deniger (Laprairie): Mr. Speaker, like those hon. members who spoke before me in this debate, I want to congratulate both members of my family, that is the new generation of politicians, as the hon. member for Cardigan (Mr. MacDonald) put it so well, on the remarkable way in which they sponsored the Address in Reply to the Speech from the Throne.

In the first speech in this House, the Leader of the Opposition (Mr. Trudeau) defined the direction and the purpose of our role in the opposition as being positive and constructive. The right hon. Prime Minister (Mr. Clark) himself in his speech urged hon. members to participate fully, candidly and with conviction in all debates and recognized that his opponents could have different approaches and priorities from his.

Mr. Speaker, I am in this House today to rise for the first time as member of the wonderful riding of Laprairie, fully aware of the tremendous vote of confidence the voters put in me on May 22 and the responsibilities that arise therefrom, because it is a task requiring a total commitment which I accept with gratitude, and I will endeavour to meet the expectations of my constituents and serve them faithfully.

It is in this context, Mr. Speaker, that I rise today—my birthday, incidentally—to share with this House and the people of Canada my impressions on the Speech from the Throne, the policies of this government, as well as my vision of this country.

[*English*]

Some specifics of the throne speech pleased me. If I may be permitted, I wish to examine these aspects as frankly and as sincerely as I am able.

First, Mr. Speaker, freedom of information legislation is urgent and fundamental. Canadians have a right to know not only how a decision is taken, but also what grounds the decision is based upon. Unfettered access to information, with strictly limited exceptions, encourages all Canadians to participate in the decision-making processes of government. If such legislation is conscientiously adhered to, our electorate will become more responsible. Such a bill would be a fitting testament to the concept of participatory democracy, as espoused by my leader when he first became prime minister.

Second, I praise the efforts of this government to extend the power of Parliament, and I hope to encourage all measures which hasten this end. Two areas demand attention: the role of private members must be augmented, and the standing committees of the House of Commons must be strengthened.

● (1440)

I am among those who envy the influence of the American congressional committees, although I have no desire to follow everything I see there. If this government is truly sincere in implementing its avowed intentions, it will not interfere with the right of committees to set their own agendas and summon any witnesses which they wish to hear. This will allow all members to explore and evaluate various policy positions prior to the time party commitments and rivalries become involved.

May I test the good will of members opposite by making one sobering observation? One political participant has set forth the argument that, following a vigorous campaign waged on the pressing issues facing the electorate, the Prime Minister might be tempted to engage "in a ploy to sidestep the real issues facing the country by talking about such things as parliamentary reform". I trust that this observer now feels that this government's preoccupation with parliamentary reform will not preclude addressing other more pressing social and economic problems, for he is now serving as Minister of Transport (Mr. Mazankowski). His remarks were reported in *Hansard* on October 11, 1974, when he replied to the Speech from the Throne of that year.

Yes, Parliament needs reform. However, I am sure that the Prime Minister does not want to insult the intelligence of Canadians by implying that Parliament only began its tumultuous descent with the arrival of my leader, for such is simply not the case. There is a myth, protected by this government, perpetuated by their ignorance of history, that there was once a golden age of Parliaments where wit and wisdom flourished in an atmosphere of gentlemanly camaraderie and public spirit. Such a golden age never existed. There is, in the respected and learned Lord Bryce's seminal work entitled *Modern Democracies*, an entire chapter headed "The Decline of Legislatures". Only the ill-informed can claim parliamentary reform to be solely a contemporary concern, or solely a Canadian problem, since Lord Bryce's treatise was published in 1921. Although now seized by the Tories with envangelical fervour, parliamentary reform will remain a periodic concern of parliamentarians everywhere.

Nor can it be claimed that the Liberal party has a newly found respect for Parliament now that we are in opposition. Let me remind the members opposite of our party's heritage, starting with the government of Sir Wilfrid Laurier, which was the first government in the commonwealth to extend a special sessional allowance to the official leader of the opposition. That was in 1905.

Third, I applaud in the Speech from the Throne all the references made to consultation, co-operation, harmony, information, and right to dissent as a real effort to govern. I qualify all of these as processes. But one must bear in mind that this country is faced, on the one hand, with severe limits on its economy while still having to give more rights to its people, and this positive approach can only succeed if it leads to real and meaningful content.

[*Translation*]

Unfortunately, Mr. Speaker, I must admit that notwithstanding the few points that I have mentioned, I am very disappointed with the Speech from the Throne. I did not expect that a government which has been so long in the opposition would take a band-aid approach in its first throne speech. When I say that I am disappointed, I am thinking partly about the complaints of the Parliamentary Secretary to the Minister of Agriculture (Mr. Hargrave) who, in his comments on the throne speech to the Medicine Hat media, said that he could not explain the fact that a government elected largely by rural residents did not even mention the word agriculture. However, I am thinking even more about the attitude of the Progressive Conservative government in international affairs. I am thinking about the image of Canada, which has gained throughout the world a reputation of which we can be proud, thanks to the efforts first of Mr. Pearson, and then of our present leader. Mr. Speaker, who among us is not proud to pin the Canadian flag to his buttonhole when travelling abroad? This reputation is now being threatened. In spite of this, the Progressive Conservative government does not even talk about international affairs in its Speech from the Throne.

When I say that I am disappointed, I mean that the Speech from the Throne does not even say that there is in Canada a government committed to separate Quebec from the rest of the country, and that all Quebeckers, like myself, will soon have to vote on that issue, Mr. Speaker. It seems as though this problem does not even exist for the Progressive Conservatives.

Mr. La Salle: You are the ones who created the problem!

Mr. Deniger: As a matter of fact, the Minister of Supply and Services (Mr. La Salle) agrees with me. However, these are only three examples and I could give many others, Mr. Speaker.

[*English*]

I cannot explain why a party so long in opposition would bring such a narrow-minded view to the Speech from the Throne. I have tried to understand. I have tried to read everything that the Prime Minister has said and I think I now understand.

In a well-written article in the September issue of *Saturday Night*, Sandra Gwyn recalls an interview she had with the then leader of the opposition three years ago. She was struck by the fact that he had no sense of personal destiny, and that he mistrusted the words "vision" and "grand design". Well, three years have passed. The member for Yellowhead is now Prime Minister of Canada, and there is still no vision, no grand design.

Mr. Nystrom: No PetroCan.

Mr. Deniger: How long must Canadians wait? There are people on this earth who cannot see the forest for the trees. The more I read the Speech from the Throne, the more I witness their present policies, the more I realize that their approach is to avoid confrontation at all costs. I am greatly disappointed in the Tories. This approach is irresponsible, and even if the Tories had such an approach in opposition, I had hoped that it would disappear with the advent of power. I can only conclude that I was wrong.

[*Translation*]

In such an atmosphere of co-operation proposed by our leader and accepted by the right hon. Prime Minister, I would like to explain in this House why I am a centralist, and why I am very concerned by this government's approach. Political history in Canada shows that the central power becomes more important when there is a crisis such as the First or the Second World War, or the depression of the thirties. There is decentralization in times of peace and prosperity only.

Mr. Speaker, never has this nation been so threatened. Many people may think I am referring only to Quebec. It has always been my view that regional disparity coupled with blind regionalism possibly were Canada's biggest threat. Why is it, Mr. Speaker, that in the year 1978 there are governments like the one in British Columbia to stop the sale of MacMillan Bloedel to Canadian Pacific Investments, because the latter have their head office in Montreal rather than Vancouver? Why is it that the government of Ontario, in its transport supplies, chose to buy in Ontario at higher cost rather than accept the significantly lower bid of a Quebec corporation, namely Bombardier MLW of course? Why is it that Quebec blocked the sale of Crédit Foncier because majority control would have been held by Nova Scotia interests? Why is it that Alberta, in order to attract industries, offers its energy below the Canadian price?

These are only examples, Mr. Speaker, but who in Canada speaks for Canadians? You remember, Mr. Speaker, when the Ford Company chose to establish in Ontario, some people in Quebec accused federal members of betraying their province, notwithstanding the fact that Ford was considering two sites only, one in the United States and the other in Canada. Rather than fighting Ford's choice, I was proud to say there was nothing wrong with it. They had not chosen Ontario, they had chosen Canada.

• (1450)

[*English*]

Canada is threatened with disintegration. An eminent authority, Mr. Ronald Watts, describes the sources of strain as "regional divergences of political demands, weakness of inter-regional communications, the evaporation of transitional inducements to union, and external influences." I am worried by what I see. That is why I am called to serve here, for I am a Canadian nationalist.

I am grateful, Mr. Speaker, for this rare opportunity to speak freely, unhampered by the usual strict procedural limitations. I first came to Ottawa in 1973 as a civil servant and became a ministerial aide in 1976. It is now my pleasure to represent the constituency of Laprairie in the House of Commons. Originally, I thought of Canada solely as a country divided into two camps, one French-speaking and the other English-speaking. I saw this as a grave problem and I still do. Today, however, I regard the urgent problem presented by regional disparities as being even more pressing. If we are to surmount the crisis facing us we must work out our common problems together; we must recall the shared experiences, good and bad, which have brought our people together in the past and we must draw upon those experiences to facilitate further co-operation and common effort.

Last weekend, in Winnipeg, I attended a meeting of concerned Liberals.

Some hon. Members: Oh!

Mr. Deniger: I am surprised that when the time comes for free and open discussion members opposite question its very existence.

Mr. Epp: What do you mean by "open"? We were not invited.

Mr. Deniger: Several of those I met at that meeting had freely devoted years of service to public life despite discouragement. I witnessed and sympathized with their feelings of alienation. I pledged to fight to overcome their despair. I pledged to fight all regional alienation, be it western alienation, Atlantic alienation or Quebec alienation, until my enemy is vanquished.

Such a war cannot be waged through decentralization, for we would surrender the most important weapons in our arsenal. We need all the ammunition at our disposal to combat

economic inequalities between regions, without abdicating to parochial demands.

Mr. Peter Ittinuar (Nunatsiaq): Mr. Speaker, it is certainly a great pleasure and an honour to be speaking in the House of Commons for the first time, and I take this opportunity to convey the respectful sentiments of my constituents in Nunatsiaq. I congratulate the respective members of the House on their election and you, Mr. Speaker, on your re-election to the chair.

I also congratulate the New Democratic Party on being receptive to having a member from the eastern Arctic among their number. When my riding is included the NDP represents a good one third of the geographic extent of Canada.

I would also like to commend my predecessor, Mr. Walley Firth, for his hard work and dedicated service as member for the Northwest Territories, including the western Arctic, during the six years preceding the Thirty-first Parliament.

Mr. Speaker, the Northwest Territories, and especially my riding of Nunatsiaq, traditionally and historically occupied by Inuit, has been *terra incognita* to the rest of the world. Unknown, menacing and certainly too cold for civilized habitation, it is only recently, in the last few decades, that something of national interest in the north has taken place. This is not because of the people who live there but because the possibilities of economic development in the extractive industries promise to be profitable.

In this light, it was only in 1960 that the Inuit were given the right to vote in Canada and we have that great gentleman and parliamentarian, the late Right Hon. John G. Diefenbaker, to thank for that inestimable right. Perhaps I might put this attitude toward relations between my people and the Government of Canada in its true perspective by quoting two people. The first is the former commissioner of the Northwest Territories, Stuart M. Hodgson, who said:

> The emergence of the Northwest Territories as a political and economic force promises to be the twentieth century's greatest saga. It will include industrial development on a scale suited to the size of the land, giving employment to thousands of modern pioneers. It will be a modern re-enactment of old frontier days—accelerated and magnified by world pressures of population, increased commercial demands and heightened by competition for mineral resources. It will be rocketed ahead by computer-oriented technology.

These immortal words were uttered in an atmosphere of prophetic elation in 1970. I would like now to quote one of my own people on the same subject and please understand, Mr. Speaker, that the use of the word "white" is not meant in a derogatory sense. Please do not feel slighted.

> We very much dislike white people taking our land for granted. It seems they feel they can destroy our land any time they feel like it without even asking for permission. We want to have freedom of conservation with the animals. They steal the raw materials without even consulting us or giving the Inuit a percentage of what they are taking. We need to get power to control the land.

These were the words of Elijah Takkiapik spoken in 1974. The desire for control is very real today among the Inuit of Canada.

My riding of Nunatsiaq is the largest in Canada and also one of the most distinctive. It is one of only three ridings—perhaps soon there will only be two—in which the people who were born there, and who make it their home, have virtually no democratic voice in the management of their affairs.

• (1500)

While it is true that we have a territorial council situated in the western Arctic in Yellowknife, this council is subject to the authority of the territorial commissioner who is not elected and is himself under the authority of the Minister of Indian Affairs and Northern Development (Mr. Epp), and I see him across the way. How do you do?

I wish to spend the next few minutes outlining some of the specific regional problems faced by the people in my constituency. At a time when one can fly to Paris, France in less than ten hours, it often takes two days to travel from Ottawa to my home in Rankin Inlet. This increases the feeling that northern people have of being isolated from the rest of their country, but it also has serious economic consequences. The unusually high cost of living is due to increasingly high transportation costs and inadequate transportation services. A review of northern transportation is greatly needed. I am sure a review would lead to the implementation of a northern transportation subsidy or alternate means of alleviating the burden of these high costs.

To give some idea of the costs in the north, I am going to quote a couple of prices given to me yesterday from Frobisher Bay. Frobisher Bay, by the way, is the first port of call for air and sea transport in the Northwest Territories, so these would be the least costly consumer items in all Northwest Territories communities, aside from the western Arctic. Bread costs up to $2 a loaf. Reconstituted milk in Frobisher Bay costs $3.40 for two quarts and the bargain price of $6.98 for four litres. I dare not mention the price of home heating oil or gasoline because that is a joke.

Concurrent with the high cost of living is the fact that native employment is disproportionately low. The administration, which attracts many outsiders to high-paying bureaucratic jobs, has been inadequate in the area of job-training programs for local residents. Poor education and lack of adequate job-training leads naturally to low employment rates. At the same time our traditional livelihood—hunting, fishing and trapping—has been jeopardized by haphazard development and such regulatory controls as the Migratory Birds Convention Act, the northwest territorial government game ordinance, and so forth.

One point I would like to emphasize is that the Inuit are not generally opposed to development per se. What we are opposed to is the rapid, untimely development which has been externally imposed on us; development which endangers our land, our people, our way of life; development which benefits the residents of southern Canada and which benefits even the country of West Germany in the case of uranium mining—or at least they propose such development with the help of the Department of Indian Affairs and Northern Development—and finally, development which leaves the residents of the Arctic to deal with the social and environmental consequences on their own.

I would like now to quote a former prime minister of Canada, Mr. Louis St. Laurent, who stated:

> It has been said that Great Britain acquired her empire in a state of absence of mind. Apparently, we have administered these vast territories of the north in an almost continuing absence of mind.

This absence of mind has been demonstrated in the past by an attitude which sees the north as a boundless storehouse of resources just waiting to be exploited. This attitude has resulted in political and economic development which has ignored the cultural, social and political rights of native people and has denied them the opportunity to participate fully in the processes which are shaping their future.

The creation of the department of northern affairs and national resources in 1953 officially placed control of the north in the hands of bureaucrats, and this trend has continued through the devolution of the present Department of Indian Affairs and Northern Development. The creation of the territorial council has done little to change this, as most major decisions are still made in Ottawa. Current government policy regarding the north seems vague and full of contradictions. At least, this is my interpretation after listening to the Speech from the Throne and a number of comments made by the Minister of Indian Affairs and Northern Development.

I would like for a few minutes to comment on the push for mining development as mentioned in the throne speech. In fact, that was all that was mentioned in the speech about the far north. Let me retrace our steps for a moment. The northern mineral advisory committee was formed under the auspices of the Department of Indian Affairs and Northern Development of the old Liberal government. It consists of 15 members chosen exclusively from government and the mining industry.

Its mandate was to advise the minister in formulating policies and strategies for the development of the mining industry in the Yukon and Northwest Territories. It is, therefore, an instrument of the previous government and was to be used in the formation of Liberal policies. The present government has promised early action on the recommendations made by this committee in its recently released report. The Conservative government has therefore presumably adopted what would otherwise have been Liberal policy and has done so despite many inadequacies in the committee's recommendations, some of which I would like to point out.

This report ignores the broad implications of its mandate in favour of the narrow, vested interests of the mining industry. No discussions were held with members of any of the native organizations or any other special interest groups in the territories—and there are quite a few—and although participation of northern residents is given token consideration, the report states that, and I quote:

> —its achievement must be coupled by an equally strong effort by industry to adapt the particular characteristics and strengths of northern people to the needs of industry.

I hesitate to say what the people up north would call that.

Furthermore, the report ignores the fact that a dispute over uranium mining in the Baker Lake area is now before the courts and that little information is available about the nature of industry-government negotiations concerning Cominco's proposed Arvik mine on Little Cornwallis Island. The uneasy conclusion is that policy is being formed by industry and government behind closed doors. Such approaches to development decision-making can only heighten suspicion and mistrust, and that is the process going on now.

I would like to draw the attention of the House to certain inconsistencies and inaccuracies which cast further doubt on the validity of this report as a basis for government policy. The report states, and I quote:

> Mining can be a most effective vehicle for increased economic activity and opportunity for employment and training for all people now living in the north or wishing some day to settle there.

Unfortunately, the record of native employment at such mines as Pine Point, Cyprus Anvil and Nanisivik has been dismal. Also, mining in the territories has to date been an export-oriented activity and has generated little in the way of secondary economic activity. History, therefore, contradicts this report's claim that sustained, long-term benefits will accrue to northerners.

The report also recommends, and I quote:

> Economic development of the north must proceed with full recognition of the legitimate interests of northern people and the protection of the environment.

Yet, in several places the report states that mineral rights should remain vested in the Crown regardless of future agreements with native people. This idea makes one wonder just what the committee considers to be legitimate interests.

While saying on the one hand that industry wishes to protect the environment, the report questions the continuing validity of the Thelon Game Sanctuary, a region which the uranium mining industry wishes to explore. The report also recommends that if economic development is to be prohibited on certain lands, the area of these lands should be kept to a minimum and that selection of lands take into account their potential mineral value. This seems to say that land set aside for environmental protection should be located where there are no minerals rather than where there are important wildlife populations or environmentally sensitive features to be protected.

If mining is to make a positive contribution to the long-term development of the north, I feel that it must be taken in its proper perspective as only one of several elements which can contribute to the benefit of northerners. It must not, for example, be allowed to interfere with management of renewable resources which are essential to the continuing survival of northern culture and economic well-being. Above all, the mining industry must not be permitted to supersede the legitimate rights and aspirations of the people of the north.

Some hon. Members: Hear, hear!

Mr. Ittinuar: In the Speech from the Throne reference was made to the diversity of Canada as a national asset, and yet the thrust of northern policy seems to offer the native people only one alternative, that of assimilation. The throne speech

made no reference to the Inuit or to the constitution, it made no reference to political development in the Northwest Territories, and in fact if recent developments in the Yukon are any indication, the present government is not really interested in involving native people in political change, except in a token way after the fact.

● (1510)

During the election campaign the Prime Minister (Mr. Clark) promised to let Yukoners decide through a referendum the question of provincial status. However, last week the Minister of Indian Affairs and Northern Development took steps which bring the Yukon Territory government dangerously close in form to provincehood, and there was no referendum before that. I say "dangerously" for two reasons. First of all, the move was made without prior consultation with the Council of Yukon Indians whose outstanding claims are susceptible to the whims of politicians and political moods, and perhaps I should include myself in that circle. Secondly, with the framework of a provincial government already in place, the question of a referendum becomes academic. Residents of the Northwest Territories and Yukoners alike may, and do, desire responsible government, but we feel very strongly about being a part of the democratic planning process of such a government.

In the search for solutions to the question of political development in the north, the logical place to look is in the aspirations of the population itself. We believe this is the democratic way. The aspirations of the people in this case are embodied in the desire for a new province named Nunavut. This desire has been well thought out. It divides the Northwest Territories into manageable proportions, each of which has enough homogeneity to make public administration more efficient. The summary report of the advisory commission on the development of government in the Northwest Territories in 1966 recommended that Yellowknife be made the capital of the Northwest Territories. I wish to quote one of the reasons given. It reads as follows:

> It would be an appropriate location for the present political unit of the Northwest Territories or for the western part of a divided territory.

The Government of Canada, in creating the constituency of Nunatsiaq, has already recognized the natural boundary separating the eastern and western halves. Nunatsiaq is a culturally and geographically distinct area north of the tree line.

I now call upon the Government of Canada to recognize the legitimate aspirations of the people of Nunavut to become equal participants in the Canadian confederation. These aspirations are not in the least radical. It was only 30 years ago that Newfoundland joined confederation. At a time when national unity is being tried and tested, the people of Nunavut wish to be welcomed by their fellow Canadians into the fold of confederation.

On principle, I should like to speak in Inuktitut and say—

[Editor's Note: At this point Mr. Ittinuar spoke in Inuktitut.]

[Mr. Ittinuar.]

What I have just said is that I have been welcomed in the most cordial manner by members of all parties, except perhaps the Social Credit members. I thank them and I hope we can come to understand each other.

[Translation]

Hon. Roch La Salle (Minister of Supply and Services): Mr. Speaker, I want to take this opportunity to extend to you personally my warmest greetings, as a friend and as one who can do an excellent job and assume his new responsibilities. I also want to take this opportunity to thank the right hon. Prime Minister (Mr. Clark) and the entire cabinet for the trust they have put in me. It is a great honour for me and for my constituents that I should be a member of the cabinet. Mr. Speaker, I hope to live up to the expectations and to serve the best interests of my country.

I also want to take the time to commend the Speaker of the House on his appointment to the office he has served with such excellence thus far and where he has shown his characteristic wisdom. I therefore want to wish him all the success he deserves and I might add that I truthfully would not want to be in his place, especially when he must give certain rulings. By the same token, I would not want to leave unmentioned the motion of the co-movers of the Address in Reply to the Speech from the Throne, two newcomers to this House who join us for this Thirty-first Parliament. That reminds me, Mr. Speaker, of my first years or first days in the House of Commons, some 12 years ago. I also want to congratulate all members on their reelection, in some cases, or their election, in other cases, especially the right hon. Prime Minister who, in less than three years, rose from private member to leader of his party to first citizen of Canada. It is a great honour for me and I think it should be felt by all Canadians.

Finally, I should like also to congratulate the new opposition leader (Mr. Trudeau), the Leader of the New Democratic Party (Mr. Broadbent) and the Leader of the Social Credit Party of Canada (Mr. Roy) and wish them too the best of luck. I should like to spend a few minutes, Mr. Speaker, to thank especially the people of my constituency of Joliette for sending me for the fourth time as their elected representative in the House of Commons. I am aware that this is a great honour and I have every intention of living up to their expectations. I have always been faithful to them, Mr. Speaker, in spite of difficult circumstances. I have always held the mandate received from my constituents as something extremely precious, and I feel that their testimony has still more significance because the right hon. Prime Minister has now asked me to be part of his cabinet. Mr. Speaker, this is an honour I share with all my constituents.

I have been sitting in the House of Commons since 1968 and I have made it my duty to be sensitive to the needs of the electors in my riding. Despite the new responsibilities entrusted to me as Minister of Supply and Services, I shall certainly not neglect my own riding; I shall see to it that my

electors benefit from some economic fall-out. I represent a riding that is in need of a new impetus in the economic field, and as the representative of the riding of Joliette in the House of Commons, I intend to spare no effort in helping to set the economy of my area back on track, as well as that of the whole country, which is not incompatible with renewed economic activity in my own area.

My electors have been patient. Some will recognize that. They have waited almost 12 years to be represented in cabinet. I certainly have no intention of disappointing them on that score, Mr. Speaker; I shall participate more than ever in consultations and the implementation of programs designed to improve the quality of life. Mr, Speaker, I would also like to take a few minutes to explain briefly the responsibilities of my department. My department, I am sure, as well as most public organizations responsible for purchases have always endeavoured to obtain the best value at the best price in deals concluded on behalf of the government.

The federal government has long since recognized that its purchase policy could promote economic development in Canada. Several provinces have acted likewise, each in its own way. Current financial conditions require that we grant more importance to our purchases to stimulate the Canadian economy and I would like to deal briefly with this matter. The public organizations responsible for business play an important role in the economy. In recent years, for example, the Department of Supply and Services has purchased goods and services worth annually some $3 billion. It is a substantial amount which represents only 15 per cent of the $20 billion spent annually at all levels of government for the purchase of goods and services.

We must not underestimate the economic repercussions of these expenses. Of course, governments are becoming ever more conscious of the fact that they have to exert the economic influence they have as buyers of goods and services, but it is also obvious that in order to obtain maximum advantages for Canada as a whole and for every province, we have devised a more co-operative working scheme with a view to making our buyer status more widely known.

No government or department can permanently play a pioneering role in that field. Which brings us down to the fundamental question, namely how to achieve unanimity among governments to rationalize and integrate our activities as much as is necessary. We have to achieve that unanimity within the limits of our objectives of integrity and profitability. Moreover, my department's policy is to give preference to companies whose head office is in Canada provided that the competition is sufficiently strong to assure us we will get our money's worth when time comes to negotiate contracts. The effect of that policy is to give Canadian enterprises more than 80 per cent of the total value of the market the Department of Supply and Services represents. As for the rest of our purchases from foreign companies, which represent 20 per cent of all our purchases, they generally concern military equipment which is of great technical complexity and which is not produced in Canada. The federal government tries to pull out of these purchases beneficial repercussions on the Canadian economy.

● (1520)

That is done by subcontracting and through the investments of suppliers in Canada. With respect to regional purchases, the policy of my department requires that goods and services be bought in the region involved provided there is enough competition. Consequently about 30 per cent of the purchases of my department are made through regional offices located all over Canada. As to the remaining 70 per cent, my department tries to make sure that all qualified Canadian corporations are invited to tender. The federal policy requires that certain products, like textile products, clothing and ships, be purchased exclusively in Canada. In addition, the scientific and technical products acquisition policy as well as the policy dealing with ammunitions give preference to Canadian corporations.

My department has tried to promote the interest of small and medium businesses. On average, it has given some 71 per cent of the number and 40 per cent of the annual value of those deals, worth $585 million, to small businesses. This percentage compares favourably with the over-all contribution of small businesses to the Canadian economy which is estimated to be between 25 and 30 per cent of the gross national product. This brief outline of the accomplishments of my department shows that worth-while efforts have been made to help Canadian industry but I believe we can still do much more.

In this respect, I believe it would be appropriate to rely more heavily on certain initiatives to get the most for our money while at the same time seeking to increase our help to Canadian industry through closer co-operation between three heavily involved departments, namely the Department of Regional Economic Expansion, the Department of Industry, Trade and Commerce, and my department. I believe we could consider in future studies on ways to make ourselves certain products we have to buy abroad which would enable us, along with those two other departments, to attract those industries to those so-called soft areas where unemployment is high. As I see it, perhaps that would dispel the concern voiced by the premier of Quebec last night in Hull, since he aims at establishing equity of purchases proportionally to the population of the provinces. Mr. Speaker, I am committed to try to meet this objective with the co-operation of these two departments so that my province may finally be treated equally and so that the purchases may be made throughout the country with the same equity, with which all hon. members on the other side as well as my colleagues would certainly agree.

If you will allow me, Mr. Speaker, I shall take this opportunity to express my personal satisfaction at the fact that the Speech from the Throne refers to certain measures aimed at stimulating the Canadian economy.

In my capacity of a member of the cabinet, I insisted as early as the Jasper meeting that some emphasis be placed on economic revival, and I am pleased to see that my message was understood. The reinforcement of the Department of Regional Economic Expansion, the original program, it must be recognized, of tax credits for mortgage interests and property taxes, the development of a national tourist industry development strategy in cooperation with provinces, assistance for small and medium businessess, Mr. Speaker, these are all clear indications of the will of our government to take direct action to put the Canadian economy back on its feet. And I would not want to forget to mention the intention of the government to establish a national assistance program for the handicapped.

Our decision to hold a national conference on economic development with all our partners, that is business, unions, co-operatives and other groups in all the provinces, shows that we intend to consult those involved before deciding on any course of action. This conference, which is a sort of summit meeting of all economic development officers in Canada, reflects the new spirit of co-operation that the right hon. Prime Minister wants to instill in our country.

In this regard, I would like to underline, like the right hon. Prime Minister, that it is no longer a few members of the elite who decide on the direction to give the policies of Canada, but members of parliament elected democratically and representing all the provinces. This is a good illustration, Mr. Speaker, of true federalism which goes from the bottom up instead of what we have suffered for too long, a federalism shaped like an inverted pyramid which suffocates any private initiative. I am also happy to note the open mind with which we intend to conduct federal-provincial relations. This will be our trademark, Mr. Speaker, and not only until the Quebec referendum, but also afterwards.

Personally I have always spoken openly in favour of a renewed and decentralized form of federalism. It is not without regret that I have witnessed for the past ten years this battle waged by the commandos of the former minister in charge of federal-provincial relations and which has only resulted in hardening the positions taken by the provinces, Quebec in particular, toward the federal government. I therefore rejoice at the announcement made by the Prime Minister with regard to this matter wherein he urged all members of the House to adopt a more open minded stance, more directly geared to economic realities and our differences which should be better understood in order to better unite us. This spirit of co-operation pleases me and I for one certainly intend to put it into practice openly, Mr. Speaker. I would like to add right now that in my case this is not a sudden conversion to a new style because it has been a point of view that I have held ever since I started representing my riding in this House.

However, I understand that the attitude suggested to us by the Prime Minister will not be easy for everyone. Nevertheless I think that the time has come to bury the hatchet. From now on, we shall see the start of a new era. It is the end of fruitless battles, the disappearance of scarecrows that were used to frighten everyone. It is also the end of propaganda. Everything has been said and it is now time for action.

Since May 22, the date of the election of our party, an easing of minds has replaced the stress maintained for too long and deliberately created by our opponents. In the last four months we have tried to emphasize the aspects which draw us closer to the provinces, particularly Quebec, rather than underlining points of divergence. I really believe that we shall have to develop the approach which consists of listening to the desires of other people.

Mr. Speaker, we have witnessed for too long a dialogue of the deaf between the federal government and my province in particular. I think we are going towards more openness. We live in a tremendously rich country with considerable wealth. It will be to our advantage to share all we have at a time when the economic situation invites us to think of our fellow citizens.

The government of which I have the privilege to be a member refused to choose national unity as its platform in the last election and I am happy it did. In fact, on this side of the House, we believe that there are many other priorities requiring immediate intervention and if the re-establishment of an economic climate is achieved, we should not neglect the importance of constitutional changes that would be much easier in a climate more favourable to discussions and negotiations with the provinces.

I have always considered that it would not be very advantageous to create a confrontation with partners which form the Canadian nation. But I still believe we have everything to gain by finding together, in a spontaneous research effort, better ways of living where all Canadians, French and English alike, will live in unison.

Mr. Speaker, our opponents too often demonstrated that a common ground will not be found by accusing others, especially not our Quebec partners. More flexibility, some open-mindedness, less arrogance and intolerance seem to be called for if we are to start on the road to reconciliation, especially on the eve of the forthcoming Quebec referendum to be held next spring.

I noticed that some hon. members opposite were outraged last week—they may still be today—that we put aside what I would call an instrument of confrontation and aggression, the referendum bill, which I fought vigorously last spring. Our party, our government also realized this was not the way to treat people in Quebec. We believe in the maturity of Quebeckers. We are confident that, with proposals and above all

with an attitude of concertation rather than confrontation, we will prove to all Quebeckers that their future and the numerous benefits offered by this country still lie within a constitutional framework, albeit much more flexible that anything we could invent until now. Therefore, when I listened to the hon. member for Laprairie (Mr. Deniger), who earlier raised questions:

• (1530)

How come Ontario and British Columbia pay more for goods when they could get them cheaper in Quebec? How come our economy is almost at its lowest? How come this country is divided? I forgive him, Mr. Speaker, he is a new member. He may not have followed what his party did in the last ten years. How is it that a government made up of about 60 Quebeckers that has ruled for 16 years has put the country in a situation like this? How is it that they have been unable to provide Quebeckers with the message they were expecting?

How about the co-operation Quebeckers expected from them? The member should know that the number of people in Quebec dissatisfied with federalism as advocated by his party has increased I do not know how many times. They have failed and they should ask themselves how it is that our country is in such a poor economic state. How come his own party has let unemployment soar from 200,000 to 1,500,000 in less than ten years? That is the kind of questions the member for Longueuil (Mr. Olivier) should ask himself instead of interrupting those who have points to make like me today.

I suggest that this adaptability on our part and, as I said, our willingness to listen to our counterparts in the various provinces will greatly help us build the foundation of a rejuvenated federalism much more in line with the provinces' aspirations. I am not inventing anything, Mr. Speaker, simply watching what is going on in Canada. Over the past 12 years which I have spent sitting in the House as elected representative for the Joliette riding, I have witnessed a great many confrontations which could have been prevented, in my opinion, if only the previous administration had demonstrated greater understanding.

Need I remind my hon. colleagues, for instance, of the sales tax imbroglio when I was deeply ashamed to hear my Quebec colleagues fly in the face of the most evident aspirations and interests of the province of Quebec. These are the people who are now accusing us of selling out to the provinces. Yet, they are the very people who are responsible for Canadian unity being put to the test, because they enjoyed these confrontations with the provinces; now they are wondering what essentially we mean when we talk about a greater need for understanding and adaptability with the provinces.

This desire to allow the provinces to participate in the major national decisions, this deep desire on the part of the Prime Minister and all my cabinet colleagues to give the provinces the opportunity to discuss important decisions having direct implications on their own economy: here is the kind of federalism and the kind of administration we want to establish, Mr. Speaker. They charge that we are willing to sell out to the provinces and yet they are the ones who, after 16 years in power, have succeeded in tearing the country apart as is the case today, Mr. Speaker. I feel no sympathy for that kind of argument which they use too often.

Even the hon. member for Ottawa-Carleton (Mr. Pepin), last week in Winnipeg together with a few Liberals, of course, are looking for a side track, a more secure way. I understand them because I have gone through that myself if it can make you feel better. I have experienced that but now they are going to go through it for a while, and I do not mind at all. Don't worry. Last weekend, the hon. member for Ottawa-Carleton went to Winnipeg to say—he was taking the words out of my mouth—that the time has come to go toward a flexible federalism. Flexibility, adaptability, those are not their inventions. Of course, the reporter could not do better than say: The hon. member for Ottawa-Carleton has taken up the statements of the present Prime Minister of Canada. I was happy to read that. The hon. member for Ottawa-Carleton after what he had to do, and he is probably not always at ease with his party, considering the recommendations he made, still understood, and we are aware of it and very pleased about it, that some flexibility is necessary. Do not forget that, boys. Flexibility is important; you have not understood anything for a long time. Mr. Speaker, the degree of frustration of thousands of Canadians, of Quebeckers in particular, is only equalled by the morbid tenaciousness and the spirit of persecution developed by our opponents with a high degree of refinement to try to find opportunities to multiply confrontations and altercations with my province in particular, which is also their province.

We do not intend to dig up the hatchet of the Liberals, Mr. Speaker, but rather, as I said earlier, to begin a sustained dialogue. Today we are harvesting the results of the storm created by the former government. We intend to head for brighter skies, Mr. Speaker, by being more open to the claims of Quebec and of the other provinces on this side of the House. In this instance also, patience and time can do more than—

Mr. Olivier: —force and rage.

Mr. La Salle: —than force and rage. The hon. member for Longueuil (Mr. Olivier) knows that. But I am surprised that he has not put it in practice more often.

Mr. Speaker, I would also like to say a few words about our concerns in another area—

Mr. Olivier: Mr. Speaker, I rise on a point of order.

The Acting Speaker (Mr. Scott, Victoria-Haliburton): The hon. member for Longueuil (Mr. Olivier) on a point of order.

Mr. Olivier: Mr. Speaker, I regret to interrupt the minister and member for Joliette. I commend him for his speech but I would ask him to restrict his judgments. I would also ask him, when he judges another member of this House, to tell us where he is quoting from and where he draws his examples. I am quite prepared to put them in practice, so long as he tells us where he draws them from. Mr. Speaker, the results of the May 22 election prove unquestionably that Quebeckers rejected his party, as they always have.

Mr. La Salle: I could certainly give the hon. member some examples, but I do not recall hearing him speak in the House and I cannot draw anything from his actions.

Therefore, Mr. Speaker, I will not give the examples the hon. member requests because there are not enough—

[*English*]

The Acting Speaker (Mr. Scott, Victoria-Haliburton): Order, please. I request that the Minister of Supply and Services (Mr. La Salle) carry on with his speech.

[*Translation*]

Mr. La Salle: Mr. Speaker, I shall be glad to. In another connection, Mr. Speaker, I should like to say two words about a daily concern, namely that of the development of agriculture in Canada and in Quebec in particular. Concern has been expressed because no specific mention of agriculture was made in the Speech from the Throne, but you may rest assured, Mr. Speaker, that agriculture will be taken care of because that industry is of capital importance in our economic forecasts. Let no one worry about that. In this House I represent a riding whose economy, for the major part agricultural, depends on the resources of the soil. My riding of Joliette is an area whose production is largely agricultural in nature.

The situation of the dairy industry as a whole is also of major concern to us. It has experienced difficult years. My hon. friends across the way will remember that. We were not in power, Mr. Speaker, but I remember well what happened. I merely want to point out, for the guidance of my colleagues, that the Progressive Conservative government authorized, within a few weeks after May 22, an increase in the quotas of milk produced for export by some three million hundred weights, which represents sales of some $39 million for dairy producers. In the near future we also expect to increase by 1 to 2 per cent the quotas of milk and its by-products for consumption. The 20 cents previously withheld and recently reimbursed to the producers amounted to $26 million of which $13 million went to Quebec alone. To my mind, those figures prove our consideration for agriculture. Last month, my colleague, the Minister of Agriculture (Mr. Wise), had the opportunity of inaugurating a processing plant at Sainte-Claire; the project had been initiated by the previous government. I am very happy to say the plant opened recently.

That was part of an investment amounting to $2 million which also allowed the Department of Regional Economic Expansion to spend $500,000 in the port of Quebec to store about 100,000 tons of products. That will bring into the economy of the greater Quebec City area investments amounting to $50 million. Another project of that type is in progress in Saint-Alexandre, near Rivière-du-Loup, which calls for an investment of around $7 million for the establishment of a processing plant.

These were, at least for the moment, some of our achievements, would it be only to show how interested we are in agriculture. I believe that my party, considering that its members are much more representative of the rural sector than people were inclined to think so far—and I personally have an important role to play, Mr. Speaker, because I have already received countless submissions from farmer groups with which, just like with my friends from the other side, I will be very pleased to co-operate in order to improve the conditions of farmers in my province—will be very pleased to support any legislation which would allow our country as a whole, whatever province it may affect directly, to benefit from subsidies or policies which would answer current needs, considering the present circumstances.

I think, Mr. Speaker, my time is running out. I wanted to take this opportunity to remind the House that we are looking forward to an excellent session, and that we also expect to achieve certain objectives, including two which are fundamental: restoring the economic climate in this country, and of course decreasing unemployment with, hopefully, some help insofar as one would want to be objective enough. I think our friends opposite will have to show a minimum of objectivity and co-operation to help the government realize those good intentions.

As for the unity of this country, we will spare nothing to realize the fundamental objective of all Canadians, that is to recognize their differences and then accept them and strive together to build a wonderful country which can assure equity, equality and justice for everyone.

• (1540)

[*English*]

Mr. Roy MacLaren (Etobicoke North): Mr. Speaker, may I join in congratulating you upon your appointment to your high office. I share also in the tradition of this House in congratulating the hon. member for Erie (Mr. Fretz) and the hon. member for Cardigan (Mr. MacDonald) upon their speeches. Perhaps I may be permitted a personal note of congratulations to the hon. member for Cardigan, since I suppose in a way he is my member of parliament, representing as he does a beautiful area where I am happy to say I still have the land on which my ancestors settled some 200 years ago.

Mr. Speaker, I represent a new constituency in metropolitan Toronto, Etobicoke North, a vital area where industry, particularly light and high-technology industry, leads our constituents to take a lively interest in economic policies pursued by the government, particularly those relating to industrial stategy. Etobicoke North is a constituency of hard-working, diligent citizens, many of whom have only recently become

Canadians, and all of whom are eager to see new opportunities created for Canadians to participate in the development of their own country, to realize their pride in Canadian initiative and capacities.

It is partly for that reason, Mr. Speaker, that I wish to say something this afternoon about trade and industrial development in Canada and about our assistance to developing countries.

The GATT agreements, completed last spring in Geneva, are the most recent stage in the long, difficult progress toward freer trade which began in the late 1930s. The recent so-called Tokyo Round was in several respects the most demanding in that prolonged process. The easier tariff reductions had been made as the result of the earlier negotiations; by 1973, when the Tokyo discussions began, the ingenuity of man had devised such a panoply of non-tariff barriers to replace traditional tariffs that growth in international trade was becoming increasingly trammelled.

Against this background, it is remarkable that so much was accomplished in Geneva. Much more, however, remains to be done here at home if Canada is to benefit fully from these marathon trade talks. Much of the task remaining concerns our relations with the United States. I take as my starting point certain implications for Canada from the GATT agreements, but Canadians should be under no illusion that we really have before us a much more fundamental question: our ability to order our future economic relations with the United States so that we can pursue our own unique social and cultural needs—so that, in short, we can give greater expression to our Canadian values, practices and traditions.

Canada and the United States are now committed to virtual free trade at the end of eight years, in the broader context of global reductions in tariff and non-tariff barriers. This is a development which, at least in theory, is to be welcomed.Freer access to world markets, and freer access to one of the largest and most prosperous of such markets, the United States of America, should help Canadian industry to rid itself of that persistent deterrent to greater productivity and international competitiveness: the hitherto limited size of the market for Canadian products.

The question of the actual costs and benefits of freer trade is a complex one, Mr. Speaker, but it is now one which requires prompt attention. In the past, the discussion has been a somewhat leisurely one; with the conclusion of the GATT agreements, it becomes an urgent one. If my advocacy of early action appears to have any partisan overtone, I should like to draw the government's attention to a recent plea from Mr. Robert Stanfield. In April he stated:

> In view of the importance of economies of scale, can we continue to thrive without a wider area of free trade with the United States? On the other hand, can we preserve sufficient independence if we do have a wider area of free trade with the United States? The question of entering the European Common Market was a difficult one for the United Kingdom, but no one country dominates the Common Market as the United States would dominate any partial or total common market between Canada and the United States.

Mr. Stanfield went on to say:

> These questions are crucially important to Canada and to Canadian politicians ... However, there has been little political debate yet about such a move ... It will be interesting to see whether Canadians try to halt further economic integration with the U.S. and accept the resulting economic difficulties, or on the other hand try to secure increased access to the U.S. market and to build in the necessary safeguards. The debate must soon begin in earnest, and at the highest level of Canadian politics.

I have noted some theoretical benefits of free trade. Reality is, unfortunately, somewhat different from economic theory. Canada is unique among non-communist nations in that the country to which 70 per cent of our trade, including 82 per cent of our manufactured exports, is directed, is the same country that controls a majority of our manufacturing sector and significant segments of our resources and related industries. The uniqueness of this Canadian situation is underlined if one recalls that, in the post-war European experience of free trade, there has been, as one observer has noted, "the union of more equally sized industrial economies and/or ones whose industry is not dominated economically by the branches of one neighbour."

● (1550)

Today United States corporations dominate manufacturing in Canada despite tariff walls. Tomorrow we shall have virtually no tariff walls or non-tariff barriers with the U.S.A.

The extent of foreign investment in Canada, mainly from the United States, is familiar. In any assessment of the net benefits and debits of this investment, it must be recognized that this has brought in its train a degree of foreign indebtedness again unique among industrialized nations. During recent decades there has been an increasingly large outflow of royalties and dividends and a parallel perceived need to keep Canadian interest rates above those in the U.S.A., with all the implications that this has for our own fiscal policy.

Second, given the fact that the United States is both our major trading partner and controls significant sectors of our economy, much of what is described as "trade" between our two countries is, in fact, intra-company movements of components or finished products within a single U.S. corporation, not deals at arm's length and not necessarily governed by market forces.

Third, with regard to exports, while some subsidiaries in Canada have received "global mandates" for their products, others are either assigned restricted export territories or excluded altogether from exporting. As an additional method of achieving greater profitability for the parent corporation, limitations are also in many cases placed on research and development, product development, or manufacturing diversification.

I was interested to note that, in a recent speech, the Minister of State for International Trade (Mr. Wilson) deplored, as he should, the lack of export freedom of some subsidiaries in Canada. I regretted however, that he was silent about what should be done. A report recently made to his colleague, the Minister of State for Science and Technology (Mr. Grafftey), by the ad hoc advisory committee on research and develop-

ment sets out a promising review process with subsidiaries restricted in their export freedom. I recommend that the Minister for State for International Trade read that report. There will, I hope, be opportunities to pursue this point at a later stage.

Against this background, it would be idle, in light of the recent GATT agreements, to regard tariff or non-tariff barriers as being effective tools in any long-term industrial strategy for Canada. To achieve our dual goals of greater industrial development and Canadian control, we must look elsewhere. In selecting our tools, first let us attempt to visualize what the principal adverse effects of free trade with the United States may be.

As the possibilities for increased profits resulting from free trade are fully recognized by U.S. corporations, presumably they will review which manufacturing subsidiaries in Canada might be profitably shut down and moved to a U.S. factory, in a continental rationalization to achieve greater productivity, including economies of scale. The size of U.S. investment in Canada would be no blanket deterrent to such a trend, although transport and other costs might be in some cases. The current migration of certain U.S. manufacturing activities from New England to the lower cost southern states readily suggets the mobility of such investment.

Further, as both Canada and the United States increasingly feel the impact of higher energy costs and especially the competition of low-cost manufactures from the Third World, bringing heavy pressure on labour-intensive manufacturing, presumably the first jobs to be preserved by U.S. corporations would be at home rather than in Canada, whenever such a choice had to be made. Finally, even if a branch plant is left in Canada, it would become fully integrated into a continental operation, reducing the need for senior management talent in Canada.

While this migration was occurring, Canadian firms presumably would concurrently attempt to take advantage of free entry into the U.S. market and overseas. Although the U.S. reaction to free trade which I have described is likely to be successful for the corporations involved, since it would accord with the simple laws of the marketplace, it is not at all as certain that Canadian initiatives to benefit from free trade will be equally successful. Indeed, multinational corporations are, by their very nature, more likely to have the resources and flexibility required to take full advantage of the opportunities offered by free trade. It would, for example, be a reasonable, if broad, assumption that, unless adjustment assistance, including assistance in meeting capital costs in reorganization, were provided to small Canadian firms, they will be decidedly less likely to make the transition to free trade than a major U.S. corporation already familiar with both the U.S. and Canadian markets.

Given the fact that significant sectors of the Canadian economy are dominated by U.S. corporations, the Canadian government will be the only entity large enough to take a lead in attempting to select industrial sectors capable of competing in international markets, especially in the United States. Although governments, with the possible exception of the Japanese, do not seem to be very good at foreseeing the industrial future or predicting the course of technological change, and although it would be an uphill struggle against dominant U.S. corporations, the Canadian government should attempt to foster the emergence of viable Canadian players in the U.S. economy and beyond.

The necessary industrial development policy to achieve this will be found in several respects synonymous with a policy promoting investment by Canadians in Canadian companies or the acquisition of foreign-controlled subsidiaries.

The creation of the Foreign Investment Review Agency resulted from the growing realization on the part of the federal government of the day that ad hoc measures to deal with foreign investment were inadequate and that more was necessary to meet public concern over the disadvantages from the growing foreign investment in Canada.

It may be that FIRA has increased the benefits to Canada of such investment, but the fact remains that through both reinvestment and acquisition foreign control has continued to grow. I for one regret that the governments of Canada since the Second World War have found themselves incapable of doing more to ensure benefits to Canadians from foreign investment and to promote investment by Canadians in Canada.

The previous government did put into place several policies aimed mainly at promoting Canadian entrepreneurship in small and medium-sized businesses, a sector not so dominated by foreign corporations. These policies have contributed in varying degrees to the recent growth in new Canadian businesses, the more rapid growth of existing ones and the acquisition of foreign-controlled firms. They also represent the degree to which both the federal and provincial governments have already intervened in substantial ways to assist the private sector in dealing with structural problems, particularly in the manufacturing sector.

However, an overly interventionist approach on the part of government may well lead to greater inefficiencies and have little real effect on productivity. There is a vast difference between policies such as free trade, both internal and external, a more effective competition policy, particularly on mergers and monopolies and tax incentives, on the one hand, and government procurement policy, enforced mergers, and protection against imports of technology on the other.

The government should define a role for itself that encourages, without interfering unduly in the private sector; that promotes co-ordination between levels of government and among industries; that builds a positive relationship with business and labour and supports a nationally based industrial strategy emphasizing employment opportunities and Canadian ownership.

For some years now, the phrase "industrial strategy" has been much in vogue. At its most simplistic, the strategy has been put in military terms: a grand plan which, if once devised and followed consistently, would surely lead to victory. In

these terms, the search for an industrial strategy has been as barren as the search for the Holy Grail.

There cannot, in fact, be such a thing as a single, grand industrial strategy. Residual tariff protection may, for example, remain important for some sectors and the very last thing that other sectors require. Recognition of the fact that for Canada there cannot be a single strategy but rather a number of co-ordinated sector strategies led the previous government to establish the Board of Economic Development. It in turn worked with labour, business and the provincial governments to begin the elaboration of 21 sector strategies.

● (1600)

We must continue to develop more specific sector policies and instruments. We must begin to categorize our industrial activity according to the potential that it offers this country in the immediate and longer term. Those industries and sectors which have high potential for producing internationally competitive goods should receive priority in industrial incentives.

Other sectors of the Canadian economy are in need of adjustment assistance to meet the challenge of increasing imports, particularly from the Third World. Any sector strategies worthy of the name will necessarily raise questions of investment priorities of both Canadian and foreign-controlled corporations in Canada and the incentives of both the federal and provincial governments to encourage them in certain agreed directions. The provinces have, for example, significant powers regarding mergers and acquisitions; their full participation will be essential.

Within this framework of a co-ordinated industrial sector strategy, the role of FIRA would be enhanced. It could then realize its potential as a tool of industrial strategy. If the federal government, in consultation with other major players in the economy, were able to develop genuine, as opposed to self-serving, industrial strategies for major sectors, a foreign takeover or expansion could be judged by FIRA on the criteria of its compatability with designated internationally competitive sectors, and industries within those sectors. I am pleased that in a special committee of this House there will be opportunity to develop additional thinking about foreign investment, including FIRA. I am sure that the committee will be ably chaired by the hon. member for Mississauga North (Mr. Jupp).

I have said that additional measures are required to promote Canadian ownership, an essential development if we are to achieve that degree of economic independence necessary to enable us to pursue our own fiscal needs and to reduce the unacceptably high outflow of dividends, royalties and other invisibles which so bedevils our attempts at responsible economic management. There will, I understand, be occasion during the budget debate and when the GATT agreements are placed before this House to advance proposals in detail. Accordingly, I shall merely touch upon a few today.

Although tax measures can sometimes be rightly attacked as socially inequitable, they can, if implemented wisely, be an effective means of encouraging Canadians to invest in Canadian equities. Tax shelter provisions have directed considerable amounts of additional investment into specific areas. There appears to be no reason why this tool should not be applied, as appropriate, to Canadian-controlled ventures in other sectors.

The establishment of business credit insurance companies, as proposed by the Board of Economic Development, should help to open additional major pools of capital, including pension funds.

With regard to the vital area of research and development, the Canadian Manufacturers' Association has rightly urged tax incentives to make such investment more attractive in comparison with other investment opportunities. Share ownership by employees and additional activities for the Canada Development Corporation offer further opportunities to promote Canadian ownership and to assist Canadian companies in equipping themselves for the formidable challenges facing Canada as we enter a world of freer trade.

These are but a few instances where progress can be made in encouraging Canadian investment in Canada. There will be occasion to develop this thinking further. But if Canadian exports and ownership of our own industry are to be successfully extended, with all the attendant benefits for Canadians, three fundamental steps must be taken without delay. First, the establishment of a consultative forum involving business, labour and federal and provincial governments is long overdue. Second, federal efforts must be intensified to reduce regional preoccupations and to promote a freer internal market in Canada. Third, agreement must be reached soon with the United States on the terms of mutually beneficial government purchasing and on limiting the use of countervailing duties.

As Canada adjusts to free trade with the United States over the next eight years, the implementation of a comprehensive industrial strategy should help to put us in a position to compete more effectively in the U.S. market, as well as with U.S. imports at home, and to encourage Canadian ownership. In this evolving trade situation, there are both new opportunities and new challenges for Canadians. But we should also recognize that there are limitations arising from historical trends and certain geographic factors which will determine the scope and nature of those opportunities and challenges.

So it is, Mr. Speaker, in the yet broader area of Canada's external relations of which trade relations are such an important part. It was both a surprise and a cause of regret that while the throne speech raised several issues with a foreign affairs dimension—for example, oil pricing—there is not one word about Canada's foreign policy in either the throne speech or in the Prime Minister's (Mr. Clark) subsequent speech in this debate. Not a word about our relations with the United States, NATO, the United Nations, the commonwealth and la Francophonie, peacekeeping, disarmament, development assistance. Not one word, yet paradoxically during the many months which passed between the calling of the election and the calling of Parliament, it was foreign affairs which absorbed much of the time of the Prime Minister. The Tokyo economic summit, the Commonwealth conference in Zambia and the profound silliness of souring our hitherto good and growing

relations with the Moslem world were issues to which the new government devoted much of its first months in office. And yet in the throne speech, not one word about foreign policy.

After more than four months Canadians have little more information on the approach of the new government toward our foreign relations than the two recent speeches of the Secretary of State for External Affairs (Miss MacDonald), one at the United Nations and the second in Toronto. Additional clues, albeit vague and contradictory, may be gleaned from the speeches of other ministers.

Given the confusing character of these various statements, there is ample opportunity to speculate about how the government intends to contribute to international peace, disarmament and prosperity. Time, however, is limited, so I shall restrict myself to the questions of development assistance and, by implication, our relations with the Third World.

Since coming to office, the minister has stated that government policy is to concentrate Canadian aid on those countries approaching what several decades ago became known as economic "take-off", or self-sustaining growth. What is one to make of this curious statement? For example, if one does oneself what one would have others do, who then would remain to assist the poorest of the poor countries? To take another instance, is one to assume that Canada in a search for "take-off" countries will now direct its aid to the OPEC countries, countries which are achieving capital inflows adequate, if wisely employed, to ensure "take-off"?

If it is now the minister's intention to attempt to accelerate their "take-off" process by directing our aid toward the OPEC countries, she may be disappointed in her ambitions. Many of these countries are the same which have been alienated by the government's gratuitous and hapless intrusion into the long-vexed question of Jerusalem. The minister must accordingly look to other regions for those more affluent developing countries where Canada is to concentrate its aid, perhaps Latin America. Yet the minister's recently stated misgivings about human rights in Argentina and the consequent deplorable failure to develop our trade relations there would seem to exclude Argentina. Many of the other Latin American countries, such as Brazil and Venezuela, are rich in resources; can she really have them in mind? On the other hand, few countries of Africa have yet achieved the circumstances attending economic "take-off", so presumably they do not qualify. In any case, Africa is excluded, since the minister stated in Toronto that Africa is no longer an area of commitment for Canada. The fact is that southern Africa, especially Namibia, represents one of the most inflammable areas of the world today, but the minister asked in her Toronto speech, who cares?

One more example: Pakistan, a country singled out for having said some things which, in the minister's view, were unfriendly. Now our assistance to Pakistan is brought into question. Here indeed is a new doctrine for Canadian aid: "You will receive aid only if you agree with us, with our policies, even if Canadians themselves consider them to be singularly wrong-headed".

[Mr. MacLaren.]

I have spent a few minutes on this review of recent bizarre statements on development assistance by the minister because their cumulative effect has been to spread confusion. Our links with many developing countries have their roots in shared history. The countries of formerly British Asia and Africa are tied to us through a common link with Britain, which has become an enduring connection through the institutions of the commonwealth. Our relations with French-speaking Africa are made closer by our shared membership in la Francophonie. These are not ties to be dismissed lightly, as they have been by the minister.

We maintain these connections with the Third World for reasons that have as much to do with international stability and security as with international charity. We cannot therefore dismiss countries because they are not about to "take off" economically. While many of the poorest countries are not yet in a position to offer commercial opportunities to Canadians, our assistance is not therefore wasted. In our volatile world, links between developed and developing countries play a stabilizing role. The intense north-south debate of the past few years should at least have taught us that developing countries are more articulate and more united than ever before, and that their participation as members on a more even footing in the international economic system is essential if we are to be able to preserve a mutually advantageous equilibrium.

● (1610)

We cannot afford at this point in north-south relations to be parsimonious and unimaginative. Even the poorest developing countries have an equal voice at international gatherings. And their comparatively more wealthy allies, countries such as Mexico, Nigeria and Indonesia, have been supporting their demands. Can it really be to Canada's benefit, I ask the Secretary of State for External Affairs, to cut off the ties which have been laboriously built up over time in the hope of obtaining some undefined and possibly unrealizable benefits for Canadian exporters?

We must continue to act upon the principles that underlie our involvement in peace keeping and development assistance around the world. Canada's contributions to world peace and more harmonious relations between north and south may be quantitatively small, but they continue to have an impact as evidence of our willingness as a prosperous nation to contribute to the advancement of others. We must not reduce foreign policy to a daily or monthly balance sheet. Our contributions, whether in the form of peace keeping troops or development projects, do not necessarily result in immediately tangible rewards. Yet we are undoubtedly contributing to security and economic growth on a global scale.

Let us have done with cant and compounded contradictions. Let us again, drawing upon our Judaeo-Christian traditions, drawing upon the skills and knowledge of our commonwealth and Francophone background, continue the task which all the governments of post-war Canada have set themselves. Let us continue to demonstrate the imagination and perseverance

which has marked Canada's approach to external aid throughout the past decades.

Mrs. Diane Stratas (Parliamentary Secretary to Secretary of State): Mr. Speaker, it is my distinct privilege to be present in this House today. I am proud to be the member for Scarborough Centre. I am here with humility, remembering that my presence in this chamber is the end result of the support of many good people in Scarborough Centre whose judgment it was that I should be their voice in Parliament. It is my responsibility, Mr. Speaker, to work hard for them six full days of each and every week. I do so with great joy. On the seventh day, I rest and recharge my batteries to renew myself mentally, physically and spiritually. Then, too, the seventh day I spend with my family, with our three boys of whom we are very proud, and with my husband.

With your permission, sir, I will pay tribute to my husband. It was he, when I was asked to consider declaring as a candidate for nomination, who acknowledged that the time was right for me, on behalf of our family, to offer our community of Scarborough Centre the ultimate service one can give: to serve as a member of Parliament. It was he who added his strength to mine during the extended and indefinite pre-writ period. It was he, with his superb sense of humour, who kept me and those around me from losing a sense of perspective during the election campaign. And now, Mr. Speaker, it is he who willingly fulfils the role of parliamentary spouse concurrently with that of husband.

Some hon. Members: Hear, hear!

Mrs. Stratas: Tribute, too, should be paid to you, Mr. Speaker. Congratulations have been extended to you by other members here. I add mine, combined with tribute, because it is fitting to do so to one who has displayed such reason, moderation and wisdom while exercising his duties. Congratulations are also due to the Clerk of the House. He comes from Saskatchewan, the province of my birth, so I feel a particular warmth as I extend best wishes to him and to his colleagues at the outset of the Thirty-first Parliament.

Mr. Speaker, I stand in this august chamber eager to participate in this session of Parliament, clothed in the innocence of a neophyte. I aspired to come here for many reasons, the main motive being to represent the people of Scarborough Centre. During the campaign I was asked what class of people reside in my constituency. My reply was: "The salt of the earth class." We are ordinary folk, Mr. Speaker, the kind of folk who built this great land. We live in town houses, bungalows, apartments; we have churches and schools; we are young, middle aged and elderly; we are small business and light industry; we are right in the centre of Scarborough. We are the hub of Scarborough. I was eager to represent these people because I could see at the time that the administration—now the former administration—was intent on eliminating the middle class, eradicating it from Canada. My concern was acute because a thriving middle class is one of the main elements of democracy.

And I sought to come to this august chamber, Mr. Speaker, because in my former life—my pre-political life—I had known the frustration of being mute. So I sought to come here to speak for those who were mute, to speak for the poor, to speak for the young, to speak for those who wish me to speak for them, to speak for the ordinary folks. The Master Maker exercised His creative genius best when he made us, the ordinary folks. That is why he made so many of us.

• (1620)

He made us all so different, yet the more we are different the more we are alike. We have the same pain, fear, joy and hope. We have the capacity, when necessity demands it, to change from ordinary folk and become extraordinary folk, to rise to a challenge and overcome adversity. Above all, we have the same innocence, and it is this innocence which makes us shy away from something we know little about.

Thus, I was delighted to hear in the Speech from the Throne which His Excellency delivered last week that freedom of information was the first of what I call pillars of progress to be contained in the speech. Citizens and Parliament can control government if information is public, and citizens can come to know government. For our own sakes we must know government, and then and only then will the erosion of democracy be curtailed.

I come here as an idealist. Someone once defined an idealist as a person who knows that a rose is more beautiful than a cabbage and therefore believes that a rose will make better soup. I come here, as I said, as an idealist. I believe that the ideal is possible, if one works hard enough for it, but I have made soup. I know that cabbage makes better soup, so it is the ideal that I will strive to achieve here as a member of Parliament, ever mindful of the fact that it is soup which we need in Canada, cabbage soup. Ordinary folks' soup is what we need.

Some hon. Members: Hear, hear!

Mrs. Stratas: With the last government it must have been very frustrating to cope with the publicly enunciated commitment to wrestle inflation to the ground while living with an administration which followed another policy altogether. That policy was to govern by headline, to govern on an ad hoc basis and to remember political expediency above all else. However, I can assure hon. members of the opposition who have experienced the frustrations and the dilemma of toeing the party line while trying to maintain their integrity, and their credibility too, that with this government those frustrations do not exist; nor will they exist because in this government ad hockery is non-existent. Headline hunting is not the main motive of this government. Integrity exists in government now.

Some hon. Members: Hear, hear!

Mrs. Stratas: This is very obvious in the Speech from the Throne. It is a first things first speech. In it is demonstrated that long-term planning rather than short-term political expediency exists in government now.

As I said earlier, I am a novice member of this House, so I consider it fitting that I come here during the International Year of the Child. I am a child in some respects compared with some of the more senior and very respected members of the House, but I am not afraid to admit that I have much to learn, and I believe that sometimes innocence is an advantage. This is a new government; our slate is clean.

It is a particular honour, too, to take my seat in the House of Commons in the month of the fiftieth anniversary of the "persons" case. As I look around the House, it occurs to me to point out that at the present rate of increase the House will be half filled with women in 842 years! It is like a marriage; the first 100 years are the hardest. One consideration of a novice member in this House is the fear of losing credibility through, I am told, ill-advised or ill-considered espousement of a cause.

When the novice is like me, a woman, and the cause is women's rights, the fear is more than justifiable. No parliamentarian can afford to be branded, not if he expects to make any serious contribution to government. To speak too forcibly too soon for women's rights would be to brand myself as a feminist, which is pretty low, so to speak, generally on the credibility scale.

However, 50 years after the BNA Act came into effect women were not constitutionally recognized as persons. Women were not "persons in matters of rights and privileges but only persons in matters of pains and penalties". Moreover, the Supreme Court of Canada ruled that it would be dangerous to assume that women could be considered persons in terms of the BNA Act wording that the government summon "qualified persons" to the Senate. The Judicial Committee of the Privy Council of Britain, at that time Canada's final court of appeal, overruled the Supreme Court decision, and I would like to quote exactly the words of the Privy Council decision.

> The exclusion of women from all public office is a relic of days more barbarous than ours, and to those who ask why the word "person" should include females, the obvious answer is, "Why not?"

Fifty years ago I would not have been considered a person. Today I am a member of this very worthy House. Nevertheless, the fact remains that women form only 2.8 per cent of the complement of this House, although they form more than 50 per cent of the population of Canada. The fact remains, according to the national council on welfare report tabled just last week, that 16 per cent of adult Canadian women live in poverty; that is, one out of every six women manages to survive somehow on incomes below the Statistics Canada poverty line. The fact remains that in Canada two out of every three elderly widows have incomes below the poverty line, and less than one widow in four can expect to receive any regular benefits from her deceased husband's employer. The fact remains that 68 per cent of single mothers under age 35 have incomes below the poverty line. "I do not mind refusing them potato chips and cookies," one spouseless mother said, "but it really bothers me when I have to say no when they ask for a banana".

A traditional comment about women members of Parliament is that they tend to concentrate only on "soft" issues like health, social welfare, culture and the family, but it is my belief that these so-called soft issues are the very fabric of society.

Some hon. Members: Hear, hear!

Mrs. Stratas: If the fabric is rotten or of inferior quality, then all the seams in the world will not hold it together. The facts prove, moreover, that women have shown interest, expertise and leadership in widely diverse areas of legislation and jurisdiction in the House. Private members' bills introduced by women have dealt with such matters as amendments to the Criminal Code, modernization of the Copyright Act, the creation of a department of consumer affairs and the regulation of election expenses as well as bills affecting women and maternity benefits, abortion and equal pay.

Much remains to be done in terms of legislation concerning women's rights. It must be remembered too that legislation must be implemented to be effective. Ambiguous or unenforcible legislation makes a mockery of law. This must be avoided above all else. What must also be avoided is the impatient shelving of women-related legislation on the ground that more urgent and weighty measures must be dealt with. What is more urgent than the lives of 50 per cent of the population of Canada? I do not advocate hasty, radical action, nor do I want to see legislation which is rhetorically admirable but practically unenforcible.

Long-term ramifications and ricochet reactions must be considered. It is no good to deal with today and to let tomorrow take care of itself. History has shown that tomorrow is notoriously unable to look after itself, partly because of shortsighted legislation which may have served the day but encumbered the future.

The Canadian suffragette movement was quite free from violence, believe it or not, compared with the United States and Great Britain. Canada witnessed a very quiet and orderly struggle for female suffrage, with many colourful, intelligent women lending their talent and their wit to a potentially explosive cause.

• (1630)

As I look around this House, I am reminded of Nellie McClung's mock parliament in Winnipeg in 1924. As "Premier McClung" she denied men the vote by turning the anti-suffragist arguments around. She concluded with: "Men's place is on the farm!"

It is in our best interests as parliamentarians, as Canadians and as human beings, to lead the way with just, equitable legislation on women-related concerns. Let us not wait for model legislation from other countries. The research has been done, the rhetoric spoken and the groundwork completed. This House has the authority, the talent and the power to be a world leader in this field.

You know, Mr. Speaker, that the right hon. Prime Minister (Mr. Clark) has assigned to me the duties of Parliamentary Secretary to the Secretary of State. I am deeply honoured and

I very much look forward to working with the minister. I reiterate words which he once spoke:

> We have a burgeoning potential for cultural expression. Yet Canadian culture today is a state subsidized activity on the margins of economic enterprise. Canadian culture tomorrow could be the growth industry of the decade. It goes to the root of our philosophy as a party that workable incentives are a more efficient and acceptable alternative than state compulsion.

I should like to quote as well the words of Mr. Raymond Moriyama, the architect and planner who designed the beautiful Scarborough civic centre of which we in Scarborough are so proud. Mr. Moriyama said:

> A man needs dignity to remain human, but personal dignity cannot sustain a man unless there is social recognition of this need. Freedom is accepting responsibility for one's action and caring for others, caring about questions and caring about answers. Life is full of contradictions, some intolerable, some to be transcended. One must be passionately disinterested to find a balance, committed yet neutral. Everything is important and nothing is important. There is a God-like potential in every one of us, and every child born is a new opportunity for this potential to emerge.

I believe in Canada. I believe in the people of Canada. I believe in the potential of this country, its natural potential, its cultural potential, its people potential. I believe in the traditions of our past as exemplified by generations of Canadians from many backgrounds and origins. I believe in our courage as a nation, and I believe in the integrity of this House. It is a privilege for me to join my good colleagues as the member for Scarborough Centre in this Thirty-first Parliament of Canada.

Some hon. Members: Hear, hear!

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mr. McCain): Order, please. Before recognizing the hon. member for Timmins-Chapleau (Mr. Chenier), it is my duty, pursuant to Standing Order 40, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Laval (Mr. Roy)—Industry—Opportunity to sell Canadair to private sector; the hon. member for Winnipeg-Bird's Hill (Mr. Blaikie)—Environmental affairs—Government policy respecting disposal and transportation of chemical wastes; the hon. member for Vancouver-Kingsway (Mr. Waddell)—Environmental affairs—Protection against oil spills in west coast waters.

[*Translation*]

SPEECH FROM THE THRONE

CONTINUATION OF DEBATE ON ADDRESS IN REPLY

The House resumed consideration of the motion of Mr. Fretz for an address to His Excellency the Governor General in reply to his speech at the opening of the session.

Mr. Ray Chenier (Timmins-Chapleau): Mr. Speaker, I take this opportunity to congratulate the mover and the seconder of the Address in Reply to the Speech from the Throne. Being myself among the newly elected, as indicated by the hon. member for Cardigan (Mr. MacDonald), I want to assure you of my unreserved loyalty and complete dedication to the task which, as a member of parliament, was assigned to me by the electors of the constituency of Timmins-Chapleau. I should like to congratulate you for your appointment as Speaker of the House, with the heavy responsibilities you fulfil with such dignity and wisdom.

[*English*]

Mr. Speaker, the riding of Timmins-Chapleau was formed just prior to the last election and is now made up of parts of the former ridings of Timmins, Cochrane and Nickel Belt. It is a large riding, 450 kilometers by 320 kilometers. The eastern boundary is at the town of Iroquois Falls, a very progressive pulp and paper producing community, which can and will only survive if the present government continues the strategies developed by the former to encourage and ensure reforestation access to resources and incentives for modernization.

To the west of Iroquois Falls is Timmins, the regional centre of the riding and one of the important cities in northern Ontario. A federal presence must be maintained and expanded in that city, through Air Canada, through improved and additional federal services, and with the help of federal corporations such as CDC, FBDB and DREE.

Continuing west on a lonely stretch of highway one encounters a village called Foleyet which owes its existence to the CNR and to the woods industry. Care must be taken to maintain basic services in such small settlements as Foleyet and Gogama. Because of the curtailment of daily passenger train services, they face a very serious reduction in postal services.

Sixty miles further, on route 101, is Chapleau, a lumber town on the CPR mainline. Here reside the typical northeners who, against almost insurmountable odds, have carved a permanent if difficult existence, never giving up, always striving for improvement while maintaining the perpetual optimism so typical of northern people.

Near beautiful Wawa which lies in close proximity to Lake Superior is a small hamlet named Hawk Junction which, through the lack of sensitivity of the present government, has lost the opportunity through a Canada Works program to move and erect a building which would have served as a recreation centre and fire hall.

Finally, one arrives in Wawa, a mining and tourist centre where hospitality and friendliness permeate the atmosphere. This small town is nestled in the pre-Cambrian shield. At times it has had more difficulty to identify with the rest of Canada than some of the communities of the Territories. The former government established national communication links with Wawa. It now remains our task to permit it to identify with its region through special arrangements between the CBC and local television stations.

[*Translation*]

When you go from Timmins to Sudbury you can visit all kinds of small communities such as Gogama, Cartier, Biscotasing, Kormac and Westree. Those people are independent. They do not ask much of the federal government. However, it would seem that on behalf of budgetary restrictions, those Canadians, those humble and simple people, will become the forgotten people of our nation.

[*English*]

The riding of Timmins-Chapleau has five reservations. The Prime Minister (Mr. Clark) has indicated that measures would be presented to the House for the improvement of the plight of our native population. I welcome this promise and I hope that, as other promises, it will not disintegrate in confusion and retraction.

[*Translation*]

Northern Ontario is my country. I live there and I have devoted most of my career to it. I know its people: they are optimistic, energetic, independent and proud. Whether of Canadian, European or Asiatic descent, we live there in harmony and unity. The northern Ontario inhabitants of the Timmins-Chapleau riding are a model for all the people of Canada of the flourishing of unity within diversity, of a unity based on respect and mutal acceptance.

I suggest that the parliamentary committee on multiculturalism which will be set up soon should come and visit us in order to observe the results of such an attitude. Maybe we can pass on our spirit of unity to the rest of Canada.

● (1640)

[*English*]

This government is less than six months old and the citizens of Timmins-Chapleau have strong misgivings and mistrust in their first evaluation of the new administration, and for very specific reasons. The government had been in power less than two months when it decided to cut off our communities from job-creation funds which had previously been available through the Canada Works program.

This brings to mind a couple of issues the Tories advocated during the federal election and repeated in the Speech from the Throne. On the one hand the Speech from the Throne indicated that the government will introduce "measures to strengthen the role of the voluntary sector in our society", while on the other hand it arbitrarily cut off voluntary groups in all of Ontario from their noble task of creating, sponsoring and selecting community-spirited job-creation projects by shelving Canada Works in many parts of Canada.

Canada Works was an important tool to deal with seasonal unemployment especially in areas with little economic stability. It is my hope that the new government will understand that many smaller communities will constantly live or die at the mercy of the economic indicators of more prosperous and larger communities. For example, it is not fair for the government to decide that such areas as Gogama, Cartier and Foleyet will not benefit from Canada Works, because Timmins, Iroquois Falls, Chapleau and Wawa industries are operating at full capacity in the mining, forestry and pulp and paper sectors. In everyday life Canada Works was the only tangible link the people of these smaller communities in Timmins-Chapleau riding had with the federal government. The program provided useful jobs while at the same time offering essential services which otherwise would not have been possible.

Permanent jobs were created in some areas. Now these communities have reverted to the style of the early sixties where these people will contribute to the federal coffers via taxes but will get little in return. It is my hope that the right hon. Prime Minister will rethink his perception, which is certainly not shared by myself. If the new government pursues this vision of Canada, of course, our country will be a community of communities, but communities strongly divided between large, prosperous one like Timmins, Wawa, Chapleau and Iroquois Falls, and small abandoned ones like Foleyet, Gogama and Cartier, communities which will have been left to fend for themselves by a central government that will have given away most of its power to keep the communities together. We have yet to see which better programs the Prime Minister intends to introduce in order to encourage young Canadians to serve their communities.

[*Translation*]

Hardly three months after the new government came into power, my riding took another beating, since the new administration decided to scrap the decentralization program of the previous Liberal government and thus eliminate 109 jobs intended for Timmins. In my view, it makes good sense to break up the centralized machinery of government and make it more accessible to Canadians, and I believe this Liberal decision justified every dollar earmarked for this purpose.

The city of Timmins and the private sector in the region had been waiting since 1976 and there had been discussions regarding the integration of these jobs into the downtown renewal program. The people who had welcomed this move as a unique opportunity to diversify employment and as a means to ensure greater economic stability in a region which is closely related to the mining industry, cannot understand why the government has persisted in this decision. It seems to me that the President of the Treasury Board (Mr. Stevens) is obsessed with the idea of eliminating jobs and cutting expenditures inconsiderately and regardless of the impact on the municipali-

ties and those concerned. We can almost foresee the day when government spending will be so strictly controlled by the minister responsible for the Treasury Board that the Canadian people will laugh at the Progressive Conservatives' good intentions of placing greater reliance, to quote their very words, on individual initiative to generate growth and jobs for Canadians.

Mr. Speaker, I remind the new government that the decision to eliminate 109 jobs in Timmins was taken without consulting the parties concerned. Is that the kind of consultation and co-operation to be expected of the new government, as convincingly stated in the Speech from the Throne?

[*English*]

As if the Timmins-Chapleau riding has not suffered enough already since this government fumbled into office, judging from the Prime Minister's statements prior to his ascendancy to the highest office in the land I suspect that northern Ontario is in for further hardship at the hands of this government. I refer to the former opposition leader's remarks concerning air transportation in Canada and the role of Air Canada, our national airline and unifying national symbol.

As the former opposition leader may be aware, Timmins is a community of major importance in Canada with a population of almost 50,000. It is serviced by Air Canada, a service which is essential to the citizens in northern Ontario. Air Canada provides three flights a day both to and from Toronto, two of which make stopovers in North Bay. Although these stopovers are an inconvenience, we recognize Air Canada is at least trying to provide an adequate service to northern Ontario. All efforts to bring Timmins into closer contact with the larger centres in Canada will go to waste if the Prime Minister intends to keep another of his interminable, ill-advised pledges.

It was November, 1978 when the then opposition leader told the House the following:

> Air Canada has been unwilling to give up its routes in southwestern and northern Ontario, where regional carriers should be operating.

In the same speech concerning his air transport policy the present Prime Minister, in a statement which may have set the precedent for such gems of conviction as "We will move our embassy to Jerusalem" and "We oppose raising interest rates," made the following declaration:

> We will significantly increase the routes open to regional and third level carriers. It makes sense to have major trunk routes served by national carriers; it makes no sense to allow them to dominate regional and local services. Our general approach will be that regional routes of up to 300 miles and turnaround routes of up to 500 miles will be reserved for regional and third level carriers.

Unless the government remains consistent in its fickleness to promises made in the heat of battle and ignores but another policy brainchild, Timmins will be the victim again of this government and will lose its Air Canada service. I caution the government that the people of my riding will not stand still while the government robs it of an essential link with the rest of the nation. I will seek a guarantee that Air Canada service to Timmins will not be sacrificed as a part of this government's apparent commitment to privatize, abandon, sell or dismember the institutions of government which provide a sense of national homogeneity and common purpose. I warn the government to tread lightly if it has any intention of slipping Air Canada service away from the citizens of northern Ontario. I take some small encouragement from the fact the government chose to refrain from mentioning air policy in the Speech from the Throne. Perhaps it did this after having given further consideration to some suggestions made prior to the election.

[*Translation*]

Along with several crucial and vital questions, another matter of concern to the constituency of Timmins-Chapleau, in northern Ontario, as well as to several other parts of Canada, was left out of the Speech from the Throne. I refer to the forest industry which is one of the most important sectors of the Canadian economy and the livelihood of thousands of people in the northern part of the province. I represent a region where the pulp, paper and lumber industries are the economic basis of several communities. Those industries are extremely sensitive to export markets, production costs as well as to supply and demand. For instance, the people of Chapleau depend on six lumbermills for their livelihood. Thanks to the initiative of gifted entrepreneurs from northern Ontario, Chapleau has become a major supplier of wood products in both Canada and the United States. I do hope the future of the forest industry in my area and other regions as well will not be jeopardized by the measures the new government intends to take.

● (1650)

[*English*]

But I am alarmed at the prospects for the lumber industry in my riding and all of Canada if the government persists in the policies it contemplates. I refer to the hiking of interest rates and the mortgage deductibility scheme. I am told by an official of the Canadian Construction Association that for every percentage point the interest rate on capital is raised, the demand for housing drops by 10,000 units. If we are to believe that the mortgage deductibility goody will increase demand for capital, it will raise mortgage interest rates to even more intolerable levels. Does the government realize what impact these policies will have on the construction and lumber producing industries?

In addition to the soaring interest rates on capital, there are other serious problems facing the construction and lumber industries that this government must address itself to. The cost of lumber has risen 95 per cent since 1975. In the last two years alone, lumber has leaped 40 per cent in price. This has been due to the heavy demand for Canadian forest products in the United States and an almost 50 per cent increase in production costs. The danger in the present situation is obvious. Should the cost of capital and materials continue to rise at the rate they have been, the demand for housing will drop, regardless of the mortgage deductibility gimmick, and in so doing put lumber producers in peril.

I urge this government to consider the real consequences of its actions for the home buyer, the construction industry and

the lumber producers if the cost of acquiring housing is driven out of the reach of the average citizen. I urge the government to ponder its actions carefully before another election promise made in desperation backfires and renders severe damage to these sensitive industries of northern Ontario.

[*Translation*]

Because of the policies implemented by the former government, the mining industry is healthy today. Our mines are flourishing and going ahead with major expansion projects. Texas Gulf, which mines zinc, copper and silver, is buoyant and is in the process of completing a refinery. The iron ore mine of Algoma Steel, located at Wawa, is operating at full capacity. For over a year now, the mining industry inspires confidence in the future. If we want that climate of full employment to extend throughout the mining industry, it is essential for the federal government to introduce measures that will sustain the current impetus and ensure even more investments in all fields of operation and development.

[*English*]

The riding of Timmins-Chapleau is very large indeed. It is a microcosm of Canada. It strives on diversity—diversity of language, diversity of culture, of race, of belief. Each small region lives on a particular industry different from the others. Each town, each village, each hamlet, prides itself on its achievements, its hopes, its participation in the Canadian mosaic.

We also believe that there must be a federal presence among ourselves, a presence that symbolizes that our diversity is not adverse to unity, that all parts of Canada make up the Canadian people, that none must suffer to remain Canadian if all are willing to give a little. Canada will not survive if all the parts demand special status or special privileges. I plead with the Prime Minister and the cabinet to ponder their present approach to bonne entente. Do not let political expediency take precedence over the need to keep Canada as one strong nation.

Mr. George Cooper (Parliamentary Secretary to Minister of Justice): Mr. Speaker, my first duty upon rising is to convey my very sincere congratulations to the Speaker and the Deputy Speaker upon their appointment, and to you, sir, as Deputy Chairman of Committees, upon your appointment. I can say as one who is new to this House but who has had the opportunity over the years to view the proceedings of this House of Parliament on television that the Speaker and the Deputy Speaker, and you, sir, have the loyalty and the support of each and every member of this House, and that that loyalty and support is very well deserved indeed.

My second very pleasant duty is to convey my heartiest congratulations to the other two members of Parliament who spoke first as the mover and seconder of this motion, the hon. member for Erie (Mr. Fretz) and the hon. member for Cardigan (Mr. MacDonald). I can say, speaking again as a new member, that they set for me, and for all of us as new members here in Parliament, a very high standard indeed, one which I hope one day we will be able to attain.

[Mr. Chenier.]

I am very glad to have been elected as the member of Parliament for Halifax. Indeed, I might even say that I am relieved to have been elected as member of Parliament for Halifax. I think that I have the distinction of being the member in this House with the smallest majority in all of Canada, 15 votes.

Mr. Knowles: You have 14 more than you need.

Mr. Cooper: My distinguished predecessor, the Hon. Robert L. Stanfield, said something very similar. He said to me, "Fifteen votes, don't you think that is overkill? You only need one, you know." I will be talking in a minute about the hon. Mr. Stanfield. My present point is that whether it be one vote, 15 votes or 15,000 votes, it will be my privilege, duty and honour to serve all of the people of the constituency of Halifax, whatever party they support, to the best of my ability, and I look forward to that task very much.

Tradition requires a new member of parliament making his maiden speech to say a few words about his constituency, and I am happy indeed to do so in the case of Halifax because in all this world there can be few communities, I suggest, which are so civilized and yet so close to wild and beautiful nature, so respectful of tradition and yet so eager to look ahead, so lively in the clash of ideas and yet where people are so tolerant of one another.

I could talk about the physical aspects of Halifax, the fact that we have the world's best natural harbour, standing astride the world's busiest shipping lanes, sitting virtually on top of the world's richest fishing grounds. I could talk at length about the historical facts, how Halifax was founded in 1749 and came to be the bastion of British imperial power, military and naval, in North America, how it carried on in that way for a century and a half, and as Canada's major naval station carries on that role today. I could talk about that symbol of Canada which is known the world over, the Halifax Citadel and the old town clock which, incidentally, constitutes the most visited historical site in all of Canada. In that same vein I could talk about how Halifax's social history has been inexorably linked with peace keeping and war making.

• (1700)

I could tell how in 1917 the largest man-made explosion in the history of the world until Hiroshima occurred as a result of a collision in Halifax harbour of a munitions ship and a supply ship during the First World War and killed 2,000 people from the city of Halifax, almost as if they had been at the front lines. I could talk about the convoys of allied merchantmen and fighting ships of World War II, most of which used Halifax as their base from which to build a bridge from the new world to the old. Rather than take refuge in the dull facts of geography and dry dust of history, however, I want to talk about the people of Halifax, and particularly about the most famous adopted son in the history of Halifax, the Hon. Robert L. Stanfield.

Robert Stanfield, a man known to all in his former constituency of Halifax and to everyone in this House as well as to all

Canadians, is an example of the very best we can offer in political life. He is a great man, a humble man, a strong man, a magnanimous man, a proud man, a compassionate man, a man who has done more than any living Canadian to bring us together as a people and to heal the wounds of division in this great country.

If, in due time, I were able to become the kind of representative in Parliament that my predecessor, Bob Stanfield, was, I would then regard myself as a fitting representative of the people of Halifax. I promise to them to work toward that goal and I thank them profoundly for placing their confidence in me.

Parliament is an institution that Bob Stanfield loved. So did another great Canadian and another leader of the Progressive Conservative Party, the late Right Hon. John G. Diefenbaker.

I was personally delighted to hear in the Speech from the Throne, which is the subject of this debate, that the new Progressive Conservative Prime Minister of Canada (Mr. Clark) plans to restore to Parliament its true role in our democratic system by making the government and the bureaucracy more accountable to Parliament than before. There can be no doubt that in the last decade or two Parliament has been gravely weakened in relation to its powers to control government and bureaucracy. The result has been a corresponding strengthening of those two elements in our lives. If we, as Canadians, are going to keep the power we now have to control government and the bureaucracy, and if we are going to wrest away some of the power that has been taken from us in the past few years, then I suggest that all members of this House must pursue the government's stated goal with vigour and with determination. I see that vigour and determination on all sides in this House, Mr. Speaker, and I see it in every party. If I may say so, I see it especially in many of the new members who have come to this House. All of them are here, I believe, Mr. Speaker, as the hon. member for Cardigan said in his speech seconding this motion, to try to make Parliament work.

In this respect, Mr. Speaker, I was frankly very disappointed in the opening remarks of the hon. member for Outremont (Mr. Lalonde) in this debate, in which he said he found it humorous that the Rhinoceros party, the joke party from the province of Quebec, had done so well in his constituency in the last federal election, as it did across that province. I do not find that situation humorous at all, Mr. Speaker. To me, it is rather a sign of just how far Parliament has fallen into contempt in the eyes of many Canadians as a result of eleven years of government guided by the hon. member and his friends. I say with great sincerity to the hon. member that he should change his attitude, and join with those of us who have come to Parliament to try to make it work in following the suggestion of the Prime Minister that Parliament be given new life in this thirty-first assembly.

There were a number of aspects of the throne speech that will be particularly appealing to the people of Halifax. The first was the promise by the new government to re-establish the spirit of partnership in confederation—to replace a policy of confrontation with one of co-operation. We sorely need a change in the climate of federal-provincial relations. The new government got off to a good start, as far as we in Nova Scotia are concerned, when it offshore announced that Nova Scotia would have jurisdiction over its offshore mineral resources from now on.

Some hon. members on the other side have asked why this is so important to us in Nova Scotia. They point to the understanding reached by the former government and the maritime provinces whereby 75 per cent of the benefits of the offshore resources would accrue to the coastal provinces, and the federal government would take 25 per cent. They point out, and I think quite fairly, that the cost of administering that offshore resource, which would have been borne by the federal government under the previous proposal, would probably eat up the whole of that 25 per cent.

I certainly agree that the net economic benefits in terms of royalties to the coastal provinces under the new arrangement, which has not yet been worked out in detail but which has been promised in principle, may not be all that different from the previous agreement.

In my view there are two very good reasons for dropping the proposal of the former government and adopting the proposal of the new government in relation to offshore resources. First of all, Nova Scotia has a vital interest in being able to control and direct the economic development that will inevitably come to the province as oil and gas are discovered offshore, in a way that best suits the needs of the people who live there. These needs can be assessed and acted upon by the people on the spot, the provincial government of the province of Nova Scotia, and not by bureaucrats, or even politicians from the province, who happen to be here in Ottawa.

The second and more important reason is that jurisdiction over the offshore resources gives to the province of Nova Scotia a new hinterland to exploit and develop. In my view it will help us to acquire a sense of pride and confidence in ourselves that is so essential if we are to realize the economic and the community spiritual values that we ought to be able to attain, as this resource is developed.

The second major thrust of the throne speech that will be particularly well received by my constituents, the citizens of Halifax, reads as follows:

> The greatest immediate challenge facing Canada today is to restore growth, confidence, and jobs to the Canadian economy.

In setting out its five-part strategy on this matter the government emphasized its proposal to build on the strengths of the various regions in the country. It talked in particular, in relation to the constituents of Halifax, about shipbuilding and about a Canadian merchant marine. I can say without any hesitation that there could not be two proposals better construed to help put the unemployed back to work in Halifax and to create a sound economic future than those two. I would like to explain to the House that only two years ago as many as 1,600 men and women were employed in the Halifax shipyard. As a result of a slowdown in work and a change in ownership

of the company in question, the number dropped to 300 at the lowest point.

The Prime Minister has obviously recognized, in the 200-year tradition of shipbuilding and the pride of craftsmanship that exists in the city of Halifax and the Atlantic provinces, that there is a regional strength upon which to build those particular industries and upon which to build the Atlantic region of Canada. For that reason I commend the government for recognizing this strength and for its proposal to build on it.

My constituents will also be happy to see the government's proposal to strengthen the mandate of the Department of Regional Economic Expansion. When the present Leader of the Opposition (Mr. Trudeau) became Prime Minister in 1968 he raised great hopes in Atlantic Canada that at last we would be able to begin the long climb toward economic equality with the rest of Canada as his concept of the just society took effect. And, to his credit, he did set up DREE giving it the job of working with provincial governments toward that equality.

● (1710)

What is the state of affairs in Atlantic Canada today, ten years after DREE was established? Unfortunately, DREE has not worked entirely successfully, Mr. Speaker. Yes, it has pumped hundreds of millions of dollars into the economy of Atlantic Canada. Yes, it has provided much needed infrastructure for our towns, cities, industries and commercial ventures there. Yes, DREE has provided many millions of dollars to commercial enterprises to help them get under way. But since 1969 the average income for Canadians living in Atlantic Canada has risen from 70.2 per cent to only 74.1 per cent of the Canadian average. At this rate it would take us a full 60 years to catch up. And, what is worse, if you take from those figures the portion attributable to transfer payments to individuals, such as unemployment insurance, the percentages show that we have gained hardly at all compared to the Canadian average. The figures have risen from 65.6 per cent to only 66.8 per cent in one decade. In short, our net gains in Atlantic Canada have come from feeding out of the government trough. By far, we would rather have work than have to live on unemployment insurance. As it is, we are in grave danger of becoming a dependent society incapable of acting on our own, and able to carry on only because of a permanent "fix" of federal funds.

This state of affairs must end. It must end not only because of the financial drain on Canadians who live elsewhere in Canada who are required to sluice their money in great quantities, in ever increasing amounts, to Atlantic Canada. But also it must end because of the spiritual and social malaise that this kind of dependency brings about in those who receive this kind of money as gifts.

I believe that we in Atlantic Canada, a once proud people and a still proud people, are in danger of losing belief in ourselves, belief in our own ability to get on with the job, without which we will not only stagnate but stagnate unhappily. I do not believe that anyone who is in a permanently dependent state is happy.

[Mr. Cooper.]

How do we in Parliament move to end this state of affairs, Mr. Speaker? As I said, the previous government, in good conscience, tried to solve the problem of regional disparity by creating DREE to deal with it. But it was in those times a weak sister. There were always other, bigger, departments of government whose concerns overrode DREE. They often wiped out at a stroke, often times unintentionally, or unthinklingly, all the good that DREE had done. What is the use of spending millions of dollars on manufacturing plants in Atlantic Canada if a national policy of user-pay is adopted by the Department of Transport in such a way that it is no longer possible for our manufacturing plants to ship goods or sell them competitively in the markets of central Canada? What is the use of spending millions of dollars for infrastructure to assist commercial and industrial development in Atlantic Canada if the Foreign Investment Review Agency is set up to screen out foreign investment, not only in central Canada where such screening may make sense but also in Atlantic Canada where there is hardly any industry to begin with?

It is not enough to continue to dole out more and more money to the needy provinces, cities, towns, companies and individuals who live there, and hope to solve our problems in that way. To be sure we need to have this money in the short term just to stay alive. But in the longer term we must instead put regional concerns at the very centre of policy-making in this country. We must examine each policy and each program of each department of government, not only DREE, and we must apply to those policies and programs this test: how will this policy or that program affect the economy of every region of this country? Then we must tailor-make those policies and programs to fit the particular needs of each region of Canada.

I believe our new Prime Minister understands this point very well. He has lived in every region of Canada. He was born and raised on the prairies. He lived for a year in my own constituency of Halifax. He has lived on the west coast of Canada, and of course he has lived in the central region of the country. He has seen at first-hand the diversity of this country and the differing needs of each and every part. The Prime Minister understands that we here in Parliament in Ottawa can only attain Canadian unity and economic strength by respecting those differences and by building on the strengths of each of the regions.

When the Speech from the Throne refers to strengthening the mandate of DREE, and about taking into account regional needs, I hope and believe that the Prime Minister and the government have in mind a mechanism for ensuring that these regional concerns will be reflected in the policies and programs of all departments from now on.

In 1878 Sir John A. Macdonald, Prime Minister of Canada, proclaimed his famous "national policy." This policy was founded on three programs: a coast to coast railway; large scale immigration from the old world to Canada; and a tariff barrier to protect and develop central Canadian industry. This was a good policy for Canada. Indeed, it was an essential policy. Without it we would never have become a large scale manufacturer of secondary products, of manufactured goods

nor would we have been able to build the rich and modern land that we have today. Yet this national policy was unashamedly directed at building up the central region of this country to the exclusion—one might almost say at the expense—of another, the Atlantic region.

In 1878 Atlantic Canada had a highly developed commercial sector. Atlantic Canada carried on a sophisticated trade with our natural north-south trading partner, the United States of America. While there were many goods we did not make ourselves, we could import those goods cheaply from the United States and other countries without any tariff or customs duties. Sir John A. Macdonald's national policy changed all that. The new tariff barriers cut off cheap imports from the United States. And the retaliatory tariff barriers raised against us made it difficult for Atlantic Canada to sell goods abroad. Nevertheless, I do not complain about Sir John A. Macdonald's national policy. I praise it. It was a necessary policy in the interest of developing the great Canadian hinterland, even if it did hurt Atlantic Canada.

The time has come to try to redress that balance once and for all. Let all of us in this Thirty-first Parliament set ourselves a goal. Let us adopt a new national policy, unashamedly directed at building up those regions of Canada which remain economically deprived 101 years after Sir John A. Macdonald's national policy. Let us not think of these programs as being regional ones. Rather, let us think of them as being national ones, designed to build on the strength of the deprived regions for the benefit of all Canada. Let us know and believe the truth, that it is only when we have strong and healthy economic regions in Canada that we can have a strong and healthy nation.

In closing, I wish to thank the people of Halifax for sending me here as their representative. I look forward to working closely with members on all sides of the House as together we serve the country we love, Canada.

• (1720)

[*Translation*]

Mrs. Céline Hervieux-Payette (Mercier): Mr. Speaker, I echo the good wishes and congratulations expressed by the previous speakers. I would like to comment briefly on the statements made by the hon. member for Joliette (Mr. La Salle) who considered that the fact the speech did not refer to the Quebec problem was not *per se* a serious omission. To me, this shows that the hon. member for Joliette is just a little like his party, either irresponsible or naive.

An hon. Member: Both!

Mrs. Hervieux-Payette: Mr. Speaker, as everyone knows, 75 per cent of Quebeckers polled recently on behalf of the Quebec government said they would insist on a renewed constitution as the only condition to remain within Canada. Is the Progressive Conservative government going to negotiate sovereignty-association as it did for natural resources? Will its preoccupation to please the provinces go that far? On May 22, Quebeckers did not trust the Progressive Conservative Party and maybe they were right, because they do not feel this party understands them. It offers no clear action on the constitutional issue, no guarantee for the survival of French Canadians, as there was in Bill C-60. No mention of the human rights bill, no mention of patriation of the constitution or of amendment formula, no linguistic and cultural guarantee. In short, Quebec is still waiting and will probably wait forever for the Progressive Conservative government to take a precise stand on the constitutional question.

Just last night, Mr. Speaker, Mr. René Lévesque, speaking in Hull, promised to absorb federal public servants no more than two years after winning the referendum. How does the Minister of State for Federal-Provincial Relations (Mr. Jarvis) intend to counter such assertions? Is he going to negotiate the transfer to Quebec of federal public servants? Perhaps this would enable him to implement the promises made during the electoral campaign about cutting manpower. Does the Clark government show a sense of responsibility when it abdicates in favour of the provinces without demanding anything to maintain some kind of equilibrium at the central level? Indeed it abdicates its responsibilities in the field of economics by leaving to the private sector the task of planning the future of Canadians. It abdicates its responsibilities toward all the minorities, be it on a cultural or social level. The only voice from the minorities that it seems to pay attention to is that of the multinationals. They may represent a numerical minority but they certainly do not when it comes to power. When will the Clark government start governing in the interest of all Canadians? When will it be through paying off its electoral debts?

After hearing the proposals contained in the Speech from the Throne, Mr. Speaker, with regard to the housing issue, I am left asking myself some serious questions such as to whom is this policy directed? Is it designed for the majority which dwells in expensive houses and whose taxes take a large share of the budget already higher than those who will also have to foot the bill? Where do we find measures which will help workers buy their houses? Where do we find a housing credit for single mothers or the elderly? Where do we find a sense of equity in the housing policy of the Progressive Conservative government?

In the Speech from the Throne, Mr. Speaker, there is also a commitment to reduce government expenses. Who is going to pay for those reductions? People who get old age pension, family allowances or unemployment benefits? Once again, Mr. Speaker, I wonder who the Progressive Conservative government is governing for.

We could only be pleased with that promise to reduce expenses in the public service, since the former government itself had come forward with major budget cuts last year. However, we notice that during the six months since this

government was elected, so many people have been hired to work in the office of the right hon. Prime Minister (Mr. Clark) that a new bureaucracy is obviously growing within his cabinet. Some public servants who are not very high in that hierarchy and who are in a position to speak without fear, even told us that there have been more favouritism and political appointments in the last six months than in the last ten years before this government took power. How many more political appointments are they still planning to make, Mr. Speaker? While there is an indication in the Speech from the Throne that there will be a reduction in the number of public servants, I do not know of any mention about an increase in the number of friends of the party in power within government.

May I remind them that the last CROP poll, which was published yesterday, still gives them the support of only 37 per cent of the voters, compared with 41 per cent to the Liberals, and that it would be dangerous to govern only for those 37 per cent. I urge them to have faith in the public service, which has no partisanship and which always considered that it was its duty to serve all Canadians. What does the Progressive Conservative Party want to do with Canada? A society with more justice, or a society which will follow the dictates of Gallup polls?

For young workers, Mr. Speaker, this Speech from the Throne contains a very important measure, namely, the promise of jobs. How does the government intend to carry out that promise? By opening new offices, thus creating jobs for those who will be working in those new offices? There are now, Mr. Speaker, hiring centres like Canada Manpower Centres on campuses and I think there are quite enough of them. I would rather urge the Progressive Conservative government to go and see their business friends to ask them to hire those young people.

For large and low income families, for older people, who is going to pay the bill for their food basket which is going to increase substantially, at least 10 per cent, if the oil pricing policy of this government is implemented? For them, one only has to know that it represents up to 27 per cent of their income and one wonders whether that amount and percentage can be further increased without any thought of rebellion on their part. Personally we are going to fight relentlessly such inequity because the social impact of such a move is such that it can lead to a general downgrading of the quality of life for the Canadian people, in addition to affecting seriously the health of the aged.

Mr. Speaker, with respect to the freedom of information act, we can only be pleased with it. And we hope it will be fully implemented on the basis of objective criteria that will give all groups, as well as parliamentarians, access to government information. However, that kind of legislation should not be a cover-up for such intentions as revealing to officials the conclusions of a report even before it is written. The Middle East issue is an example.

[Mrs. Hervieux-Payette.]

[*English*]

With the perspective of encouraging individual initiative and promoting private enterprise, because these are the principles of modern liberalism, I intend to propose a bill to promote profit sharing. Within the state of actual fiscal policy there does not exist any mechanism to instil in private enterprise the wish to return to the employees their share in the profits made in the fiscal year, other than pension plans, and these too are limited.

I propose using the tax structure to provide an incentive to companies to return a portion of their profits to their employees, by reducing their actual rate of taxation for that portion. On the other hand, for the employees who receive these benefits the tax structure would be amended in such a way as to reduce the rate of tax on their portion of the profits, adding to their net income. The goal of this measure would be to initiate a positive dialogue between the company and its employees in order to reach the common objective, which is the financial success of the enterprise.

This measure would help to demystify the question of profits and remove from it the immoral character it has received at the hands of socialist ideology. Moreover, this profit sharing scheme would enhance co-operation between employer and employee, which in turn should lead to an increase in production. An additional asset of this plan would be to reduce the number of strikes by making employers and employees partners instead of opponents.

● (1730)

[*Translation*]

The Progressive Conservative government promises in the Speech from the Throne to look after working women, with an employment strategy, and I can only welcome that. However, what do they intend to do for women who stay at home and who are now at the bottom of the social ladder? According to a recent report released by the National Council on Social Welfare last October, 1,219,000 women in Canada, one out of six, lived below the poverty line. In that category are included 44 per cent of women who are heads of families with dependent children. That latter category includes 50 per cent who do not receive alimony or who must get it by fighting in court.

Mr. Speaker, I intend to introduce a bill on the compulsory collection of alimony on behalf of those women, since they are not represented in this House. We shall not accept the jurisdictional argument which was used for too long as an excuse for inaction. Canadian women with dependent children should be given priority by the Canadian government in this period of low birth-rate. Why punish a woman who wants to stay home to raise her children by forcing her to live on welfare? The federal government has a responsibility in this matter since it contributes 50 per cent of the provincial welfare funds. It has therefore a direct interest in this matter. These funds could be used to improve the lot of the community as a whole and of the needy, and could be reduced in the years to come.

If the Clark government would only see in this a means of relieving the taxpayers' burden, they might understand that they could achieve a dual objective by taking such a measure. On the one hand, they would reduce the amounts appropriated for social programs and increase the national productivity as all those in receipt of alimony payments guaranteed and collected by the state in case of default by the husband would not be automatically deprived of part-time work. Of course, this measure would also apply when the father must stay home to take care of his family.

This is why I ask that the Committee on Health, Welfare and Social Affairs meet urgently to discuss this matter and prepare immediately a proposal for the next federal-provincial conference for the approval of the provinces in principle. The spirit of co-operation which prevails in this government should ensure the passage of such a measure in the interests of all Canadian men and women.

Mr. Speaker, with your permission, I should now like to deal with my special concerns for the Montreal area. The economic propects are rather gloomy at present. The strike in the port of Montreal may well have an indirect impact on food costs in the forthcoming season. The province of Quebec, with an adverse balance in agriculture, cannot afford to see food costs rise unduly. We hope that the Minister of Labour (Mr. Alexander) will take the necessary steps to solve this conflict before freeze-up.

Furthermore, the work at Place Guy Favreau is progressing very slowly. We ask the minister responsible to speed up the work, particularly in view of the problems facing construction workers every winter.

As concerns the chronic problem of public transportation, after the 8-month strike in Quebec City, the current Montreal strike is causing serious prejudice to the economy of the province. So we call for a study on public transportation in large centres in consultation with the provincial governments, because we keep in mind that the users of public transportation cannot express their views, particularly older people and students.

At this stage, Mr. Speaker, I wish to express my deepest gratitude to my constituents for the confidence they put in me on May 22 last. I consider it as a very great responsibility and I shall strive in the coming months to serve the interests of all. As you may know already, Mr. Speaker, my riding is located at the far end of the island of Montreal. It is largely made up of workers who are now suffering from an unacceptable unemployment situation for an urban area, at a rate of 9.5 per cent. However, since for the Progressive Conservative government there is a national average and another standard for job-creation programs, I must say that we are very concerned with the coming of winter. The Canada Works program has been reduced by half, but no alternative has been proposed to deal with the problems that will crop up this winter. So we are most eager to see the economic development strategy that the Clark government intends to adopt in metropolitan Montreal. Let me say that we already have an interesting industrial infrastructure. What is lacking above all is the confidence of investors.

What steps does the Clark government intend to take to ensure eventual investors in Quebec that they have no particular problems to fear in Quebec in the present state of things? Is the Progressive Conservative majority, which was elected mainly out of Quebec, willing to give the guarantees necessary to ensure the fulfillment of Quebeckers in Canada? After more than ten years of reflection, has the Progressive Conservative government found the magical words which will bring all Canadians together without abdicating its responsibilities? This afternoon the hon. member for Joliette (Mr. La Salle) said that the former government was the cause of all our problems. Allow me to have a different opinion than my distinguished colleague and let me say that the former government certainly made every effort to bring Canadians together in a new direction towards a new Canada. The citizens of Mercier who have elected a PQ representative for nine years now expect more than a vague promise when it comes to future commitments.

Instead of dealing hastily with the energy problem, the Progressive Conservative government should plan the development of all national resources, without penalizing provinces that are poorer in raw materials, by diversifying renewable and non-renewable resources. In Eastern Quebec in particular, we are counting on the forthcoming development of the natural gas system, as well as on measures to promote increased development of that resource that is being underutilized in eastern Canada. We therefore recommend early studies to develop the gas potential in Baffin Island in order to shorten the Eastern provinces' supply lines.

In the energy area, and development in particular, I would point out that the former Liberal government did not hinder development in the western provinces, but rather promoted it. We expect the western premier will do the same for the eastern energy potential. On the issue of community housing for the underprivileged and the aged, we invite the government, in view of the throne speech, to plan its intended actions in that area carefully. The constituency of Mercier does not have a population of executives living in houses worth $100,000 and up, but rather a population of workers and pensioners who need housing at reasonable cost.

In conclusion, Mr. Speaker, let me invite my colleagues opposite, and especially the cabinet ministers, to visit the province of Quebec and get acquainted with the problem there. As a member of Parliament elected to maintain Quebec in Confederation, I urge hon. members to realize the urgency and seriousness of the situation. I speak on behalf of Francophones, Anglophones and newcomers who also are expecting concrete actions from a government that has almost no representation from Quebec.

[*English*]

We are waiting for a sign in English-speaking Canada, for friendship, for the rebuilding of a new country in which equal rights are recognized for both groups. If I am here today, Mr. Speaker, it is to make sure that this dream cherished by most Quebeckers will come true.

Mr. Thomas Siddon (Parliamentary Secretary to Minister of Fisheries and Oceans): Mr. Speaker, may I add my felicitations to those of other members who have congratulated you upon your re-election to the chair. I am pleased to speak in support of the motion, to thank His Excellency the Governor General for his most gracious Speech from the Throne.

I would also like to compliment the hon. member who has just preceded me. She spoke from her heart about her concern for all of Canada, and I am sure we will all give heed to her plea to those of us who perhaps do not understand French Canada as well as we should, to find ways of enabling this country to work together more effectively in the future.

I wish also to compliment my hon. friend from Erie (Mr. Fretz) and my hon. friend from Cardigan (Mr. MacDonald) for the fitting way in which they moved and seconded the motion of thanks to His Excellency.

● (1740)

This day, October 16, is a very special day for me, as it happens to be the anniversary of my first election to Parliament in a by-election one year ago. I feel fortunate to have had the privilege of sitting in opposition for a few months because it gave me a useful exposure to the serious defects of the former government which led to its downfall on May 22. I think we have all learned some lessons from that. If our many new initiatives, as so clearly set out in the throne speech, are allowed to bear fruit, I expect to be viewing my old seat from this more enlightened position on Mr. Speaker's right for many years to come.

Today is also a very special day for me in other respects as well. First, it was a very great privilege for me to take my seat in this Thirty-first Parliament with a man who is one of the finest examples of public stewardship. The hon. member for Bow River (Mr. Taylor) was the commissioner of my wolf cub pack when I joined it in Drumheller, Alberta, over 30 years ago. By that time he had already been a provincial MLA for almost ten years.

Indeed, in 40 years of public service, much of it as a cabinet minister in the Alberta government, the hon. member for Bow River has proved himself to be an outstanding and dedicated servant to the people of Alberta.

Some hon. Members: Hear, hear!

Mr. Siddon: It was this man who gave me my first and strongest perspectives of what it means truly to serve humankind by virtue of elected office, and I am sure all in this House will benefit from his wisdom and counsel.

I am also proud to share a place in this Parliament with the hon. member for Calgary North (Mr. Woolliams). He is a great Canadian of firm political conviction. He possesses a deep respect for the true principles of justice.

I will always remember that day in 1957 when the hon. member for Calgary North came to my home town of Drumheller, riding in a brightly coloured convertible. At his side was Canada's future Prime Minister, the right hon. gentleman from Prince Albert. That evening in the local arena Dief spoke, just as he always spoke, with great oratory and passion about his love of Canada and his concern for those less prosperous parts and peoples of Canada whose needs had been neglected for decades by the dominant establishment in central Canada.

As a young man of 15 I was impressed by his message, and to this day I must credit John Diefenbaker with the kindling of my interest in our system of parliamentary democracy and in the political idealogies which shape it. I know he aroused those instincts in the hearts of many who sit in this Parliament today, especially some of my younger colleagues on this side of the House. It was a genuine honour to have known such a man and to have shared this place with him during those last few months of his life. He made Parliament live in a way which few others can. He made it accessible to every one of his "fellow Canadians". I know that his inspiration will carry on in the lives of those who follow.

Indeed, it is one of those who followed who now leads the government of this great nation as our Prime Minister (Mr. Clark). The right hon. member for Yellowhead has come a long way from those days at the University of Alberta when I remember him as the controversial, outspoken young editor of our campus newspaper, *The Gateway*. In fact he has come a long way in the short time since May 22 of this year. By his example he has shown us how to be optimistic about the future potential of this great nation. At the same time he has developed strength of leadership to make his promise become a reality. His strength was never more plainly revealed to the members of this House than it was last Wednesday afternoon, when the Prime Minister delivered his first and very excellent speech to this Thirty-first Parliament. I believe that all Canadians will find his style of leadership to be a refreshing change from that of his immediate predecessor.

If hon. members would indulge me I would like to take a few moments now to tell them something about the part of Canada which I am privileged to represent. The riding of Richmond-South Delta is situated at the lower reaches of the Fraser River, encompassing most of the fertile soils and biologically productive marshes of the Fraser River delta. The northern-most community of Richmond is home for almost 100,000 Canadians who live on a beautiful island known as Lulu Island. The island has an elevation entirely at or below sea level, being completely surrounded by dikes and criss-crossed by countless drainage ditches. These drainage ditches provide flood protection not only from the Fraser River but also from the occasional winter rains which some may have heard about, and which are sent our way from the city of Vancouver, located to our immediate north.

Richmond is a progressive, well-planned, and growing city which offers a unique balance of natural habitat, agricultural production, beautiful gardens, parks, recreational facilities, light industries, and pleasant residential neighbourhoods. It is also the site of Vancouver International Airport, which occupies Sea Island, to the immediate northwest of the downtown centre of Richmond.

To the south of Richmond lies the municipality of Delta, located between the south arm of the Fraser River and the United States border. I am privileged to share in the representation of Delta with my good friend and colleague, the hon. member for Surrey-White Rock-North Delta (Mr. Friesen). My portion of Delta includes the two communities of Tsawwassen and Ladner. Tsawwassen is a modern and quite prosperous community known for its almost perpetual sunshine, pleasant beaches, and good community spirit. It shares a short international boundary with Point Roberts, U.S.A.—and votes rather conservatively, I might add.

To the north of Tsawwassen, on the south shore of the Fraser River, lies the historic farming and fishing community of Ladner. Ladner reminds me most of my own hometown because it is a small community with a deep sense of its history and an instinct for survival, as witnessed by the many small businesses which consolidate the town centre.

Delta and Richmond both grew out of the pioneering enterprise of the farmers and fishermen who came to settle on the soggy marshes of the Fraser River. In November of this year each municipality celebrates the hundredth anniversary of its incorporation, and many centennial events have been held throughout the year. In those days of 100 years ago a group of Japanese immigrants established a fishing village at the southwest corner of Lulu Island. Other settlers came from the British Isles and eastern Canada. Soon, fishing villages, wharves and canneries had sprung up all along the lower reaches of the Fraser River. As a result the communities of Steveston and Ladner remain today as an important focus for the commercial fishing industry of southern British Columbia. The Japanese who came to find their new life in Canada have flourished as a strong and respected source of cultural diversity in our midst.

On the nearby farmland, diked and drained with a century of toil, our people grow blueberries, strawberries, raspberries, cranberries, and vegetables of every description. Waterfront industries and urban development are also welcomed by my communities, and they have been allowed to proliferate because of their strategic importance to our economy and to our citizens. But the people of Richmond-South Delta are ever conscious of their links with the river, where wild fowl and young salmon flourish, nurtured by the natural habitat which rests in such fragile balance with the progress of mankind.

Of course, I shall have many future opportunities to tell this House of the problems and needs of my constituents, but for today I thought I would merely give a travelogue and a sense of the spirit of those I am privileged to represent here. I am grateful for the trust which they have placed in me once again, and I will do my utmost to serve them well.

I want to turn now to the throne speech directly and to underscore what I feel to be the central message from His Excellency. I believe that the throne speech provides us with a blueprint for a new spirit of co-operation and mutual trust within this great nation. By recognizing our regional, cultural and institutional differences as genuine assets, we can use them as tools to rediscover that positive spirit of optimism and innovation which possessed the Fathers of Confederation more than 100 years ago. As the Prime Minister has so frequently pointed out, we in Canada have many strengths on which to build, but the process must start here in Parliament which, after all, is little more than a microcosm of all the diverse attitudes and aspirations of Canadians. The throne speech states that, and I quote:

> The great immediate challenge facing Canada today is to restore growth, confidence and jobs to the Canadian economy.

● (1750)

I believe that goal can only be achieved if we can first of all purge our society of a serious illness which has infiltrated the attitude of Canadians in recent years. That illness I will call the illness of distrust. I believe that this illness is not visible in the deteriorating relationship which has developed in recent years between this federal government and the thousands of private sector businesses which form the backbone of our economy.

But this illness is not restricted to relations between government and private businesses. It is to be found also in the attitude of government bureaucracy toward the individual citizen, and in the distrust of the citizen toward his government. It is to be found in the relationship between provinces and the federal government, in the relationship between French and English Canada, between labour and management, between native peoples and non-natives, pro-nucs and anti-nucs, and of course between the opposition and government sides of this House.

I believe that this sickness must be cured, and it will be cured if we find a way to replace confrontation with compromise; if we can sacrifice self interest for the sake of the common good; if we can refrain from intentional exaggeration, and selective mis-use of statistics to argue a point.

On that score I should like to cite an example. We regularly hear in this House from some hon. members, particularly on the other side, of the so-called high rates of profiteering by certain industries in our country. I suggest that the rates that are cited are selectively chosen to discredit certain of the private sector corporations in this country. By selectively quoting percentage profit increases, without any honest attempt being made to tie these profit increases to the base profit for the previous year, Canadians are given a distorted and misleading impression that some corporations are making windfall profits. But a 50 per cent profit increase over a 4 per cent return on investment amounts to only a 6 per cent return on investment.

What these hon. members do not explain to the people of Canada is that if return on investment is lower than the

interest rate on bonds or loans, then there will be no capital investment in speculative ventures, and with no money invested in this country far fewer jobs will be created, unless of course the federal government decides to step in, as it did for the past decade, and continually finance make-work projects, with increasing amounts of debt capital. As an aside, let me say that I would welcome from hon. members opposite in the coming days an explanation or a justification of ever increasing deficits. I would welcome it particularly from our good friends down in the far corner of the House.

Another example of distrust which I feel is often displayed in the House occurs whenever an hon. member makes sweeping insinuations about certain companies which may or may not be under investigation, or when a member casts doubt on the motives of another member. I saw this happen in recent days when an hon. member made reference to a certain meeting among three cabinet ministers, and tried to suggest a less than proper motive for that meeting. I believe that this sort of star chamber justice, this attempt to find ghosts where none exist, has no place in this House of Commons, and in fact and indeed casts an adverse reflection on every one of us.

I am convinced that certain political attitudes in this country have been systematically whittling away at the credibility of private enterprise. Our government is about to reverse that trend. We believe that our laws are the tools to cope with illegal conduct by any businesses or individuals who would take advantage. These laws should be enforced and respected. But we must dispense with the current notion that the government must have a window on industry in order to "keep them honest". We hear that term quite often from some of our friends in the House and outside it. This approach does not work. It destroys the respect which private businesses must hold toward the government which sets the rules. We in the government intend to give individual initiative and opportunity to flourish once again and to stimulate the enthusiasm of all our citizens to take a stake, to share in the risks of building a better Canada.

I would like to deal with a few special topics, Mr. Speaker, but I would prefer to carry on at eight o'clock. So, may I call it six o'clock now?

Mr. Deputy Speaker: Is there consent to calling it six o'clock and allowing the hon. member to complete his remarks at eight o'clock when we resume the sitting?

Some hon. Members: Agreed.

Mr. Deputy Speaker: It being six o'clock I do now leave the chair until 8 p.m.

At six o'clock the House took recess.

● (2000)

AFTER RECESS

The House resumed at 8 p.m.

[Mr. Siddon.]

Mr. Siddon: Mr. Speaker, I am pleased to be able to take the floor once again to continue my presentation in reply to the Speech from the Throne. As I was saying before six o'clock, we have a serious problem in the country, a problem relating to distrust which many Canadians feel toward their government, and which governments within the country feel toward one another. The problem of distrust seems to permeate all the actions of government, at least of the government in office until May 22 of this year.

Now I should like to discuss a number of specific situations starting with the one which has been thoroughly debated and on which we have been thoroughly battered by members of the opposition, and that is the question of Petro-Canada. I should like to put the following question to the House: do we feel the private sector oil companies of this country have shown cause to be distrusted?

I put a question to the president of Petro-Canada a few weeks ago, and I think the answer he gave was very important. I asked the president of Petro-Canada if, on the basis of having a window on the petroleum industry, he had any cause to distrust or to suspect the motives of any of the private sector oil companies in the country, and he said that he did not. Further he indicated that he had nothing but the highest regard for the senior executive administration of the private sector oil companies in the country. That is an important observation which must go on record.

Many members of the House feel some concern as to what Petro-Canada has learned as a result of this virtuous "window on industry" by which they propose to have advantage. I have strong reasons to suspect that if one were to ask the president of Petro-Canada what special information it has obtained as a consequence of having this window on industry, one would be severely disappointed in the information one would receive.

A colleague of mine asked the president of Petro-Canada what Petro-Canada feels it can do better than any private sector oil company in the country. As I recall it, the answer was that there was nothing Petro-Canada could do better, in the interests of this nation, than the private sector can do; that the only difference is that Petro-Canada might do it faster. Of course that refers to the ability to bring on offshore resources and petroleum reserves more quickly than the private sector. Then that becomes a matter of price because, if the price is right, the private sector will do it equally as fast. But if Petro-Canada has access to subsidized capital to pursue such exploration, of course it can do it more quickly.

Hon. members of the House should ask themselves if Petro-Canada is really profitable. Hon. members of the opposition have told us how profitable Petro-Canada is. But I have an article from a recent issue of *The Globe and Mail* which indicates that in 1978 Petro-Canada reported a profit of $13.7 million. The equity value of Petro-Canada is $3 billion, so this total profit represents less than .5 per cent return on investment. I think that is atrocious, and certainly no private sector corporation could exist in the country with that rate of return on investment.

Also I should like to ask another question in the House this evening. Who owns Petro-Canada? We have heard a lot of comment to the effect that Canadians own Petro-Canada. The government of this nation extended $800 million worth of equity capital to Petro-Canada which we financed by adding to our debt, and not one nickel of interest has been returned to the Crown in relation to the $800 million. In addition to that, Petro-Canada borrowed $1.5 billion in order to acquire the assets of Pacific Petroleums Co. Does the House realize where this equity came from? It was issued in the form of term preferred shares to the private banking system of the country. They went to the United States and elsewhere to borrow that money. If members of the House want to delude Canadians into believing that we own PetroCan, they are fooling the masses. Petro-Canada is owned by multinational interests who have loaned $1.5 billion to this country, and the shares are held in the names of the private chartered banks of Canada.

If one reads a financial statement of Petro-Canada, one will find that it has assets of $3 billion and liabilities of $849 million to the Crown of Canada. Where is the difference? The difference is in the form of term preferred shares issued to private sector banks in the country. They are the ones who have title to Petro-Canada.

I must ask members of the House what their wish is? Would they prefer that the private chartered banks own the shares and borrow the money internationally, or would they prefer that Canadians have an opportunity to own a piece of Petro-Canada? I recommend that the House consider the importance of giving individual Canadians the option to purchase shares, to own a portion of Petro-Canada, and to accept a portion of the risk.

Also I should like to ask one final question. Should the Government of Canada be engaged in those profitable sectors of our economy in order to pay for the costs of the high risk areas where indeed the government must play a role? The hon. Leader of the New Democratic Party (Mr. Broadbent) and the right hon. Leader of the Opposition (Mr. Trudeau) have suggested that we should use the profitable portions of Petro-Canada to finance its losses. I say, rubbish. That is not the role of the Government of Canada. If that was the case, we would want to own the multinational grocery merchandising firms in this country which enjoy a good rate of return on investment, and we would want to own, indeed, all the profitable ventures in this country. I submit that it is private individuals who should own a stake in Petro-Canada. It should be a Canadian-owned corporation, and the return on investment should go to those Canadians who choose to participate.

● (2010)

With that off my chest, Mr. Speaker, I would like to make a few comments in the area of fisheries. I think that it is important that we re-establish trust, as I have indicated earlier in my representation, among the government, the bureaucracy, and the people affected by the decisions made by the bureaucracy. In the area of fisheries there has been a dismal record indeed, wherein decisions were taken within the bureaucracy with the consent of the minister, and after the fact those decisions were reported to the fishermen. That must change.

It is time that we instituted a policy of consultation. Since the appointment of the hon. member for St. John's East (Mr. McGrath), as Canada's Minister of Fisheries and Oceans a large number of initiatives have been taken to improve federal-provincial relations in the administration of our fisheries, and to improve relations with the canning industry, fishermen, and other fishing related industries. For example, the minister has recently met with the Atlantic fisheries council of provincial ministers and the Pacific fisheries council of provincial ministers. This is a first in many, many months, if not longer.

The Minister of Fisheries and Oceans has announced that a major review of fisheries policy in Canada will be undertaken and presented to this House in the form of a white paper, with the participation of the provinces, fishermen, and the fishing industry. That is a first. The minister also indicated that the difficult questions of licensing and the recommendations of the Sinclair Report and Levelton Report will be subject for discussion and debate by the parliamentary Standing Committee on Fisheries and the Environment.

Such action is an expression of this government's willingness to involve all members of parliament in debate and discussions on issues of importance to that very important sector of our economy. The new Minister of Fisheries and Oceans has taken initiatives that were long overdue. I would submit that in many other areas of our government similar initiatives will be taken, and that we will be using all the resources of Parliament and inviting the input of all points of view in order to evolve policies in the interest of Canadians and in the interest of maximizing the return of those very abundant resources which we enjoy in the great country of Canada.

On the questions of energy policy there have been committees formed which have worked diligently through the summer, and a national energy policy should be forthcoming soon. That policy will deal with the short-term problems of security, of supply and incentives to conservation. In the mid-term a policy will be introduced which will find ways to ensure that the seven or eight oil sands plants and heavy oil installations are brought on stream by 1990 in order to make this country self-sufficient in energy. That policy will also address the question of long-term alternatives, not merely restricted to nuclear power, but including the consideration of a number of other very attractive alternatives.

We have reason for nothing but optimism relative to the future of our economy and opportunities for young Canadians. If we are to tap those opportunities we must make a special attack on the question of increased support for research and development in this country. It is long overdue that we stop all the platitudes and get down to finding a formula that will ensure, at least in the immediate future, that 1.5 per cent of our gross national product is re-invested in science and technology, and in the long run a level approaching 2.5 per cent. If it requires that we insist upon research and developmental technology content in foreign investment in Canada to the tune of 1.5 per cent, then we must insist upon it. And if we must

insist that companies investing in Canada extend world product mandates for the products of our technology, then those are initiatives that we must take.

Finally, in relation to science and technology, I would suggest that the universities of this country are an important training ground. I spent ten years of my life in a university in Canada in a technological area, and I have been appalled and astounded by the pitiful lack of support by the former government for science and technology. It is high time that we had a policy recognizing that fact. For every oil sands plant to be brought on stream, we may require as many as 3,000 engineers and many other technical people. We must provide the training for those people and recognize that, if we do not accept that challenge now, we will be importing those technologies later.

Before I conclude, I would like to say that there has been a tremendous preoccupation in this country with programs of equalization DREE, UIC, welfare and all the other programs which have granted subsidies and special initiatives to various parts of this country. These programs have been overlapping and filled with redundancy. When we in this government introduce a program such as our scheme of mortgage credits, it is designed to benefit the people who have been footing the bill for all these other programs. It is high time that these people obtained a few concessions from this government.

In conclusion, what the Prime Minister was saying in this House was that we must restore mutual trust in one another, not only here in Parliament but in all the institutions of this nation and in the attitude of people toward this government. Trust is bred by a spirit of good will and a penchant for openness, tempered by a healthy respect for the other person's point of view. It is achieved by making a genuine effort to gather all the facts, not just some of the facts, by discussing our differences and arriving at an honest consensus.

I see that process as being a catalyst and also the consequence of initiatives set out in the throne speech. I hope to look back on the Thirty-first Parliament of Canada as a success story in re-establishing trust among Canadians.

Mr. Gary F. McCauley (Moncton): Mr. Speaker, as the member of parliament for Moncton in the land of New Brunswick, the picture province of Canada, I am very proud to be addressing the House today, proud of my riding and proud of the people I represent.

The riding of Moncton encompasses many different communities, some large, some small, from the thriving villages of Petitcodiac and Salisbury in the west, to the growing community of Dieppe in the east. The motto of the city of Moncton itself is "Resurgio", a triumphant motto for a city which has overcome many serious setbacks over the course of its history. That part of the riding in which I and my family reside is the fastest growing community in Atlantic Canada—Riverview, New Brunswick—a friendly town whose citizens participate and work hard to make it the attractive community it is.

Moncton is famous for its Magnetic Hill where automobiles seem to go up hill without any visible means of propulsion, proverbial or otherwise. We also have the world famous tidal bore which tourists from all over North America flock to see. More recently we are proud of our growing l'Université de Moncton, with the first French speaking school of law east of Quebec City.

But the real strength of any community, Mr. Speaker, is not its tourist attractions or its institutions, but rather its people. In the only officially bilingual province of Canada we have, in the riding of Moncton, a microcosm of Canada where two cultures live side by side, both enriching the other, and giving to the community a flavour and a flair to which not many communities of this country can lay claim. With enlightened leadership and the commitment of reasonable men and women we offer a shining example to the rest of Canada.

● (2020)

My reaction to the Speech from the Throne is somewhat mixed. It is very obvious to me that the Prime Minister (Mr. Clark) canvassed everyone he could think of for ideas for the speech. Then he hung his ideas out like a drab wash on a clothesline and called it a throne speech. There is no theme to the speech, no connecting link, no underlying philosophy. The Speech from the Throne could have been a clarion call to Canadians from a new government intent on a new beginning for Canada. Instead, it turned out to be a clothesline. To be fair to clotheslines, even they have their good points.

I congratulate the government for its promise to introduce freedom of information legislation based, as the Speech from the Throne says, on the principle that government information should be available to the people and necessary exceptions to that principle should be limited and specified, and disputes over application of those exceptions should be resolved independently of the government. Those are noble words, Mr. Speaker. We can only hope that they result in some legislative action. In New Brunswick we have also heard noble words about a freedom of information act, but the act has not as yet been proclaimed. Let us hope the Prime Minister will not take a cue from his Conservative colleague in New Brunswick, and fail to follow through on his promise in the Throne Speech.

It is my understanding that the freedom of information legislation proposed in the Speech from the Throne stems directly from the government's perception that the process of government needs to be opened up. I believe that perspective is accurate. It is vitally important that we bring government at all levels, federal, provincial, and municipal, closer to the people. It is important because, as the hon. member opposite who just spoke pointed out, there is a great gulf fixed at the present time between people and their elected representatives.

A recent study conducted by a Carleton University professor has revealed that the majority of Canadians surveyed do not trust politicians, do not respect politicians, and do not even like politicians. The public perception of politicians is that they care more about themselves than about the people they are elected to represent; that they are out for themselves; out to line their own pockets—out to lunch. So the government is to be commended if it intends to do something about that aliena-

tion. I say "if" because actions speak louder than words. It is fine to say that "we are going to open up government and listen to people more, that we are going to be a government that seeks consensus rather than confrontation." Those are fine sentiments, but fine sentiments betrayed by deeds.

If the government were serious about its sentiments, it would not be moving in the direction it is moving with Petro-Canada. If the government were serious about restoring the process of government to the people of this country, Petro-Canada would be retained as it stands. According to a recent Gallup poll, 75 per cent of Canadians say that the federal oil company should keep exploring for gas and oil, 57 per cent say it should be involved in buying oil from other countries, and 54 per cent feel it should be retailing oil and gas. A Gallup poll in July found that Canadians opposed selling Petro-Canada to the private sector two to one, or 48 per cent to 22 per cent. A majority of Canadians want to keep Petro-Canada as it is. Is the government not listening to this majority? If there ever was a misguided, misdirected, ill-conceived, and unfortunate policy, it has to be this government's policy on Petro-Canada.

Petro-Canada was established by a Liberal government to secure Canada's future energy supplies. Since it was set up it has done a great deal to achieve that end. It has stimulated exploration for oil and gas throughout Canada—in many cases entering into partnership with other oil companies—to ensure that exploration takes place which might not have been undertaken at all had the multinationals been left to themselves.

Petro-Canada is our very own national oil company. Despite what the government would have us believe, it is owned one hundred per cent by Canadians. Every Canadian citizen already has a share, already has a stake in Petro-Canada. It is our protection against the giant multinationals that care more about profit than about this country.

Petro-Canada works. It is the great Canadian success story.

Some hon. Members: Oh, oh!

Mr. McCauley: Mr. Speaker, I think we should note that reaction. This is a great day—the deaf hear and the dumb speak!

Some hon. Members: Hear, hear!

Mr. McCauley: The government would end this great Canadian success story. Just last night the report of the task force on Petro-Canada was made public. If the government follows its recommendations it will destroy the national mandate of that corporation. Why would it do that? Who knows?

We know for sure that this government is not responding to some great feeling on the part of the Canadian public. In fact, just the opposite is true. Canadians support Petro-Canada as it is. Canadians take pride in the company and want to see it continue its work. Canadians do not want to see it chopped up, carved up to become some miniature Canadian Exxon or Sunoco.

What reason can there be for the government's action? Well, if you read the report there does not seem to be any reason other than a dogmatic, inflexible desire to return to the antediluvian days of laissez faire capitalism. The report argues that the government should restrict itself purely to designing a public policy framework, leaving the actual operation to private companies. Would this government say the same of hydro? Would it say the same of the building of highways? Would it say the same of education? Of course not, and it should not say that of Petro-Canada. The work that Petro-Canada is involved in is every bit as essential as the building of roads, the provision of electricity, or the provision of education. This country needs energy to heat homes, to power industries, to keep the wheels of society turning. It is the one absolutely essential resource and, as such, it is desirable that government have every possible instrument at its disposal through which it can protect this essential resource.

If the government does not want to involve itself directly in petroleum operations, then what does the government want? We do not know the answer to that question. The answer to that question is difficult to ascertain. The task force says the government policy will be accomplished through the advocacy of fiscal regimes, appropriate regulations and incentives, as well as financial support. What that means in plain and simple English is more give-aways to an already over-fat oil industry. Not only does the taxpayer lose the profit from Petro-Canada but, in future, the instrument the Tories will use to effect their policy will be those tired old devices of corporate handouts and taxpayer give-aways. Surely, there is a better way.

There is more that is defective in the thinking of the government. The task force argues that there is confusion and uncertainty about Petro-Canada's goals and objectives. I suggest that the uncertainty and confusion exist in the mind of the task force itself.

Mr. Beattie: Have you read the report?

Mr. McCauley: No, and I do not think the task force has either.

I wonder whether the task force members bothered to read the act establishing Petro-Canada. Petro-Canada was created to secure our energy future. There is no uncertainty about its goals—its single purpose is to protect all Canadians. If anything, it has been too successful in this goal, for Petro-Canada has demonstrated that it is possible to serve the national objective and still make a profit. Would the Tories be so interested in privatizing Petro-Canada if it were not making a profit?

● (2030)

The Tory policy on Petro-Canada is fraught with many contradictions. For example, the task force suggests that the new privatized company will operate much more efficiently because it will have only one goal, to make profits for it shareholders. And yet, in recommending a division of assets, the task force requires the privatized company to maintain a reduced interest in the expensive and risky frontier exploration

operations. The task force members seem to want to have their cake and eat it too, arguing on the one hand that management will be free to make decisions motivated solely by profit, while on the other hand burdening this "profit making" company with potential losses.

And what about the actual process of privatization? If the government decides to "BCRIC" Petro-Canada, perhaps we should look at the share distribution of BCRIC itself. In that process, two million of the 12 million shares offered free to B.C. residents went unclaimed. Is it not likely that the same thing will happen with Petro-Canada if it is "BCRIC'd"? Is it not likely that many people, unaware of the method of claiming their shares, not used to this kind of offering or knowing little or nothing about the stock market, will lose out on their shares in Petro-Canada? What will the government do for them?

In the end only one conclusion is possible: this government committed itself to a policy that seemed good when it was involved in an election campaign. People thought they could get some votes with it. Now this government is pointlessly sticking to a silly policy, a policy which makes no sense and which is, in a word, stupid. If the government were really serious about listening to Canadians, it would leave Petro-Canada alone.

If the government were really serious about listening to people, if the government really cared about people, it would not be systematically throwing them out of work as it is doing in my riding of Moncton. In the past two weeks, Mr. Speaker, 35 to 50 of my constituents have been laid off from the Department of Transport in Moncton. I am told this is only the thin edge of the wedge, that this 2 per cent cutback will be increased to a 10 per cent cutback in the very near future. In other words, this is just the beginning. The jobs being eliminated are not statistics, not figures on a balance sheet designed to make the President of the Treasury Board (Mr. Stevens) look good, or to justify his nickname of "the Slasher." The lost jobs represent people, fathers and mothers, whose sense of self-worth that comes from gainful employment has been callously pulled out from underneath them. What will they say to their children when Christmas comes?

If the government really cared about people, little people, ordinary Canadians, would it be flirting with the Premier of Alberta, professing undying love in the form of increasing prices for oil by at least $4 a barrel next year? Such an increase will add at least 12 cents to the price of a gallon of gasoline or heating oil and will strike hardest and most directly at the consumers in Atlantic Canada. These are consumers, Mr. Speaker who have no choice but to drive their own cars. We do not have access to systems of mass transportation in Petitcodiac and Salisbury, New Brunswick. Atlantic Canadian consumers have no choice but to heat their homes with oil because cheaper natural gas is not available. Does the government care? I think not.

I think of one of my constituents in Moncton who, after five years with the Department of Transport, is now out of a job, kicked out because of the policies of this government. Without a job he will have to pay more money for gas and oil in the coming year. Will he think the government cares? I think not.

Besides its lack of care and concern for ordinary Canadians, I question this government's care and concern for Canada. If this government is intent on opening up the process of government to Canadians, should it not also be opening up Canada itself to Canadians?

The Prime Minister has a different vision of Canada. He is fond of using the phrase "community of communities". It is a nice phrase, Mr. Speaker, a catchy phrase, a comforting phrase, and I am sure on the Prime Minister's part, a sincere phrase. I do not question the Prime Minister's sincerity. I just question his wisdom. What does the phrase mean in practice? How is "community of communities" translated into action? It seems to focus more on small "c" communities than on the big "c" community of Canada. The Prime Minister seems to think that by making the provinces stronger he will, in some strange mysterious way, make Canada greater. Curious logic, Mr. Speaker.

It is somewhat like the father of a large family giving all his children $50,000 each, setting them up in competing businesses, and then expecting that situation to strengthen the family somehow. It does not make much sense.

The Prime Minister is telling us that the old days of federal-provincial tensions are over, that confrontation is to be replaced by conciliation, that demands and commands are to be replaced by jovial consensus. His government will consult with the provinces. He will talk to the premiers; he will have dialogue with the provinces. This is another example, Mr. Speaker, of noble sentiments not matched by deeds. Isn't it curious that this man who promises to do all these things with the provinces has nothing to say to the province of Quebec at this crucial time in its history? His philosophy with regard to Quebec, Mr. Speaker, seems to be benign neglect—perhaps if we just pretend that it is not there, it will quietly go away. I wonder what the people of Quebec think about their federal government on that issue.

The Prime Minister's theory of federal-provincial relations will not heal the regional sickness that afflicts us. It will only make it worse, because the Prime Minister is ignoring a fundamental fact of this country, that federal-provincial antagonisms are not political, not Liberals versus Conservatives, or Social Credit versus Conservatives, or NDP versus Liberals, or whatever. Federal-provincial antagonisms stem from the basic fact that there are conflicting interests in any federal-provincial system. There are two ways to deal with that kind of conflict, that kind of basic institutionalized conflict. One way is to appeal to idealism, the spirit of loyalty to one's country. It is to present the big picture, the forest instead of all the little trees.

The other way is to appeal to some baser instincts, the spirit of selfishness, the instinct of "me first, you last", greed when it comes to sharing the natural resources that mother nature has arbitrarily assigned to some parts of this country and not to others.

I fear for my country because I see this government taking this latter course. I do not believe for a moment that the people of Canada are going to be happy with this, because we are a great people, an idealistic people, an altruistic people, and we will not stand idly by when governments and politicians appeal to what is worst in us instead of to what is best in us.

I have just returned from Alberta and Saskatchewan. I have spoken with ordinary Canadians there. The people of the west love this country. They think it is the greatest country in the world. I share that conviction with them.

An hon. Member: So do I.

Mr. McCauley: I am pleased to hear someone else does too. They are not going to take kindly to a government that appeals to what is worst in them. Already they are in revolt. In Prince Albert, the seat formerly held by John Diefenbaker, all signs point to a government defeat. Mr. Diefenbaker was immensely popular in Prince Albert, Mr. Speaker, but his party is not, and is becoming even less so as each day passes.

• (2040)

In summary, Mr. Speaker, I am prepared to support this government when it is right. It is my responsibility to be open-minded and fair, and I take that responsibility seriously. But at the same time it is my responsibility, as it is the responsibility of every member of this House, no matter what side he sits on, to speak out forcefully and strongly against policies that pit Canadians against each other on the basis of economic wealth and economic resources.

All of us have a duty to speak out strongly and forcefully against policies that encourage regionalism, that feed the prejudice of separation, that fan the fires of division in this country. All of us, each and every member of Parliament, have a duty to speak out against government policies that reveal a lack of compassion, a lack of understanding, a lack of caring. All of us have a responsibility to speak out strongly against policies that have more to do with some kind of abstract dogma than they have to do with flesh and blood, the hopes and dreams of the ordinary working people of this country. That is the enterprise that we should all be engaged in, Mr. Speaker, and I invite all members of this House to join me in that enterprise, to support what is right, but to speak out strongy and forcefully against what is wrong.

Mr. Blaine A. Thacker (Lethbridge-Foothills): Mr. Speaker, it is a great honour to stand before you tonight as the new member for Lethbridge-Foothills. I believe that the role of a member of parliament is an important role in our Canadian society. As members we have exceptional rights, immunities and privileges. We also have major responsibilities.

Like many other members, I am in public life because I sense that Canada and Canadian people are at a low ebb, at a crisis of identity, at a point where we doubt our own abilities, institutions and future. We are questioning the basic values we hold dear. We are questioning the value of our basic institutions, be it church, government or marriage. We are at a time in history that can best be described as an interface between the values of past generations and future generations.

I have no doubt whatsoever as to the capacity of Canadians not only to survive this crisis of confidence, but to emerge with renewed vigour and direction. I am convinced that Parliament is the major institution that can focus our collective Canadian consciousness, that can put into place and motion the proper processes to solve our social and economic problems. It is Parliament that can set the tone of public attitudes. Parliament must protect individual rights, private ownership of property, and the fundamental freedoms. It is here in this House over the next few months and years that the role of government, the role of private enterprise, and the role of the individual citizen will be decided. I sincerely hope that we, as individual members, make decisions from the point of view that Canada will last for thousands of years. If we do, the future generations will be able to say we were wise.

Lethbridge-Foothills consists of the southwest corner of Alberta and has a population of about 90,000 people. Its geography varies from the beautiful Rocky Mountains through the foothills and out to the wide prairie. Our commercial enterprises range from tourism in the mountains, together with coal mining, to gas production and ranching in the foothills, to dry land and irrigation farming on the prairies. Located at convenient places throughout the constituency are about 20 communities which act as service centres for the surrounding farmers and ranchers. Agriculture and agricultural processing are our main source of wealth.

In our mountains we have millions of tons of low sulphur coal which is the real solution to the dreaded acid rain currently devastating our lakes in central Canada. Under our prairie, at a depth of 200 to 400 feet, lies a seam of thermal coal about six feet thick which is the long-term solution to Canada's energy supply. We have water for irrigation which is the short and long-term solution to the world's food crisis. In short, we have abundant resources.

The city of Lethbridge has close ties with confederation and its events. In order to build and operate the CPR, a supply of coal was needed. Elliot T. Galt, the son of Sir Alexander Galt, one of the Fathers of Confederation, found that coal at a place called Coal Banks, where Nick Sheran was supplying coal to Fort Macleod and Fort Benton. Coal Banks is now the thriving city of Lethbridge, with 52,000 citizens. It has the Centennial University of Lethbridge which offers a baccalaureate degree in arts, science, and education. Members will recall that Fort Macleod was the first fort established by the North West Mounted Police after a gruelling march westward during the summer of 1874.

What I really want to explain about Lethbridge-Foothills is its people. The people of Lethbridge-Foothills are what makes it great and my job so interesting and worth while. Our people are multicultural, with many organized and active groups throughout the riding. With the exception of our native people who I will mention shortly, we are all immigrants within the last four to five generations. We are in Lethbridge-Foothills either because of active hostility in other lands or because our

ancestors wanted a better life for us—a chance of opportunity and freedom to work, save, and raise a family. For example, we have a large Mormon community which was viciously persecuted in the United States and who brought to Lethbridge-Foothills their unique skills of irrigation and strong family and church ties. We have a large group of Mennonite people who also came to escape religious persecution. To them we look for and receive humanity and charity which is unparalleled. Their reaction to the "boat people" crisis is so typical.

We have a large Hutterite community that choose to farm communally and to look after their own people. Different they are, but they are very valuable to our farm community. We have a large community of citizens from The Netherlands. They bring skills to farming and trades which have permitted the whole area to grow and become prosperous. They too bring a deep belief in family life. We have Italian, Ukrainian, Polish, Hungarian, Scottish, Irish, Japanese, Chinese and all other communities. All are proud of their own identity, but are subject to the Romeo and Juliet syndrome with the result that we are all becoming much more closely related. We have about 6,000 Blood Band Indians living on the largest Indian reserve in Canada. They are on the verge of a cultural and economic flowering that will grow geometrically over the next generations. They are educating their young, and are positive about their role and identity in Canada.

I could talk on for hours about my constituents and riding, but suffice it to say that we are a serious people, dedicated, hard working, confident, and deeply religious. We are still close to the soil and, therefore, the heartbeat of nature, with its tune of rugged independence. We are in Canada because it was a land of opportunity and hope. It still can be if we, as members, do our job well.

● (2050)

There are many topics I would like to speak about. I would like to tell the House of the devastating effect the capital gains tax is having on our farmers and small businessmen. I would like to speak on the belief honestly held by most people that Parliament does not respond to their wishes. Daily I hear from and read about citizens who are aggrieved, upset and angry about metric conversion, gun control, abortion, and capital punishment. Parliament must respond, and I am delighted with the government's plan to reorganize Parliament so that private members' bills shall come to a vote. I will speak on each one as it arises. Today, though, I want to speak briefly on three major topics—Quebec, Ontario, and our philosophy of government.

With respect to Quebec I can say that the vast majority of my constituents hold warm feelings of real friendship toward the people of that province. We are excited that they have broken out of the mold which restricted and blocked their cultural and economic development. We are delighted with their enthusiasm for life, language, and culture. We know they group us in the west together with all other Anglophones, but I want to say frankly and plainly that the people of my riding are as different from the people of Ontario as are the people of Quebec.

We believe the people of Quebec can grow and develop within Canada just as we can in Alberta. We are proud of that aspect of our life which is Canadian—the strong areas helping the weak in this generation because the situation might be reversed in the next generation. We are proud of our record as peacekeepers, of our reputation as a food basket for so much of the world, as a home for refugees, a country where diversity is valued, where changes are made through political evolution rather than revolution. At the same time we are proud of our unique Alberta experience—of our openness, our belief in the value of education, our diverse cultural and ethnic groupings, our fundamental belief in religion, family, and individual initiative. We want the people of Quebec to share the joys and tears of being Canadian while at the same time retaining their provincial uniqueness.

On one issue we in the west are united. We do not accept the concept of sovereignty association if by "sovereignty" the PQ government means total independence, as if it were a separate country, and if by "association" it means retention of equalization and high tariffs. We in the west feel we have contributed much to Canada through selling our raw products to the east at cheap world prices while buying eastern manufactured goods at tariff-protected prices. We need and want, and, indeed, all we ask is a commitment to the Canadian experiment which can continue to grow and evolve to meet the needs of future generations.

If I might be permitted a completely personal view, I am convinced that the prime minister of Quebec and his party are still reacting to pressures and injustices of 25 years ago when they were young. But those pressures and injustices have largely disappeared and those which remain can be completely resolved by open, frank, and friendly discussion with the federal government and the governments of the other provinces. Clearly, we have more in common than we have in difference. Mr. Speaker, from the depths of our hearts we want the people of Quebec to willingly and enthusiastically remain in Canada.

With respect to Ontario, Alberta is most upset with the stance of that province vis-à-vis our oil resources. Alberta has produced approximately 11 billion barrels of conventional crude and has only six billion barrels left. We need the world price for this oil so as to finance our ideas and dreams for the future. We believe that in the past, confederation and federal policies have largely been shaped to pour wealth and strength into Ontario. This was no doubt a correct policy for its time and place, but we are now ready, willing and able to contribute more to Canada than raw resources.

As I said earlier, people in the west are as different from the people of Ontario as are the people of Quebec. We have a different background. We are multicultural in our attitude. We have been tested by pioneering a new land and outliving the depression, and have met the test. Members need only read the history of the depression in the west where three out of every four farmers had to give up and leave the land. There

were no major assistance projects to keep us on our farms and many of our parents and grandparents had to leave them. That experience is burned into our memory. We do not ever want to face such a situation again, and we regard our oil resources as being insurance against such disaster. We see Ontario's plan that our oil should continue to be sold at less than world market price to be a rape of our constitutional ownership and the virtual theft of our money.

Hon. members need to understand that Alberta's heritage trust fund should really be $20 billion rather than the $5 billion it is. Albertans have generously, and without complaint, contributed $15 billion toward the domestic price of oil, primarily to the benefit of Ontario. We do not accept the proposition that we are either greedy or selfish.

With respect to our philosophy of government my thesis is short and simple. The Canadian people must now decide where and how power is exercised in this country. By power I mean political and economic power. On one matter there should be no doubt. Power is always exercised by some group or person in every society. Decisions must be made and they are made; the question is, by whom? History shows that political power was exercised in the past by a very few male citizens with land. This has now changed to the point at which provision has been made for universal adult suffrage for both males and females. The process has been to spread out political power among people individually. I believe this to be good and wise.

With regard to economic power, however, the issue has not been settled. On the one hand there are the Liberal and New Democratic parties which believe that the means of production, and, by extension, power, should be nationalized, that is, owned by government with decisions being made by the cabinet. We in the Conservative party, on the other hand, are committed to returning economic power to individual citizens. We believe that millions of individual decisions by individual property owners, by individual shareholders, by individual business operators are much superior to decisions by one government, one cabinet, or one prime minister. In the past ownership of land was power. Today, ownership of shares is power.

The Canadian people are at a continental divide, a watershed; we can flow to the side of government ownership in which we all become employees, or we can flow to the side of individual ownership and control. We are not without modern-day examples of the way other countries have gone on this issue and how their citizens have been affected. Witness Russia, for example. In that country one sees the extreme of nationalization since all means of production are owned by the state. But decisions do get made—and by whom? By a small party of ultra socialists. But what of individual citizens? Would anyone in Canada want to trade places with them?

Take the example of Great Britain. Since the Second World War socialist governments have nationalized coal, gas, steel, electricity, railways, docks, waterways, and communications. They have taken over huge companies such as Leyland and Rolls Royce. In short, they have done exactly what the Liberals and the New Democrats want to do here in Canada. I ask you, Mr. Speaker, are the individual citizens of Britain better off for all this nationalization? Is there freedom and opportunity there for an ambitious person to build a better life for himself or herself? The answer is clear. It is no, and they are emigrating by the thousands.

Mr. Speaker, over the last ten years during the Liberal-NDP love affair, Canada endured a greater growth of centralized government bureaucracy and power than in any other period. The growth of Crown corporations, over 200 of them since 1970—in short, government in the business and personal lives of people—has been enormous. Government regulations and red tape are totally stifling the creative, innovative part of our society. We are seeing in Canada the breakdown of control mechanisms which worked when economic decision-making was spread among millions of people.

• (2100)

Government is now an active participant in the market place rather than a regulator for the public good. Why do the Liberals and the NDP so fear Canadians that they want government ownership? What happens when government owns a business or controls a Crown corporation? Simply this: political expediency overrides the clear, correct and sound decisions which must be made about investment in new plant, market development and labour relations. What does government do when the business is failing? It pours in people's tax money. It gives preferential treatment and privilege in direct competition with private people who are trying to do the same job. This is a truth which applies whether the government is PC, NDP or Liberal. This is precisely what happened with Petro-Canada and with many Crown corporations.

The Progressive Conservative Party and the government have really adopted the position of the "classical liberals". Thank heaven we have. I am proud to carry the banner offering individuals a chance to work hard and to build a better future for themselves and their descendants.

If I may be permitted another personal comment, my grandfather did not crawl out of a mine in England at age 24, having spent ten long years working underground and then giving the rest of his life and my grandmother's to pioneering in Alberta, followed by my father and mother, only to find those gains wiped out by a socialist government with confiscatory tax policies.

Some hon. Members: Hear, hear!

Mr. Thacker: I will not let their dreams fail, and I call on other hon. members to join the Prime Minister (Mr. Clark) and this government in returning Canada to a place of opportunity, spirit, growth and good will.

Some hon. Members: Hear, hear!

[*Translation*]

Mr. Marcel Dionne (Chicoutimi): Mr. Speaker, I thank you for having invited me to speak during the debate on the throne speech. As the new member for the constituency of Chicouti-

mi, it is with pride and humility that I speak for the first time in the House. I therefore take this opportunity to say that I intend to defend as vigorously as possible the interests of my constituents and fellow countrymen and more especially the underprivileged and day labourers.

I also take this opportunity to thank my predecessor, the former member for Chicoutimi, Mr. Paul Langlois. He knew how to represent his constituents and how to defend the interests of his fellow citizens. In addition, he played an important role as chairman of the Standing Committee on Miscellaneous Estimates; as such he won the esteem of all his colleagues. On behalf of the people of Chicoutimi, I thank him for the work he performed and I wish him every success in his new career.

Allow me also to congratulate the Speaker on his second election to the presidency of our assembly and to commend the movers of the Address in Reply to the Speech from the Throne and all hon. members who have already taken part in the debate.

Mr. Speaker, the Canadian people have certainly noticed that a rather long interval has elapsed between the dissolution of the House last March and the opening of the new parliament on October 9. We recall that the hon. Mr. Trudeau had said that if he were re-elected he would open the new parliament in the middle of June. I concede that the party which has formed the new government is back from a 16-year walk in the desert. However, after listening to that sad little speech of 20 minutes in which the new government presented its so-called new policies, I had to curb my appetite. During the campaign and during the five-month vacation it granted itself, the new government kept announcing that it had finally found the solution to all our problems.

The day after the election, the increase in the inflation rate, in the interest rate and in the unemployment rate were nothing but bad souvenirs.

The day after the election, the government asked us to wait another while. To look serious, they are going to set up a timetable and feed us a catalogue of forecasts with figures—a matter of looking scientific. The big night will take place within three years, perhaps four, unless it is next spring when the people will be fed up with this government of sleepy-heads. The least we can say is that this government is showing disconcerting naiveté and does not realize that Canada is facing challenges both internally and now externally, and that those challenges are going to be with us for a long time. Internally, a provincial government is going to hold a referendum. That provincial government will be urging its citizens to separate from the rest of Canada. That brutal fact has been buried under a ton of silence. One can only interpret this serious omission as being indicative of the policy of non-confrontation being pursued by this government. For my part, it is irresponsible.

[Mr. Dionne (Chicoutimi).]

Externally, this country is facing the challenges of a world dominated by uncertainty, monetary and financial conditions where the Bank of Canada raised its discount rate to 13 per cent the very day Parliament opened, which must be viewed as a most disturbing sign. Second, the world is going through a period of slower growth. That fact seems to have escaped this government. That is part of its new philosophy. This government thinks it is acting when it is not doing anything. So, it is with apprehension and fear that we see such a government take over.

Mr. Speaker, I believe a true government would have introduced an industrial strategy. For example, in my riding, an industry like Alcan exports nearly all its production of aluminum bars to foreign markets. Yet, that aluminum plant is located near the biggest power dam in the world and that power is being sold at very competitive rates. That is an advantage neither the United States nor Europe nor Japan have. How is it that we export so little in terms of finished aluminum products? It is not a transportation problem because there is a deep water port close by in what is called the Saguenay Fjord. For this government, spending is synonymous with waste. I feel that if waste must be fought, one must not confuse waste and capital expenditures that have such important effects on a regional or even national economy.

Private interests are now investing some $400 million in the aluminum industry of our region which is home to the largest aluminum factory in the world. Such multinational corporations as General Motors will start building aluminum engines. Why does the government not set up a scheme to encourage small and medium size business? If it did, its efforts would support those of the private sector. It has been found that in Japan, especially in the automobile industry, multinationals co-operate with small and medium size firms, which function as subcontractors. Why does the government not encourage our small and medium size enterprises to play a similar part? This would help reduce our trade balance deficit and create jobs in a region where unemployment remains a major problem.

What about agriculture? The government does not even mention that sector of our economy in the document where it sets forth its policies, perhaps as if it is not interested at all. I am worried about such an approach. However, Canadian farmers can rely on us. We will certainly remind the government that they exist. As a matter of fact, agriculture is the industry with the highest level of productivity, thanks to the encouraging policies of the previous administration.

• (2110)

The new government is guilty of serious negligence if it does not take any interest in Canadian farmers. However, let us look at some of the others schematic proposals contained in the Speech from the Throne.

First, what are we to think of the announcement of cuts in social services and the public service and the accelerated increase in the price of energy, to name only a few? What is surprising is that these measures were announced before the opening of Parliament. This is even more startling if we recall that the new Prime Minister never missed an opportunity to remind the previous government that its new policies should be announced in Parliament before being announced directly by the information media. Why is the new government not practising what it preached for so long? We are now in a situation where ministers have made public fantastic statements which were later confirmed or denied publicly by the Prime Minister. Yet, no representative of the Canadian people, in other words no member of Parliament was able to learn the position of the government by any other means than by listening to news reports since Parliament had not yet been convened.

We must admit that this is a first in the history of Canadian Parliaments. It is very disturbing to realize that this policy change has been brought about by a party that had promised repeatedly that it would re-establish the supremacy of Parliament. In view of the actions of this government, I am therefore faced with the obligation to protest strongly about its off-hand treatment of the Canadian people. Mr. Speaker, we are not the only ones to have suffered the arrogance of this new government. What about the way certain senior public servants have been treated?

Who will defend the 60,000 public servants involved, who include some who have been with the government for 20 and even 30 years? They include family men and women, as well as young and old employees who are living a dramatic experience. The government has suddenly told them that they are completely useless in our society and condemned them to become the laughing stock of their family and relatives. I shall not even mention the financial difficulties, the broken dreams and the despair of those Canadians. Yet, did the new Prime Minister not solemnly promise to put Canada back to work? The government must make an effort to create jobs for those public servants.

On the other hand, the new government continues to hire new people. I have heard that there is a lady in the office of the Prime Minister who does only that. She is in charge of human relations, while 60,000 civil servants are unfortunately denied that type of consideration. To be hard-hearted has become the new virtue of that regime. That is its trademark. Did the new Minister of Finance (Mr. Crosbie) not say that he would be hard?

What about the statements of the Secretary of State for External Affairs (Miss MacDonald) to a social club on October 4 last? Is that the leader of the Canadian diplomatic corps who wonders out loud what advantages Canada derives from its participation in certain aid programs, since our trade with some countries is negligible? We have no colonialist past, nothing to feel guilty about, so we can let them starve to death, those poor souls: our conscience is clear. Is that our new aid policy for the Third World countries? Mr. Speaker, if I have dwelled on the subject of these unhappy circumstances, it is because I fear that Canadians might be conditioned to harden their hearts, to accept the fact that we have nothing in common with the poor of the Third World. Then it will be all the more easy to accept that Canadians in turn be compelled to accept heavy personal sacrifices for the sake of a balanced budget because that is what they are trying to shove down our throats.

Since when are 60,000 Canadians the only ones responsible for an unbalanced budget? Does a balanced budget not flow from more intense economic activity, from an effort in the field of exports or from a display of imagination? Yet, when you have a Prime Minister who antagonizes the whole Arab world because he is the only one who stubbornly wants to move an embassy, it is no wonder if contracts are lost. As a result, each one of us is impoverished. Who is going to foot the bill for this loss of revenue? Will it be the public servants again?

Isn't the lack of coherence of the cabinet over the sale of the Candu reactor—and I will not quote you the remarks made by the Secretary of State for External Affairs—the reason why we lost that sale in Argentina? Who is going to pay for this loss of income? Again, a bunch of civil servants?

The Minister of State for International Trade (Mr. Wilson) candidly tells us that he will have to reduce the funds earmarked for the promotion of Canadian products sales in Latin America because of budget cuts. Is there a more anti-economic action than that one? Who will pay for the loss of revenue resulting from that irresponsible policy? How many public servants in the next tumbrel? There is never any tumbrel for the members of this government, Mr. Speaker.

In the area of economic measures, the President of the Treasury Board (Mr. Stevens) has announced his intention to get rid of many Crown corporations. That puts in the deepest state of anxiety and confusion those corporations' employees as well as the Canadian public. What reasons, what fever, what rage are driving this government to wanting to get rid of Canadian corporations such as Petro-Canada, Canadair or de Havilland? Are they showing a deficit? In most cases, the answer is no; on the contrary they are showing substantial benefits. Are they competing unfairly with the private sector? Again, the answer is no, and we might add that they are meeting alone the competition of foreign multinationals. Will this giving away of Crown corporations to the private sector help reduce the number of public servants? The answer is no because the employees of those companies are not considered as civil servants under the Public Service Employment Act. There is no mention of the fact that businesses such as Canadair and de Havilland were pioneers in aeronautics. Those operations are in Quebec, in a sector of high technology, and they enable our Canadian research workers to vie in ingenuity with those of other countries.

Finally, it is not sure that the executives and research workers who are working now in those businesses will agree to stay with the prospective buyers of those companies. Worse still, should they fall in the hands of multinationals, the first step which would be taken by those industrial giants would be to close the laboratories and rule out any expenditure for research and development in Canada. So, we would have turned the page on everything which could be a breakthrough in a promising sector for Canada, and for Quebec in particular.

Similarly, we do not understand why it is a shame for the federal government to have a presence in the industrial world through nationalized businesses. Are the provinces not doing the same thing, provinces under Conservative governments such as Alberta and Ontario? Is the present government afraid of its responsibilities? Is it afraid of being a real government?

In conclusion, Mr. Speaker, I realize that I am actually pleading a case today. In fact, the official opposition has a duty to bring to light the contradictory actions of this government. For example, the new government thinks that Canadians have no assets in this country. Nothing is farther from the truth. Crown corporations act in the interest of Canada and Canadians. The new government wants to be attentive to the needs of the people, yet it refuses to listen to the arguments of the opposition parties as well as to the critics of Progressive Conservative members showing that Canadians are opposed to some government policies. Finally, all the electoral gibberish about promises for a better future, words such as "potential", phrases such as "to have interest in Canada" are but empty clichés and slogans. This government, after coming before Parliament, seems to have prematurely aged. That is understandable since we all know the government wastes its strength and its energy in purposeless activities as it does not know where it is going. The lack of a sense of direction and stubbornness are the two pillars of this new government. In my view that is not a very good omen for the future of Canadians.

● (2120)

[*English*]

Mr. Peter Elzinga (Pembina): Mr. Speaker, I should like to extend the traditional congratulations to the hon. member for Erie (Mr. Fretz) and the hon. member for Cardigan (Mr. MacDonald) for their superb presentations in moving and seconding the Address in Reply to the Speech from the Throne. Also I should like to congratulate Mr. Speaker on his appointment to that honoured position. I share with the House the outstanding contribution Your Honour made during the time I have been in the House of Commons since 1974, and the pleasure I have had working with you.

When one reviews the Speech from the Throne one finds that many positive areas have been advocated and proposed, many important areas. We have received a certain amount of criticism from the opposition in regard to the lack of statements respecting the economy, but in the Speech from the Throne we find that the government is making a commitment to better control federal government expenditures. The Prime Minister (Mr. Clark) introduced a new expenditure management system so that strict limits will fall upon individual ministers rather than simply on the shoulders of the President of the Treasury Board (Mr. Stevens). Also we see that there will be parliamentary control in regard to the accountability of Crown corporations and that their spending habits will be scrutinized. We will have regular opportunities as parliamentarians to judge whether various government programs and agencies need to continue, or if they need to be altered at all by the implementation of sunset legislation.

It is a grand feat in itself when the federal government attempts to tackle the waste in government spending which has gone on for many years. In the area of parliamentary reform we see that the House of Commons will have its powers strengthened. Parliamentary committees will be much more effective. The average backbench member of parliament, if we can convince House leaders opposite, will have more of a role to play in discussing particular concerns of keen interest to constituents back home.

Also I wish to congratulate the Minister of Transport (Mr. Mazankowski). One cannot help but be impressed with the positive action he has taken in the short period of time he has been the federal Minister of Transport. In my opinion one of the better appointments is the one that the federal minister made regarding the grain co-ordinator, Dr. Horner from Barrhead, Alberta. Not only was he a well-respected politician in the House, but also he was the deputy premier of the province of Alberta. He is an individual who is greatly respected across the country and an individual who can grasp our transportation difficulties.

We have received commitments from three provinces to participate in hopper car purchases so that we can increase the capacity of grain movement. Also we have a commitment from the Minister of Transport that the facilities at the Prince Rupert terminal will be developed to a greater extent. One cannot help but admire the man for giving a commitment that within six years our grain transportation system will handle an additional 50 per cent of grain.

The national government has two basic responsibilities. We have an obligation to run the federal government competently, and to lead the nation to realistic goals. We have a national responsibility to do so honestly. If we as a national government could say to Canadians that we have dealt with the issues honestly, I think we could pride ourselves in that. That is a commitment of this government. We wish to restore faith and confidence in our institutions. The Prime Minister has taken action in this direction. One cannot help but admit that when one does not know the answers, one should be willing to admit that fact. We will make mistakes, but I am hopeful we on this side will be big enough to admit to those mistakes.

The Prime Minister has introduced conflict of interest guidelines for cabinet ministers. Already we have begun to live up to a number of campaign promises, the key one being mortgage deductibility. In the very near future we will see in

the House freedom of information legislation whereby the average Canadian citizen will have an opportunity to have a broader insight into the happenings of the federal government. There is a large task ahead of us to restore faith and trust in our federal institutions. The true test of any government is not how popular it is with the powerful, but how honestly it deals with the many individuals who depend upon it.

● (2130)

In the tradition I have established since becoming a member, I shall be very brief. With the tabling of the task force report on Petro-Canada, I think it is important to make a few comments. There is no doubt on either side of the House as to the need for a national oil company owned by Canadians. The dispute comes in as to whether it should have government ownership or whether it should have citizen participation. I campaigned on citizen participation in the petroleum company of Canada, and I wish to share with the House a portion of the release I issued during the election campaign. It reads as follows:

> It is important that Canadians have an opportunity to participate directly in the development of our national resources and, because of this, we have advocated that individual Canadians have an opportunity for direct ownership in the Petroleum Co. of Canada. This would be accomplished by offering only to Canadian citizens shares in the Petroleum Co. of Canada. It is advisable also that limits be placed on the number that one can own so that a large block is not purchased by a large multinational company, and that individual Canadians themselves are able to purchase them.

I was delighted to see that the task force report set limits on the amount of ownership that one could have. I believe for individuals they placed it at 1 per cent, and for companies at 2 per cent.

Mr. Fraleigh: Three per cent.

Mr. Elzinga: Three per cent. I believe that many Canadians welcome the opportunity to participate directly. As the hon. member for Crowfoot (Mr. Malone) pointed out to me in a conversation several days ago, "How much pride do we as individual Canadians feel for Air Canada?" If we had an opportunity to participate directly in a corporation we would feel a certain amount of pride, and we would participate in the development of that organization.

The hon. member for Lethbridge-Foothills (Mr. Thacker) pointed out in his presentation the vast differences which exist between the members opposite and the members on this side of the House. It is great to see that we have broken now in so far as our philosophical beliefs are concerned and that the NDP party and the Liberal party are on the side on which they belong, and that we and the Social Credit party are on the other. They on that side believe that they know what is best for every Canadian, and they like to dictate what should be done for the average Canadian. We on this side believe in individual initiative, and we wish that individual initiative to foster in Canada.

Some hon. Members: Hear, hear!

Mr. Elzinga: If it were allowed, Mr. Speaker, I would share with hon. members present the contempt I feel for the individuals opposite for misleading the Canadian public on the position my government is taking on Petro-Canada. I have a magazine here which states, "Write to your member of parliament to save Petro-Canada. The Tories want to sell off this oil company to other major oil companies." What a bunch of propaganda. We wish to have citizen participation, but they are putting in the minds of people the idea that we wish to get rid of it, to disband Petro-Canada, or sell it to other oil companies.

It is obvious that the government must keep control in certain sectors, as the task force has pointed out, particularly with regard to the negotiation of any necessary state-to-state oil supply contracts, the promotion or increase of frontier exploration, and the promotion of oil sands and heavy oil research and development.

I have one reservation with regard to the task force report, and that is the giving away of shares. Too often individuals when they receive something for nothing do not place the value on that something which it merits. I have no objection to a select number of shares being given away, but I believe the majority of these shares should be offered for sale on a limited basis to the Canadian public.

An hon. Member: No free lunch.

Mr. Elzinga: Right. As a member of parliament from Alberta, I feel I would be letting down my constituents if I did not make a few comments on the energy situation as it exists in Canada. I do so with a certain amount of reservation, but it is my conviction that we Albertans do believe very strongly in doing what is best for the national interest. It is obvious that Premier William Davis of Ontario is, frankly, opposed to the basic interests of Alberta. There is no doubt that a fundamental conflict exists between Alberta and Ontario on the distribution of power in Canada. There is no pleasure in recording that, but it is a bald reality.

Premier Davis would like to see the increasing value of Alberta oil come to Ottawa and to Ontario. He feels that Alberta is wealthy enough, that the shift of money to the west has gone far enough, and he wishes it stopped. However, when we review the record of what Alberta has contributed to the national welfare of this country, we find, because of the prices which we have taken for oil products in the last number of years, that we have contributed approximately $15 billion to the welfare of the nation as a whole. That is a very significant contribution.

One must face the fact that if the prices on oil products do not rise, the supply will run out. Our premier has stated this on many occasions. In other words, if we wish to have a long-term supply, we must pay the price, but if we do not wish any guarantees we can continue with a low price policy.

It is the position of the Alberta government that Ontario's position is a clear attempt to change the basic concepts and arrangements of confederation which left the ownership of natural resources to the provinces. What is even more objec-

tionable is that their position purports to alter the ownership rights of provinces only with respect to oil and natural gas, leaving the provinces' ownership rights over other natural resources as they are now. It is obvious that we have a dilemma in Canada. Let us hope that we, as a national federal party, can draw these two conflicting views together, and I believe that we can do so.

Let me, in closing, share with hon. members the honour which I feel to have had the opportunity to be elected to this Thirty-first Parliament, and to share with you again, as I did in my maiden speech in 1974, my comments, that I will dedicate myself to serving the needs of all Canadians but, naturally, the majority of my interests will lie with that constituency which put me here in Ottawa. I thank my constituents for that opportunity to represent them in this House of Commons.

Mrs. Margaret Mitchell (Vancouver East): Mr. Speaker, I am honoured tonight to stand before you as a new member in this House. I am very proud to be following in the tradition established by Harold Winch, who represented the great riding of Vancouver East for almost 20 years. I congratulate you, sir, on your recent appointment, and also my colleagues, particularly those who were elected for the first time.

I especially want to congratulate the nine women members who were elected to this House, and I would say to the last speaker that this does not include "the seven sisters", one of them named Esso. I am sure from my own experience that these women have worked very hard, perhaps twice as hard as our male colleagues, to be nominated and elected. As women candidates we convinced the electorate that a woman's place is in the house, House of Commons. I think, however, we still may have to convince this House.

I say this having recently completed an orientation workshop for new members, where many excellent panelists, all of them men, consistently referred to members as "he" and to spouses as "she". As a result my husband is now demanding equal access to the parliamentary women's lounge! Despite those male biases, however, I want to commend the organizers of the workshops. They were very helpful to new members. Undoubtedly under present government policy there will soon be an equal number of top women civil servants to sit on such panels the next time around.

● (2140)

Because we are celebrating the fiftieth anniversary of the person case when women, were finally recognized as persons under the British North America Act, I want to raise several related questions from my impressions as a new member on the Hill.

Why, for example, Mr. Speaker, are there only male security staff, and only female servers in the parliamentary dining room? Why is there no daycare service for parents who work here? How can a woman messenger, whose take home pay is $380, support six children? Why should the staff on this Hill not be unionized and have decent rates of pay similar to civil servants?

[Mr. Elzinga.]

It seems to me that what is done on this Hill should be a model for the nation. If we are committed to equal rights for all Canadians I wonder why we are not leading the public service and public opinion by adopting an affirmative action program. Surely affirmative action and collective bargaining rights for workers are long overdue.

I want to concentrate tonight on two main topics raised in the Speech from the Throne. These topics are vitally important to the future of Canada as well as to the people of Vancouver East, my riding.

First of all, as immigration critic for the New Democratic Party I will speak to the need for a more just and fair immigration policy that will protect the rights of Canadians and that will provide adequate funding for settlement services for new Canadians.

Second, because I am told that a maiden speech may cover the waterfront, I will raise important issues related to the Speech from the Throne proposal to build an effective Canadian merchant marine.

We need a more just immigration policy that will protect the rights of every Canadian as well as every immigrant; that will provide realistic settlement services for new immigrants, and that will treat refugees fairly regardless of their country of origin. Every person in this House, except one, is either an immigrant or a descendant of an immigrant. The exception, of course, is the hon. member for Nunatsiaq (Mr. Ittinuar), who has aboriginal rights. So other members had better listen to him carefully when he speaks on self-determination.

Our history shows that Canada has grown and flourished after every major wave of newcomers. I am told that every immigrant creates 1.5 jobs. Immigrants work hard, repay many costs, bring skills, have strong family ties, and contribute richness to our culture.

I have lived for 20 years in a neighbourhood in Vancouver East that has over 18 nationalities on our two short streets. People work hard to purchase and improve their homes, to educate their children, and to improve their neighbourhoods. There is mutual respect between new and old Canadians because people know and help each other.

Why is it then, that the question of immigration and particularly of refugees, is the most emotionally charged topic on every hot line show across this country?

During times of high unemployment and economic insecurity, prejudice flares. People fear their jobs will be threatened by newcomers who may work for lower wages and longer hours. Labour feels that unions will be undermined and workers exploited. What does government do? Instead of creating more union jobs for unemployed Canadians and refugees, instead of at least maintaining Canada Works jobs to help provide services for newcomers, the present government has cut Canada Works funds at the worst possible time. In Vancouver East funds were cut from $1.2 million to $35,000—from over 150 to a mere three jobs. Mr. Speaker, Vancouver East is an

area that has over 18 per cent unemployment. It is also the community that is hosting the majority of the boat people in British Columbia. So the poor pay again for the humanitarian gestures of the rest of us.

Many citizens, born in Canada, cannot afford decent housing and will never own a home—although they will pay taxes to subsidize mortgage tax credits for wealthy home owners. In downtown Vancouver over 2,000 poor people are on waiting lists for social housing, many of them single people and pensioners, living in cockroach infested rooms. I am sorry to say that they wait in vain because this government has no plans to build social housing. Why should they be joyful when over 600 Vietnamese refugees move into their over-crowded neighbourhood and others are offered CMHC houses at subsidized rates? We know that it is not the refugees' fault that our government has failed Canadians.

Unfortunately, Mr. Speaker, it is the immigrant and the refugee who become scapegoats, not the government. Legitimate fears grow because our government will not provide for the basic rights of Canadians to jobs, housing, and services. Prejudice based on ignorance is soon inflamed by racists. Mr. Speaker, I urge Canadians, and through you, I urge every member in this House to press the conscience of our new government to provide an antidote to this backlash. We must develop jobs and affordable housing for all Canadians—including refugees. Social housing is essential and will stimulate our economy. Tenants, too, have rights. I believe also that shareholders living in co-operative housing developments are deprived of the new Tory Bonanza. Tory privatization of CMHC provides no social benefits—except profits for the privateers.

I want to stress two other points relating to immigration policy. I am sorry that the hon. minister is not here tonight. Mr. Speaker, our party favours a sensible immigration policy. If we open our doors to new Canadians we must have adequate financing for settlement services. It makes no sense at all to bring hundreds of refugees into a community and expect agencies to provide extra services without adequate government funding.

In Vancouver we have a multilingual service called "Mosaic" which is the major service agency for non-English speaking people in Vancouver. This association may be forced to close down because of the ridiculous "fee for service" method of financing of the federal government. In case our colleagues across the floor have not heard of this fee for service, it was introduced by the Liberals and is being carried out by the Conservatives. It provides for no overhead costs and requires unnecessary and costly bureaucratic procedures that intimidate many people. For example, if a non-English speaking person went to Mosaic to ask the way to the post office, he would have to fill out a form saying where he came from, what he does, when he came to Canada, his telephone number, his age, and might also be required to produce documents to prove all this. The worker would then have to fill out documents in order to get paid for the service. This is ridiculous. This method of funding also does not cover the cost of service for people who do not speak English but who have been in the country for over three years. This means, of course, that many women are excluded since they have been at home raising small children and have had little opportunity to learn English.

Just as our Immigration Act discriminates against women by treating them as spouses with few rights of their own, so our federal settlement services ignore the needs of women. Immigrant women at home with small children take longer to learn English and often lead very isolated lives. They can benefit immensely from orientation programs, from ethnic home-school workers, and from training for future employment provided that babysitting is available.

• (2150)

The fee for service method of funding must go. Essential settlement services must be subsidized by the federal government on a regular grant system that is based on need, not on bureaucratic discrimination.

We in the New Democratic Party, Mr. Speaker, supported and prodded the government to open our doors to boat people out of common humanity and because we could not leave the burden of so many refugees to Southeast Asian countries of first asylum. But, how can the government justify the double standard that exists in our immigration policy, especially as it applies to refugees? How can Canada accept General Dang Van Quang as a permanent resident with his nefarious Vietnamese war record, while at the same time we refuse asylum to Galindo Madrid, a young political refugee who has proven that he is a responsible worker in Canada and whose life will be in danger if he is deported to Chile? Yet the decision of this government is to deport him. We also have heard this week, of the plight of six Polish refugees in Newfoundland who are being refused asylum by the Canadian government. How can we spend $117 million for boat people—and we agree with this—while we ignore the economic needs of refugees in Nicaragua, and the urgent need for economic aid in Kampochea? What we need is a more just, objective refugee policy based on United Nations' standards, with adequate procedures for appeal.

Many other reforms to the Immigration Act are needed. I hope the new Minister of Employment and Immigration (Mr. Atkey) will eliminate discrimination as well as including the multicultural fact of Canada, in revisions that are planned. I want to assure the minister that we will work energetically to press for reforms and revisions to the act which are essential.

Before speaking about the need for a Canadian merchant marine, I must mention again that last Monday a major accident occurred in Vancouver East when the Second Narrows CNR Bridge across Burrard Inlet was damaged by a Japanese freighter. As a result, there has been a serious delay in shipping grain, coal, sulphur, potash and forest products. I urge all possible government action to repair this major transportation artery quickly so that ships can once again reach bulk terminals at the eastern end of Vancouver.

I must also call attention to a precedent taking place in the Canadian Arctic. Hon. members may not be aware of this

situation but it is of considerable concern to maritime unions and is a situation apparently condoned by this government. I refer to the issuance of work visas to foreign nationals. These foreign nationals make up the crew on the dredge "Aquarius" under charter to Dome Petroleum. This is a Dutch ship sailing in the western Arctic. While there may not be many unemployed seamen in Edmonton where these visas were issued, I know there are many in Vancouver who deserve these jobs. I ask the Minister of Employment and Immigration, through you, Mr. Speaker, to rescind these visas in favour of Canadians.

I want to speak now of maritime issues and the need for a Canadian merchant marine. The port of Vancouver stretches from the northern border of the Vancouver East riding framed by towering coastal mountains, which incidentally are covered by daffodils all year round! From this beautiful port ships from around the world carry our raw materials to other countries to be manufactured, and they are then sold back to us. These ships are registered under foreign flags and are manned by foreign crews and pay no harbour dues to Canada.

There are many residents of Vancouver East who work on the waterfront as longshoremen, in fishing plants, in ship repairs and related businesses. However, since waterfront industries lack stability, their jobs are sporadic and seasonal, and we all know what they are likely to get in the way of unemployment insurance with the new cutbacks for seasonal workers. Our shipyards in Vancouver East live from day to day. Employment fluctuates from about 200 to 1,500 workers, depending on available contracts for small coastal vessels. Skilled seamen who used to sail on Canadian ships and shipbuilders who worked in busy war time shipyards are retiring, and with them their skills are disappearing. Our unemployed young people are not learning these trades. If Canada had a merchant fleet there would be a steady flow of work and regular apprentice training for these Canadians. Unemployment rates would be reduced to an all time low, not only in Vancouver East but also in the maritimes.

Canada is a maritime nation bounded on three sides by the largest coastline in the world. Until the Second World War, Canada was a leading nation in the shipbuilding industry. We had a merchant marine of which we were proud. Now Switzerland and Luxembourg have bigger fleets than we have. The Liberal government deliberately destroyed this heritage after World War II. Merchant ships were sold off, and skilled seamen and shipbuilders were put out of work. In their place foreign ships were allowed to exploit our trade thereby building up huge trade deficits.

The importance of shipping Canadian cargo in Canadian ships cannot be overstated. For example, in 1977 we paid $2.5 billion in freight charges to foreign shipping countries. If Canada had had a merchant marine this money would have gone to Canadians. In effect it would have wiped out half our trade deficit for that year.

Now, as a bedtime story, I must move on to the tale of that great Canadian pioneering industry, namely, the Canadian Pacific Railway. The CPR boasts about its Canadianism as it reaps profits with vast donations from the public treasuries, and it has done since 1880. The shipping record of Canadian Pacific Bermuda Ltd.—and I emphasize Bermuda—is a national disgrace. Yes, they have a modern deep sea fleet of over 30 merchant ships, but they are registered in Bermuda. Not one of these CPR ships is registered in Canada, built in a Canadian shipyard, or manned by Canadian seamen.

In 1978 the Liberal government gave CPR subsidies of over $100 million, with many more millions in tax deferrals and other corporate welfare gimmicks, to assist in this treachery against Canada. If this is what the new Conservative government calls privatization, God preserve our country from the privateers, and from the Tories too.

I hope, and the people of Canada hope, that we are entering a new era. We expect this government to act on the Darling reports and on the four or more subsequent reports that Otto Lang ignored. The time is right for major stimulation to our maritime industries in the east, in the west, and in the north where the promise of offshore resources is a challenge to us to develop new technologies for the Arctic. We welcome the throne speech that promises an effective merchant marine and we will watch closely for further details.

In closing, Mr. Speaker, I want to refer this government to a plan of action that was strongly endorsed by both labour and management during recent months. This practical plan was proposed by none other than our own outstanding leader of the New Democratic Party (Mr. Broadbent): (1) repatriate existing Canadian owned fleets; (2) require that Canadian bottoms carry Canadian goods in Canadian waters; (3) stimulate shipbuilding with loans and grants carefully planned; (4) guarantee that future shipping of petroleum and mineral products from Arctic sources is owned, developed, built and manned by Canadians; (5) adopt the UN shipping convention rule which guarantees that at least 40 per cent of Canadian goods will be carried on Canadian ships; (6) instigate training programs for a whole new generation of maritime workers.

• (2200)

I look forward eagerly to this session in which I hope we will be able to solve some of these problems. I know the people of Vancouver East share my concerns.

PROCEEDINGS ON ADJOURNMENT MOTION

[*Translation*]

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

INDUSTRY—OPPORTUNITY TO SELL CANADAIR TO PRIVATE SECTOR

Mr. Marcel Roy (Laval): Mr. Speaker, since this is the first question on an adjournment motion, I take this opportunity to

extend my congratulations on your re-election as Chairman of Committee of the Whole and to express my best wishes for a prolonged life both in the chair and as hon. member for Beauharnois-Salaberry. During the question period yesterday, I stated to the right hon. Prime Minister (Mr. Clark) my concerns with the program of privatizing Crown corporations. Apparently the profitable corporations will have priority in the sales process, over the unprofitable ones, which will remain at the taxpayers' expense. Regretfully, I am referring for instance to Petro-Canada, which will go back to the private sector while the non-profitable part, research, development and risk ventures, will remain with the government. In the case of Canadair, a profitable corporation, there is also talk of liquidating and proceeding before the end of November. Mr. Speaker, what are we going to do with de Havilland in Toronto, which is still unprofitable? Are we to proceed in parallel, the profitable plant being sold while the unprofitable one will be kept as a Crown corporation? In its program of privatizing the Crown corporations, the government announced the sale of Canadair to the private sector without telling us how this would be done, what would be the criteria and within what framework the government intends to take that corporation away from its shareholders, depriving them of their right to share and participate in the profits or benefiting from the profitability experienced by this industry faced with a very promising future.

Mr. Speaker, Canadair was purchased in 1976 by the former administration at a cost of $38 million in order to ensure Canadian control over this important sector of the economy, to develop the aeronautic industry and, thereby, through the sale of its aircraft, to export on a worldwide scale the products of its technology. The Challenger, for instance, which has met with tremendous success actually represents an injection of over $700 million into the Canadian economy. Canadians took some risks in 1976 when Canadair was in a deficit position and on the verge of closing down. Today the purchase of Canadair represents the creation of more than 5,000 jobs in the Montreal metropolitan area out of which 95 per cent have gone to Quebeckers who, as a result, have developed an interest in aeronautics as evidenced by the 700-plus students registered in the school of aerotechnics at the Edouard Montpetit community college.

In 1976, out of an ailing enterprise, the Liberal government made a symbol of success which has become the pride of all Canadians and I would like especially to commend the executive team for its dynamism and the quality of its management as well as the plant workers who have also made significant efforts to ensure its success.

Mr. Speaker, Quebeckers are not just mere manufacturers, and if you will allow me the expression, drawers of water, because we also manufactured the CL-215 which is designed for fighting forest fires.

But Quebeckers are now manufacturing the most modern, the most efficient twin-engine jet, which has had a phenomenal success worldwide, and they want to keep that reputation and participate in that aeronautical development. Big contracts with the Department of National Defence for a new fighter plane worth some $2,500 million will surely mean major economic fallout for Canadair, and will be added to present contracts which represent for thousands of Quebeckers well-paid jobs for about 20 years.

Mr. Speaker, our leader mentioned early in the new Parliament that the opposition would be positive. I therefore suggest that the government look seriously into the possibility of creating a single aeronautics company merging Canadair of Montreal with de Havilland of Toronto, because of the importance of the relations between the government and private enterprise, especially in that specialized sector of aeronautics, considering the fact that planes are classified by the Department of Transport of Canada, their export is controlled by the Department of External Affairs, the marketing and financing by the Department of Industry, Trade and Commerce, and military needs are ensured jointly by the Departments of National Defence, Supply and Services and even of Environment Canada, which can intervene in that co-operation between private enterprise and the government.

It seems to me that formula for joint participation by the government and private interests is a far more logical solution and, especially, more acceptable to all Canadians. If they decide to go ahead with the sale of that industry the transaction should be made within the framework of general legislation on the liquidation of Crown companies.

Mr. Speaker, the case of the Arrow aircraft was the reflection of a lack of interest from the Progressive Conservatives in the field of aeronautics, and we do not want Canadians to be reminded of that sad story. Unless they can obtain from their government official safeguards which should be provided through the development of a national policy on aeronautics, it seems to me that this privatization will be useless and that Canadians will be fooled once again by the Tories.

● (2205)

[*English*]

Mr. John Bosley (Parliamentary Secretary to Prime Minister): Mr. Speaker, this is the first opportunity I have to congratulate you on your appointment and I do so gladly.

I will proceed expeditiously to answer the question raised by the hon. member because I am sure he is anxious to hear the reply and not simply interested in making a speech. It is true, as he suggests, that Canadair Limited is one of the leading aircraft companies in the Canadian aerospace industry with integrated capabilities for design, development, production and

marketing of complete aircraft, battlefield surveillance systems, and for specialized fabrication of major airframe assemblies for other prime aircraft manufacturers. The largest and most significant current project is the CL-600 Challenger corporate jet aircraft which offers a long-term potential for sales well in excess of $1.6 billion. Contracted sales involving non-refundable deposits now number 120. Nothing said by this government at any time has ever been intended as any suggestion that we wish to jeopardize the future of that aircraft or that company.

As the President of the Treasury Board (Mr. Stevens) has already indicated, what we have under active consideration is the feasibility of returning ownership of Canadair to the private sector. A special task force to deal specifically with both the framework to which the hon. member refers and, in this case, the specific privatization procedure for this company, has been established to study and to make recommendations on the process of privatization and on privatization guidelines. I would be more than happy to refer the hon. member's suggestions to that task force.

As I finish perhaps it should be clear that the reason this company was purchased was to make sure, as the hon. member suggests, that the company would remain in Canadian hands and that the people who work for it would continue to have their jobs. It was clearly understood at the time that government ownership was seen as temporary, until the company could be returned to private sector ownership as a successful, ongoing entity with sound, long-term prospects in its business and market area. The timing and character of a sale to the private sector can be expected not to prejudice the encouraging commercial performance of Canadair which has been built up during the period of government ownership. Moreover, as the Prime Minister (Mr. Clark) indicated to this House, the retention of major facilities in Quebec will be an important consideration.

Finally, I think we on this side of the House clearly reject the suggestion that merely because something has been government-owned, it ought automatically to continue to be government-owned. This is fundamental to the success of the companies themselves in the long run.

● (2210)

ENVIRONMENTAL AFFAIRS—GOVERNMENT POLICY RESPECTING DISPOSAL AND TRANSPORTATION OF CHEMICAL WASTES

Mr. Bill Blaikie (Winnipeg-Bird's Hill): Mr. Speaker, first I would like to thank the Minister of the Environment (Mr. Fraser) for taking the time to show up tonight to respond to the elaboration of my question.

If hon. members recall, the question I asked last Friday had to do with the disposal and transport of dangerous chemical wastes. Being a rookie I made the mistake of ending my question with a specific question to which the minister replied—and I was glad he replied as he did—"Yes, and soon;" that the government would proceed with the passage of the transport of dangerous goods legislation.

[Mr. Bosley.]

However, my question was prefaced with a more general question as to what the general intentions of the government were with regard to the transport and disposal of dangerous chemical wastes. I refer to the general problem of the growing number of dangerous products in Canada, a problem which we have not had to face up to until recently because, until recently, the United States was willing to take all of our chemical wastes and dispose of them for us.

However, the United States will be a garbage can for Canada for only so long, and its authorities have indicated that there is a limit to the time that they will receive these wastes from us, so we are faced with the prospect of having to build disposal plants on our side of the border.

I was first made aware of this problem when I was on a tour with the hon. member for Saskatoon East (Mr. Ogle) regarding health care. We happened into Fort Saskatchewan, north of Edmonton, where one of these plants is being suggested.

With regard to this general problem and with regard to the philosophical commitment of the government, I would like to ask the minister whether the government intends, as a policy, to allow the disposal of chemical wastes to be handled by the private sector or the public sector. One of the things a citizens' group in Fort Saskatchewan was concerned about was that the disposal of chemical wastes would be left to the private sector and that there were no incentives, once the chemical wastes were in the hands of a private company given this responsibility, to dispose of the chemical wastes in a safe and responsible way. Certain abuses have already been brought to our attention. These abuses have been by companies which have offered to dispose of waste, and then leaked these dangerous wastes on highways from leaking trucks, and carried out various other atrocities.

So, I would like to ask the minister what the general intention and policy of the government is with regard to this problem. I know the minister takes the problem seriously. I do not see this question as an attempt to embarrass the government, but I think it important that we know now just what the intention of the government is. Is this problem to be handled through public enterprise or through private enterprise? I myself feel that the latter alternative is a dangerous one.

Mr. Otto Jelinek (Parliamentary Secretary to Minister of Transport): Mr. Speaker, since this matter falls primarily within the jurisdiction of the Department of Transport, I am taking the liberty of responding to the hon. member's concerns.

● (2215)

First, let me remind the hon. member that a bill to regulate the transportation of regulated goods is in fact included in the list of some of the measures the government proposes to place before Parliament during this first session of the Thirty-first Parliament and which the President of Privy Council (Mr. Baker) tabled in the House, Thursday, October 11. In case the

hon. member missed this tabling of bills, this list is appended to *Hansard* at pages 116 and 117 of that date.

Regulations covering the packaging, handling and transportation of dangerous goods have been promulgated by a variety of federal, provincial and municipal authorities since the early part of this century. The resulting mass of often conflicting regulations, penalties, and enforcement provisions had led to confusion on the part of the distributors, carriers and manufacturers of these products and their containers. Indeed, in order to meet the needs of commerce, they have sometimes had either to ignore the rules or disguise the characteristics of the products. Attempts to enforce these conflicting standards would be exceedingly difficult and complicated, and would constitute a severe barrier to trade.

And so, Mr. Speaker, the object of this bill to regulate the transportation of dangerous goods is to ensure safety in transport while facilitating trade by providing for the promulgation and enforcement of a uniform set of regulations governing the handling and transportation of dangerous goods, and establishing a joint safety program with the provinces which will ensure that compatible standards are applied across the country.

In short, the act will be designed to ensure the complete integrity of hazardous shipments, be they commodities or wastes in and across Canada.

To respond to the specific concern of the hon. member over rail traffic through Winnipeg-Birds Hill, I can assure him that federal inspectors will enforce the provisions of the proposed transportation of dangerous goods act.

ENVIRONMENTAL AFFAIRS—PROTECTION AGAINST OIL SPILLS IN WEST COAST WATERS

Mr. Ian Waddell (Vancouver-Kingsway): Mr. Speaker, it is nice to speak to a full House.

Some hon. Members: Oh, oh!

Mr. Waddell: My topic tonight is the transportation of Alaskan oil. It arises from a question I asked in the House on October 11 of the Minister of the Environment (Mr. Fraser). The question was as follows:

> What does the minister propose to do to ensure that the routing of Alaskan oil will be done in the best interests of Canada and will not endanger the west coast?

My main point tonight is that the policy followed by the present Conservative government, and indeed by the previous Liberal administration, is a disaster for British Columbia and Canada, in my opinion. What really irks me is that we are on an American timetable in this issue. Surely the minister must realize that. It is like an old movie. We did the same thing with the gas pipeline. I have spent three years of my life on the regulatory procedure for that pipeline and we speeded up the regulation to meet the American timetable. What happened? We finished our regulatory procedures but we are still waiting for the Americans to get their act together. It seems to me that now we are doing it again, we are again trying to meet the American timetable.

I should like to give members in the House some brief facts on this matter so that it becomes a little more clear. The problem is to get Alaskan oil to the midwestern United States. There have been five proposals: first, a tanker route to Kitimat. That seems to be gone now. Second, a tanker route to Skagway. That seems to be gone. Third, a tanker route to Port Angeles, Washington, thence to Edmonton and thence to the American mid-west. That seems to be still there. It is the Trans Mountain proposal. Fourth, a tanker route to Low Point in Washington, near Port Angeles, and again by pipeline to the American mid-west. It is the "all-American"route. Fifth, an overland line, the Foothills line. Yesterday we heard that apparently Foothills has withdrawn its application or at least put it on the back burner. Now we are faced with an oil port on the west coast and a tanker route.

● (2220)

Ask any student in the city of Vancouver or in any one of the members' constituencies. They know about oil spills, about Chedabucto Bay, the Torrey Canyon incident and the present spill in Mexico. They know, and our scientists know, that there will be a spill if there is an oil port on the west coast. I know the minister shares with me the terrible thought of seeing British Columbia beaches covered with oil.

There is another reason why we worry about a spill. It is not just the love of the sea. The fact is that we have an incredible Fraser River salmon industry. It is a resource, as a food resource, that is comparable to the wheat capacity of the prairies. It is a permanent renewable resource. If we have a spill, it is gone.

Another matter which concerns me—and I will be frank about this—is that the government looks like a fool. My Canadian government, our government, looks like a fool. It seems to support the Foothills application. The Prime Minister (Mr. Clark) practically said so in the House the other day. It is counting on that, and then suddenly Foothills withdraws. Where is the policy? There is no policy. I hope the minister will rise after me and tell the House the policy. I do not like to see our government look like a fool. If that is an example of private planning, then God help us after we return everything to the private sector. We must plan for this. We cannot just let Foothills carry the ball. We cannot put everything on Foothills, and then suddenly they withdraw and leave the government with egg on its face. Where do we go from here? What is something positive that we can do?

Apparently the minister has accepted as a *fait accompli* the fact of a west coast oil port, and the Liberal member for Vancouver Centre (Mr. Phillips) appears to have accepted that. I do not accept that for one minute, and neither do my colleagues in the NDP.

Some hon. Members: Hear, hear!

Mr. Waddell: I suggested to the Prime Minister in a supplementary question that he should get together with the American president on November 9 and 10 and put this item on the agenda. The Prime Minister was kind enough to accept that

suggestion. It seems to me the government should go further. It should adopt the suggestion of the hon. member for Skeena (Mr. Fulton), given in the House today, to send a strong note to the American government telling it what our policy is and that we do not want that tanker route. Also the Prime Minister and the government can use its leverage with the Americans. They can say that it is our policy that the user must take the risk. This is American oil going to Americans. Why should we take the risk? The user should take the risk. The government should say that to the President of the United States.

Also the government should say to the President of the United States, "You must extend the timetable". We can work together as countries to solve this problem. We can do it rationally. We do not have to follow the American timetable. We will have a lot of future dealings with the Americans, especially in gas exports, so we have some clout in dealing with them. I should like to hear the minister on this. The government should have a policy on this, not just follow Foothills and fall over flat when Foothills withdraws. I have suggested there are positive steps that the government should take. My time is running out.

Mr. Kempling: It sure is.

Mr. Waddell: I say to the hon. member: I hope time is not running out for the west coast of Canada and for our relationship with the United States.

Hon. John A. Fraser (Postmaster General and Minister of the Environment): Mr. Speaker, I thank the hon. member for raising this matter during oral questions the other day and for bringing it forward in the adjournment debate tonight. The Government of Canada is opposed to increased tanker traffic on the west coast. That has been the position of this government, not just since it became a government, but through its speakers in opposition going back as far as 1970.

As the hon. member knows, I put no blame on the New Democratic Party, but I put a lot of blame on the former Liberal government which in those years refused to discuss with Americans any consideration of a land route for both gas and oil that would have avoided the tanker problem completely. It was their refusal in those years to enter into any kind of serious negotiation with the United States that put us in the dilemma we are in today. I know that my hon. friend understands that. It does not lie well in the mouth of the former prime minister to play the games he played today in question period where he suggested that the present prime minister (Mr. Clark) is somehow to blame because no action was taken when in fact he, as prime minister of the former administration, could have taken it.

• (2225)

This government supported Foothills, and that support was firm and indicated to the United States in an aide memoire. The fact is that we do have our regulatory processes. That aide memoire said that no final decision could be made until the National Energy Board had completed its hearings and there was another application. The reasons for Foothills' withdrawal are reasons which Foothills must explain to the country and to those who supported the company.

The dilemma we now face is exactly the dilemma put by the hon. member, and that is, first of all, is there any way in which we can persuade the government of the United States to look very closely at the remaining options, and is there any way, if necessary, that we can persuade that government, which will have to change its legislation, to extend the time. The Prime Minister has said that he will be discussing this matter not only with myself but with the Secretary of State for External Affairs (Miss MacDonald) and the Minister of Energy, Mines and Resources (Mr. Hnatyshyn), and that he will be communicating our concerns to the government of the United States.

I thank the hon. member for his expressions of concern, and they will be passed on to the government of the United States. We are in a very difficult position, and I emphasize that the final decision does not rest with the Government of Canada.

I do want to point out the fact that when the U.S. Secretary of the Interior said that he is prepared to recommend to the President of the United States that the northern tier route be accepted, he also went on to say that he would allow a year for the northern tier route to work out its finances and that in the event they could not do so—that seems to indicate perhaps some doubt in the secretary's mind—then he would look at other options.

Mr. Deputy Speaker: The motion to adjourn the House is now deemed to have been adopted. Accordingly, this House stands adjourned until tomorrow at two o'clock p.m.

Motion agreed to and the House adjourned at 10.28 p.m.

HOUSE OF COMMONS

Wednesday, October 17, 1979

The House met at 2 p.m.

• (1405)

ROUTINE PROCEEDINGS

[*English*]

ENERGY

PROPOSED INCREASE IN PRICE OF OIL AND GAS—MOTION UNDER S.O. 43

Mr. Gilbert Parent (Welland): Mr. Speaker, I rise under the provisions of Standing Order 43 on a matter of urgent and pressing necessity.

Whereas the government seems to plan an incredible increase of more than 30 per cent in the price of oil, and whereas such a step would mean an increase of at least 30 cents to 45 cents per gallon of gas and 20 cents to 30 cents per gallon of heating oil, and whereas such an increase would mean an additional cost of at least $140 per year per car driver, and at least $160 per year per household, I move, seconded by the hon. member for Outremont (Mr. Lalonde):

That this House directs the government not to make any change to the present arrangements that provide for an increase of only three cents to four cents per gallon of gas between now and June 30, 1980.

Mr. Speaker: Presentation of such a motion for debate would require the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

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[*Translation*]

PUBLIC SERVICE

INQUIRY CONCERNING UNJUST DISMISSALS—MOTION UNDER S.O. 43

Mr. Gaston Isabelle (Hull): Mr. Speaker, under the terms of Standing Order 43, I request the unanimous consent of the House.

Considering that in recent months thousands of civil servants with 15 to 25 years of seniority in the civil service were fired with no other explanation than the fact that their numbers had to be reduced, and considering that recent medical reports have since raised the spectre of infarct, coronary thrombosis, alcoholism and depression apparently settling in at an alarming rate because these unjust and inhuman methods have been resorted to, I move, seconded by the hon. member for Pontiac-Gatineau-Labelle (Mr. Lefebvre):

That this House condem the use of such methods and that an order be given for an inquiry to be instituted in the matter of firings in the civil service which, to all practical purposes, are now discriminatory and contrary to the most elementary justice.

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

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

[*English*]

HAZARDOUS SUBSTANCES

REQUEST THAT IJC STUDY HARMFUL EFFECTS OF RADIATION LEAKAGES—MOTION UNDER S.O. 43

Mr. Mark Rose (Mission-Port Moody): Mr. Speaker, I, too, rise under the provisions of Standing Order 43 on a matter of urgent and pressing necessity.

Because a 1,280 megawatt boiling water nuclear power installation is proposed for Sedro Woolley, Washington, a site contiguous to the Canada-U.S. border, and should construction proceed any future accident would threaten the lives of almost one million people in B.C.'s lower mainland, I move, seconded by the hon. member for New Westminster-Coquitlam (Miss Jewett):

That (1) Canada issue to the United States an aide memoire calling for a moratorium on the Sedro Woolley plant with a view to its relocation away from Canadian population centres;

(2) that during President Carter's visit here our Prime Minister discuss the concern of many Canadians over nuclear installations and the lethal effects of radiation leakage, and depending on the outcome of discussions between the two leaders, Canada consider initiating a reference to the International Joint Commission for study and recommendations.

Mr. Speaker: Such a motion can be introduced for debate at this time, pursuant to Standing Order 43, only with unanimous consent? Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

S.O. 43

• (1410)

GARRISON DIVERSION

EFFECT ON MANITOBA WATER SYSTEMS—MOTION UNDER S.O. 43

Mr. Lloyd Axworthy (Winnipeg-Fort Garry): Mr. Speaker, I rise under the provisions of Standing Order 43 on a motion of urgent and pressing necessity.

In view of the fact that there is increasing uncertainty over the American government's intentions in relation to the Garrison irrigation project in North Dakota, in view of the fact that any form of biological linkage between the Garrison water systems and Manitoba would result in substantial environmental damage and seriously harm the fishing industry in Manitoba, and in view of the impending visit of President Carter to Canada on November 9, I move, seconded by the hon. member for St. Boniface (Mr. Bockstael):

That the matter of the Garrison irrigation project be placed on the agenda for discussion as a priority issue and that the Canadian government convey to the President that there should be no form of linkage between the Garrison and Manitoba water systems.

Mr. Speaker: The introduction of such a motion for debate would require unanimous consent. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

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INCOME TAX

SUGGESTED EXEMPTION OF CERTAIN PERSONS—MOTION UNDER S.O. 43

Mr. Maurice Harquail (Restigouche): Mr. Speaker, I rise under the provisions of Standing Order 43. In view of galloping inflation which is resulting in an ever-increasing high cost of living, which is having an adverse effect on our senior citizens in Canada, I move, seconded by the hon. member for Welland (Mr. Parent):

That the Minister of Finance consult with his colleague, the Minister of National Revenue, who is also President of the Privy Council, Deputy Prime Minister and government House leader, as well as with the Minister of National Health and Welfare, with a view to bringing forward a measure whereby persons of 65 years of age and over with incomes of less than $15,000 per year would have no responsibility to pay federal income tax.

Mr. Speaker: The introduction of such a motion for debate at this time requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

[Mr. Speaker.]

COMBINES INVESTIGATION ACT

MINISTERIAL DISCUSSION OF POSSIBLE PROSECUTIONS—MOTION UNDER S.O. 43

Hon. Warren Allmand (Notre-Dame-de-Grâce): Mr. Speaker, under the provisions of Standing Order 43, I ask for unanimous consent of the House to move a motion of urgent and pressing necessity.

Considering the unusual procedure confirmed yesterday by the Minister of Consumer and Corporate Affairs (Mr. Lawrence) and the Prime Minister (Mr. Clark) regarding the laying of charges under the combines act, where the Prime Minister approved a practice whereby the Minister of Consumer and Corporate Affairs discussed the laying of charges with the Minister of Justice and the Minister of Transport (Mr. Mazankowski), which was never the practice in the past, and considering that under section 15 of the combines act the director of investigation is to have complete independence, following an inquiry, to refer a case to the Attorney General for the purpose of laying charges, without any political influence or considerations, I move, seconded by the hon. member for Windsor West (Mr. Gray):

That the Prime Minister conduct an immediate investigation into this case to determine who was present at the said meeting, what was said, and whether everything was according to law and practice, and that until the Prime Minister reports to the House on this important matter, he suspend the Minister of Consumer and Corporate Affairs from his functions.

Mr. Speaker: The introduction of such a motion for debate at this time would require the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

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UNEMPLOYMENT INSURANCE

ALLEGED DISCRIMINATION IN REGULATIONS APPLYING TO WIVES OF FISHERMEN—MOTION UNDER S.O. 43

Mr. Fonse Faour (Humber-Port-Au-Port-St. Barbe): Mr. Speaker, I rise under the provisions of Standing Order 43 on a matter of urgent and pressing necessity.

In view of the recent ruling by the Human Rights Commission that regulations of the Unemployment Insurance Commission applicable to fishermen's wives are discriminatory, and in view of the fact that government members, when in opposition, urged that the discrimination against fishermen's wives be stopped, I move, seconded by the hon. member for Broadview-Greenwood (Mr. Rae):

That this House instruct the Minister of Employment and Immigration to change immediately, by order in council, the discriminating regulations under which fishermen's wives have been denied unemployment insurance benefits.

Mr. Speaker: The introduction of such a motion for debate at this time requires unanimous consent. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

ORAL QUESTION PERIOD

[*English*]

NORTHERN PIPELINES

WITHDRAWAL OF FOOTHILLS' APPLICATION—CANADA-U.S. DISCUSSIONS

Right Hon. P. E. Trudeau (Leader of the Opposition): Mr. Speaker, I would like to return to the question of the Foothills' pipeline project and its decision to withdraw its application from the National Energy Board.

Yesterday, at the end of the question period, the Prime Minister kindly informed us of the date of the aide memoire, which was September 28. He said he would get further information on what other *démarches* had been made previous to that date. Could he answer the question now and, in particular, could he tell us whether any significant action was taken either by himself or by his ministers to push that Foothills' project, which not only means fewer tankers up the west coast but more jobs for Ipsco in Saskatchewan and steelworkers in Hamilton. Did he, personally, raise this matter with the President, perhaps in Tokyo, or speaking on the phone on some other occasion?

● (1415)

Right Hon. Joe Clark (Prime Minister): Mr. Speaker, I did not, personally, raise this matter with the President in Tokyo. That was not one of the matters on which the former prime minister briefed me, suggesting I should raise the question—

Some hon. Members: Oh, oh!

Mr. Clark: —but ministers of this government have been in touch with Foothills and in touch with United States officials throughout the summer to make clear the preference of the Canadian government for the Foothills route and to make very clear our concern about the environmental impact of tanker traffic off the west coast.

We knew there was a deadline of October 2 for submission of an aide memoire to the United States. We submitted that aide memoire before that deadline so that there would be no question about the position taken by the Government of Canada which had been made very clear in an informal way on several occasions during the summer.

Mr. Trudeau: The Prime Minister is, perhaps jokingly, suggesting that I should have briefed him before the Tokyo meeting on such bilaterals. If he needs that kind of help, I am at his disposal.

Some hon. Members: Oh, oh!

Mr. Trudeau: The President of the United States will be coming here in early November, and I would be happy to tell the Prime Minister which important matters of interest to Canada he should raise.

I come back to his suggestion that during the summer there were some contacts with ministers—I am not interested in officials. The reason I did not brief the Prime Minister on that aspect was because we had, last March—last April—informed the United States government that Foothills was our preference. This information was given to the United States government within weeks after the U.S. had asked us for our preference. I am interested in knowing whether this government, through its ministers, informed the United States. The Prime Minister did not do so. Did the Secretary of State tell Mr. Vance? Did the Minister of Energy inform Mr. Andrus and, if so, at what date?

Mr. Clark: There were several meetings with Foothills involving ministers—

An hon. Member: That's not the question.

Mr. Clark: I understand that. I understand what the former prime minister is asking. The situation is this: the position of the Government of Canada was made clear by the former government in March of this year—

Mr. Trudeau: April.

Mr. Clark: In April, was it? I gave him more credit. Whatever the date, the former government made Canada's position clear. That position did not change. In informal meetings involving the Minister of Energy, Mines and Resources, the Secretary of State for External Affairs and the Minister of the Environment, with Foothills—in a formal meeting, involving officials, between the Government of Canada and the government of the United States on October 6 again it was reaffirmed that the position taken by the Government of Canada in support of Foothills in March or April of this year was the position the Government of Canada continued to hold. This was reaffirmed officially again in an aide memoire delivered on September 28 of this year to meet a deadline of October 2 set by the United States.

Mr. Trudeau: I understand there were meetings with Foothills, and I am glad of that. I am asking whether there were meetings with the United States. Perhaps the Prime Minister made a mistake, but he mentioned that there were meetings of officials on October 6. Surely, if the aide memoire was delivered on September 28, the least that might happen would have been that some ministers might have talked with their opposite numbers in the United States since the government was supporting our position of last March and April.

The Prime Minister keeps referring to the fact that there has been a change of government. They know this in the United States, too. The question is: was this government pursuing this very important policy affecting Canadian jobs and Canadian environmentalists?

● (1420)

Mr. Clark: Mr. Speaker, I did misstate the date. The meeting of officials was on September 6, not on October 6, and that was part of a regular consultation process of which the former prime minister is well aware.

The position of the Government of Canada was clear from the time the communication was sent by the former government. There was never any question in the minds of the ministers of the government of the United States as to the official position of the Government of Canada. This was reaffirmed officially by the Government of Canada in an aide memoire dated September 28.

LOSS TO CANADIAN ECONOMY AND THREAT TO ENVIRONMENT POSED BY TANKER ROUTE

Hon. John C. Munro (Hamilton East): Mr. Speaker, having listened to the Prime Minister, I am astounded that he would let an opportunity like this go by without a fight by the Canadian government.

Some hon. Members: Hear, hear!

Mr. Munro (Hamilton East): The Prime Minister has referred to meeting over the summer with Foothills. He has referred to meetings over the summer and in September with the Americans. Who initiated these meetings? With whom, and when, did these meetings take place? That is what we would like to know. When did these meetings take place? Did the Prime Minister and his ministers talk about jobs lost to Canadians, contracts lost to our industries, and the environmental threats off coast?

Some hon. Members: Order.

Mr. Munro (Hamilton East): Did the Prime Minister talk about that, if the Foothills contract was lost to Canadians? That is what we would like to know.

Right Hon. Joe Clark (Prime Minister): Mr. Speaker, I assume that the purpose of this questioning is to try to indicate that there was some doubt in the minds of United States' officials as to the position of the Government of Canada relative to a preference for the Foothills route. There was no doubt at all. There was a meeting of officials on September 6 as part of a regular series of meetings. There were a number of meetings between ministers of this government and officials of Foothills through the summer affirming that the position of support for Foothills enunciated by the former government was the position which was maintained by this government.

I can inquire as to whether the Secretary of State for External Affairs raised the matter in bilateral ways with the United States, but the point is that there never was any doubt about support for the Foothills route and about concern about tanker traffic down the west coast.

Mr. Munro (Hamilton East): Mr. Speaker, that may be some minor consolation, but we on this side are not interested in how the government wasted time all during the summer on a project of this importance.

The Prime Minister did not answer my question. What we want to know is what government ministers did all during the course of the summer, to ensure that Canada got this contract and had the approval of Foothills, which would ensure jobs for Canadians. In that connection, I wonder if the Prime Minister has received a telegram from local 1005 of the United Steel Workers, the largest local of steel workers in Canada, berating this government for its incompetence in not pursuing this adequately to protect the jobs of Canadians.

Mr. Clark: Mr. Speaker, I will come directly to the question. I will inquire as to whether a telegram was received and I will advise the former minister of my response to that telegram.

Mr. Munro (Hamilton East): And the answers to the other questions.

* * *

FINANCE

PLANNED INCREASE IN PRICE OF ENERGY—EFFECT ON ECONOMY

Mr. Cyril Symes (Sault Ste. Marie): Mr. Speaker, my question is for the Minister of Finance. Given the most recent reports of a planned energy price increase of $4 a barrel for next year and also the raising of the excise tax on gasoline to 37 cents a gallon, I wonder if the minister can inform the House by tabling what projections he and his department have made of the negative effects of this price increase in terms of unemployment, inflation and the gross national product? Predictions over the short term for the economy in the winter are very negative. Would the minister not agree that this increase would push us into a very severe recession?

Hon. John C. Crosbie (Minister of Finance): Mr. Speaker, the hon. gentleman is asking me to comment on speculation in the newspapers. There has been no decision by the government that there is going to be any increase in anything at the moment, so I ask the hon. member not to get "excised" about the whole matter.

Mr. Symes: Mr. Speaker, surely the minister and his officials have done projections on various price scenarios and the effects these would have on the economy and Canadian consumers. Would the minister be prepared to table those scenarios in the House, and also to assure the House that we will have a full parliamentary debate on the question of price increases before they are implemented?

● (1425)

Mr. Crosbie: Mr. Speaker, I can assure the hon. gentleman that the Department of Finance is doing scenarios all the time and, in fact, never has the Department of Finance given the people of Canada as much information as they have been given

since June 5. That will continue in the budget and by other means before hon. members of the House. But until the budget is brought down, I will not be giving further information in that direction. In the budget there will be all kinds of information which will satisfy the hon. gentleman on studies done and on what the effects are. Everything will be put before the House.

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NORTHERN PIPELINES

FOOTHILLS' PROJECT—U.S. AWARENESS OF CANADIAN PREFERENCE

Mr. Herb Breau (Gloucester): I have a supplementary question for the Prime Minister, a question supplementary to that of my leader's. I should like to ask the Prime Minister how we can assume that the U.S. government was aware of our policy when, during all the summer, his ministers and he himself have kept saying they were going to change the policy on Petro-Canada. Petro-Canada was involved in this project and the government was going to change the policy on pricing. How can the Prime Minister suggest that the representations by the former government were good enough, when the present government was changing the whole energy policy?

Some hon. Members: Hear, hear!

An hon. Member: Right on.

Right Hon. Joe Clark (Prime Minister): Mr. Speaker, hon. members opposite are putting forth a very curious doctrine. They are suggesting that, after 16 years—too long—of government by that party, we should have spent the first five months of our mandate going around and indicating what comma we agreed with in the agreements they had brought forward, what policies we agreed with or disagreed with.

What we did during the election campaign and during the summer was to make very clear those areas where we intended to introduce reform, such as bringing the budget more toward balance, taking a new look at the operations of Petro-Canada, or bringing more control by Parliament over the operations of government agencies. In a number of those areas our policies disagree profoundly with those of our predecessors. There was no need to reaffirm, in direct meetings and in telephone conversations with representatives of the United States, our support of the Foothills' proposal, which was well known to the U.S.

I do not understand why, apart from political reasons, members of the opposition are now trying to cast doubt upon the support of the government under two political parties for the Foothills route and the opposition of the government under two political parties to tanker traffic down the west coast.

Some hon. Members: Hear, hear!

Mr. Breau: Mr. Speaker, I should like to remind the Prime Minister that the comma he is talking about was worth a billion and a half bucks.

Some hon. Members: Hear, hear!

Mr. Breau: I wonder if the Prime Minister could tell the House truthfully, and not shirk the question: did he, or did he not, explain to the U.S. government, or did his ministers explain, that the fact they wanted to dump Petro-Canada, dismantle it and change the whole energy policy did not change the policy of the government with regard to the overland route for oil from Alaska?

Some hon. Members: Hear, hear!

Mr. Clark: That question was never raised in the minds or in the mouths of the United States. There was no doubt on that question, no doubt of the support of the Government of Canada for the Foothills route.

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THE ADMINISTRATION

APPOINTMENT OF AMBASSADORS

Hon. Jean-Luc Pepin (Ottawa-Carleton): Mr. Speaker, the Prime Minister sent a plenipotentiary ambassador to the Middle East. Would it not also be useful to find a plenipotentiary to go to the United States, as he found a minister to go to Argentina?

Right Hon. Joe Clark (Prime Minister): I am not sure whether that is an application—

Some hon. Members: Oh, oh!

Mr. Clark: —indicating that the member for Ottawa-Carleton is not happy where he is, and I can understand that. I certainly do not intend to send ambassadors to make clear questions that were never in doubt.

* * *

● (1430)

THE ENVIRONMENT

AGREEMENT WITH U.S. ON REDUCTION OF AIR POLLUTANTS

Mr. Chas. L. Caccia (Davenport): Mr. Speaker, my question is directed to the Postmaster General and Minister of the Environment: it relates to the report on long-range transport of air pollutants issued on Monday by the Department of External Affairs.

The report concludes that five million metric tons of sulphur dioxide are produced in Canada every year. Contrary to news reports, can the minister assure the House that the signing of a treaty with the United States does not have to wait until 1981 after the installation of the new President and, if not, on whose

judgment does the minister rely to come to the conclusion that Canada and the United States cannot sign an agreement before that date?

Hon. John A. Fraser (Postmaster General and Minister of the Environment): Mr. Speaker, I thank the hon. member for his question. It would be very well received by this government and by myself personally if such an agreement could be signed much earlier than I have indicated. But I have an obligation to the House and to the public not to raise unreal expectations, given the political situation in the United States.

I have said that we would do everything that we could to have the negotiations, the control strategies and the scientific strategy completed in sufficient time. Our own people are hoping to report on that by mid-1980 so that the text and the structure of an agreement can be ready as soon as possible to be put in the hands of the new administration immediately after the election.

Mr. Caccia: Mr. Speaker, in that same report there is a conclusion to the effect that the greater portion of sulphur deposition in Canada is the result of domestic emissions. What action does the minister intend to take with the provinces which, like Ontario, are reported today as being unwilling to clamp down on companies that emit pollutants causing acid rain?

Mr. Fraser: Mr. Speaker, the concern of the hon. member is understandable, especially given the fact that his party was the government for many years, that this acid rain problem was well known to them and that we heard nothing about it.

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

Mr. Fraser: In answer to the hon. member's question, I repeat—

Mr. Caccia: He initiated the study.

Mr. Fraser: Hon. members opposite are obviously concerned that their own inaction is part of the reason this new administration must put in place an agreement with the United States.

I know the hon. member is sincere in asking his question. His suggestion is that we should move unilaterally against pollution emissions in Canada. My specific answer to that is the same as before, that we have chosen the route to work with the provinces, and until there is some indication that that is not going to meet with the agreement we are hoping for, that is the route we will continue.

[Mr. Caccia.]

[*Translation*]

FISHERIES

MEASURES TO PROTECT FISHING INDUSTRY

Mr. Raynald Guay (Lévis): Mr. Speaker, my supplementary question is directed to the Minister of Fisheries and Oceans. Since the same report states that all forms of life in aquatic ecosystems can be irrevocably affected, I ask the Minister of Fisheries and Oceans what step his department expects to take to protect fishery products for future generations and, in light of the same report which mentions a lower production of sea products, how the minister intends to react.

[*English*]

Hon. James A. McGrath (Minister of Fisheries and Oceans): Mr. Speaker, I was getting so frustrated over here that I was about to ask myself a question.

Some hon. Members: Hear, hear!

An hon. Member: Why are you in that party?

Mr. McGrath: I am glad to see there is some interest left over there in the very important fishing industry in this country.

I welcome the hon. member's question and I share his concern. I want him to know that we are working very, very closely with the Department of the Environment on this question where jurisdiction is vested. I have every confidence in the ability of my colleague, the Minister of the Environment, to look after the interests of fisheries and all Canadians.

* * *

PUBLIC SERVICE

NEGOTIATIONS WITH RADIO OPERATORS' UNION TO SETTLE DISPUTE

Mr. Ray Skelly (Comox-Powell River): Mr. Speaker, my question is for the President of the Treasury Board. It relates to the fact that there have been 97 air crashes in British Columbia in the last year, 54 deaths associated with those air crashes, 33 deaths in the last seven weeks, and three in my riding just the other day.

In view of the fact that the flight service centres, the only source of assistance to general aviation for 350 miles along the coast of British Columbia, are now shut in terms of general services because the Treasury Board will not meet with the representatives, I ask the President of the Treasury Board if he would give the House today his undertaking that he will have his department resume negotiations with the radio operators' union.

Hon. Sinclair Stevens (President of the Treasury Board): Mr. Speaker, the answer is yes.

SEARCH AND RESCUE

SERVICE ON WEST COAST

Mr. Ray Skelly (Comox-Powell River): Mr. Speaker, I will ask a supplementary question of the Minister of National Defence because the resources are so limited and the results tragic. In light of the fact that there are no dependable primary search and rescue resources for 350 miles along the coast of British Columbia—that is, from northern Vancouver Island to the Alaska border—could the minister tell the House what provisions he is willing to make to provide those resources, in view of the very dangerous situation which exists there?

Some hon. Members: Hear, hear!

Hon. Allan B. McKinnon (Minister of National Defence and Minister of Veterans Affairs): Mr. Speaker, I believe the question is directed to me. In the short term it is very difficult. We are doing what we can in the way of replacement of smaller vessels. In the long term, we have signed an agreement with the United States and France to supply $13 million in the way of a search and rescue satellite which should be of almost inestimable value in the case of accidents and near tragedies on the west coast, particularly in that long stretch of water between Alaska and the north end of Vancouver Island.

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[*Translation*]

COMBINES INVESTIGATION ACT

DIFFICULTY IN OBTAINING NEWSPRINT—REQUEST FOR MINISTER'S INTERVENTION

Hon. André Ouellet (Papineau): Mr. Speaker, my question is directed to the Minister of Consumer and Corporate Affairs. Does the minister know that several Canadian pulp and paper companies are refusing to sell to Canadian newspapers the newsprint they need?

Second, is the minister ready to refer that very serious matter to the director of investigation and research on combines and, finally, will the minister take concrete steps to help *Le Journal de Montréal,* a very important Quebec newspaper which must now restrict its circulation because the large pulp and paper companies refuse to sell.

[*English*]

Hon. Allan Lawrence (Solicitor General and Minister of Consumer and Corporate Affairs): Mr. Speaker, the whole question of the supply of newsprint is a matter which was brought to my attention very, very recently. I am giving the matter my consideration.

The allegation respecting the specific instance of the newspaper in Quebec is a matter which has not been drawn to my attention before, and I thank the hon. member for doing so.

[*Translation*]

CALL FOR AMENDMENTS TO LEGISLATION

Hon. André Ouellet (Papineau): Mr. Speaker, last Monday the minister candidly admitted in the House that he found many serious loopholes in the Combines Investigation Act. If he was serious when he made such comments, I would ask him now why there was no reference to that legislation in the throne speech and why there was no reference to amendments to the Competition Act in Canada in the lengthy list of some 90 bills tabled by the House leader last week.

[*English*]

Hon. Allan Lawrence (Solicitor General and Minister of Consumer and Corporate Affairs): Mr. Speaker, there are many matters to which the government is giving very urgent consideration that were not referred to in the Speech from the Throne.

* * *

HEALTH

ACID RAIN POLLUTION—PUBLICIZING OF HARMFUL EFFECTS

Miss Aideen Nicholson (Trinity): Mr. Speaker, my question is addressed to the Minister of National Health and Welfare. What does the minister intend to do through his department to provide Canadians with information about the effect of acid rain on the health of Canadians?

In particular, does the minister propose to address the matter of drinking water in rural areas where the quality of water is not controlled by the municipalities?

Hon. David Crombie (Minister of National Health and Welfare): Mr. Speaker, as the hon. member is aware, the matter of acid rain has so far been considered primarily an environmental one. However, I would like to advise the hon. member and other members of the House that my department, particularly the environmental sciences section, has been in contact with the Department of the Environment in respect of this monitoring work that it is doing.

● (1440)

In addition, there is a very excellent study going on now, in New York, by the United States government in respect of which my ministry has indicated an interest in monitoring, and we are doing that as well. This is a concern as it moves from an environmental matter to a health matter, but we find ourselves in good shape in terms of the information and data that is available in North America.

Miss Nicholson: Mr. Speaker, would the minister care to comment on the second part of my question which related to the matter of drinking water in rural areas where the quality is not controlled by the municipality?

Mr. Crombie: Mr. Speaker, that is a matter I have not yet looked into and I am glad the hon. member has raised it. It is a

matter that should be of concern to us and I will look into it and report to her.

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TRANSPORT

ABANDONMENT OF RAILWAY BRANCH LINES—CRITERIA OF GOVERNMENT IN MAKING DECISION

Mr. Gordon Taylor (Bow River): Mr. Speaker, my question is to the Minister of Transport and is in regard to branch line abandonments in western Canada. What criteria is the hon. minister using to decide whether or not a branch line will be retained or abandoned?

Hon. Don Mazankowski (Minister of Transport): Mr. Speaker, the criteria being used are those that were enunciated during the election campaign; that is, where elevator companies are prepared to provide adequate existing services or improve their services along branch lines, we will be prepared to ensure that transportation services are available.

This review is currently under way and I would hope to have a report within the next 30 days in order that these branch lines can be adjudicated on and determined in respect of whether they will be transferred to the basic network or become eligible for abandonment, consistent with our policy.

* * *

[*Translation*]

FISHERIES

COD QUOTAS IN GULF OF ST. LAWRENCE

Mr. Alexandre Cyr (Gaspé): Mr. Speaker, my question is directed to the Minister of Fisheries and Oceans who, on August 27, authorized a supplement of 10,000 metric tons to the cod quotas in the Gulf of St. Lawrence and at the same time authorized the entry of ships of 100 feet and over into the gulf, which was prohibited by the former government in 1975. Can the minister tell the House whether to date the 6,000 metric tons of catches authorized for ships over 100 feet long were met and whether he consulted with the provinces before making such a decision?

[*English*]

Hon. James A. McGrath (Minister of Fisheries and Oceans): Mr. Speaker, that decision was taken after scientific advice had come to us that we could take an additional 13,000 metric tons in the Gulf. On the basis of that advice, consultations were held with the Atlantic Groundfish Advisory Committee. There was consultation, and on the basis of that consultation it was agreed that 4,000 metric tons would be assigned the Gulf-based vessels, which left an additional 9,000 metric tons. We decided that on the basis of that new TAC, we would assign 6,000 metric tons to the 100-footers, or the offshore fleet which had fished in the Gulf prior to 1976.

[*Translation*]

INQUIRY WHETHER GOVERNMENT HAD CONSULTATION WITH PROVINCES

Mr. Alexandre Cyr (Gaspé): Mr. Speaker, I would like to ask a supplementary. If the minister is saying that there was consultation with the committees, I should like to know whether there was consultation with the provincial governments, in particular with the province of Quebec and, if so, whether he is prepared to table in the House all the correspondence in favour or against the decision made by the minister on August 27?

[*English*]

Hon. James A. McGrath (Minister of Fisheries and Oceans): Mr. Speaker, there was consultation with the five Atlantic provinces, including Quebec, which are represented on the Atlantic Groundfish Advisory Committee. They did meet in St. John's, Newfoundland, in mid-July. There was consultation at that time and there was consultation with the deputy ministers.

In line with the open policy of this government, we would be prepared to make all correspondence available provided, of course, that the provinces agree.

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CONSUMER AND CORPORATE AFFAIRS

POSSIBLE PROSECUTIONS UNDER COMBINES INVESTIGATION ACT—ROLE OF MINISTERS

Hon. Warren Allmand (Notre-Dame-de-Grâce): Mr. Speaker, I have a question for the Prime Minister. Yesterday, the Prime Minister approved a practice whereby the Solicitor General and Minister of Consumer and Corporate Affairs discussed the laying of charges under the Combines Investigation Act with the Minister of Justice and the Minister of Transport—specifically in the recent case of the Western Transportation Association—which to my knowledge was never the practice in the past, especially when I was the minister, when the hon. member for Windsor West was minister, and when the hon. member for Papineau was minister.

Would the Prime Minister explain how he can justify such a practice when the director of investigation under section 15 of the Combines Investigation Act is to have complete independence in referring cases to an attorney general for the purpose of laying charges, without any political influence or consideration? In the circumstance, would the Prime Minister tell the House if the director or his alternate were present at this meeting, and what was his recommendation in this case?

Right Hon. Joe Clark (Prime Minister): Mr. Speaker, with reference to the latter part of the question, I will have to check to see if the director was present and to see if it is appropriate for us to make known his recommendation on a matter that is still ongoing. The former minister will understand the difficulty that might be involved in revealing the recommendation of an official on a matter that is still ongoing. I think the former minister would not want to suggest that consultation with

colleagues necessarily equates with political influence; at least it does not in this government, whatever was the former practice.

Mr. Allmand: Mr. Speaker, all I can say to the Prime Minister is that that sort of consultation never took place when I was the minister, when the hon. member for Windsor West or when the hon. member for Papineau was the minister. In circumstances in which the director is supposed to have complete independence in referring cases for the laying of charges, this appears to me to be a very serious matter, and I would ask the Prime Minister whether he would suspend the Solicitor General and Minister of Consumer and Corporate Affairs from his functions while he fully investigates this case to determine whether the law and the practice were, in fact, followed in this case.

Mr. Clark: Mr. Speaker, I have no intention of suspending a minister. I certainly will look into the question as to whether all of the legalities were honoured, as I am reasonably sure they were.

Mr. Allmand: And the practices?

Mr. Clark: Yes, and the practices that are appropriate; and I will report to the House.

DISSEMINATION OF INFORMATION GATHERED ON POSSIBLE PROSECUTIONS

Hon. J.-J. Blais (Nipissing): Mr. Speaker, I should like to ask the right hon. Prime Minister a supplementary question. It is evident from his reply in this House at yesterday's sitting that he did not understand either the circumstances that led to the question on Friday and yesterday, or he did not understand the very sensitive role of the Attorney General, to be seen not to be influenced by political considerations at the time he is considering prosecutions under the Combines Investigation Act.

While the right hon. gentleman is investigating the matter, which I suggest he ought to have done on Friday and again yesterday, will he determine when the information that has been collected by the director of prosecutions was, indeed, turned over to the Attorney General for his consideration under section 15 of the Combines Investigation Act?

Right Hon. Joe Clark (Prime Minister): Mr. Speaker, I would certainly be quite prepared to determine that information and, if it is appropriate, to publish that information and advise the hon. member.

* * *

UNEMPLOYMENT INSURANCE

RIGHT OF WOMEN WORKING PART-TIME TO BENEFITS—STATUS OF FEMALE IMMIGRANTS

Mrs. Margaret Mitchell (Vancouver East): Mr. Speaker, my question is directed to the Minister of Employment and Immigration. In view of the fact that the Conservatives promised during the election campaign to rescind regulations that restrict unemployment insurance benefits for part-time and seasonal workers, most of whom are women, and in view of the fact that today at a meeting of the Advisory Council on the Status of Women the minister betrayed this promise of action in favour of the usual study, will he please tell the House why further study is needed, and when can the women of Canada who have worked on part-time or seasonal jobs collect their rightful unemployment insurance benefits?

Hon. Ron Atkey (Minister of Employment and Immigration): Mr. Speaker, as I indicated to a colleague of the hon. member a week ago, the whole subject of unemployment insurance is under review by this government. That review is comprehensive. It will not be done quickly and decisions will not be taken precipitously.

I can assure the hon. member, as I assured the Advisory Council on the Status of Women this morning—and they were happy, I might add—that the subject of part-time workers and the 20-hour per week regulation imposed by the previous government is very much a part of the current review. I am, quite frankly, looking for alternative suggestions to that rule. I would make the offer to the hon. member, as well as to any member of this House, if they have any better suggestions I really would like to hear them, because this is a most difficult subject.

Mrs. Mitchell: Mr. Speaker, my supplementary question is also for the Minister of Employment and Immigration. In view of the fact that the minister has acknowledged that immigrant women experience a double disadvantage in the labour force, and because it takes longer than three years for immigrant women with young children to learn English and compete in the job market, what does the minister plan to do to extend funding for orientation, training and child care programs for immigrant women beyond the present three-year limit on residency?

● (1450)

Mr. Atkey: Mr. Speaker, I am delighted that the hon. member was able to obtain a copy of my speaking notes from this morning. I only regret she was not in attendance.

I can tell her that, unlike the previous government, the immigrant aid settlement program will be extended where the first priorities of a settlement contract have been met—that is, for immigrants who have been in the country for less than 36 months. Where there are funds that are not spent, they are available for any immigrant settlement group to spend for immigrants in the community, including immigrant women, beyond that 36-month period. My officials have been instructed to draw the contracts accordingly.

[*Translation*]

OFFICIAL REPORT

COST OF SUBSCRIPTION TO "HANSARD"

Mr. Bill Clarke (Vancouver Quadra): Mr. Speaker, my question is for the Minister of Supply and Services.

In view of the previous government's decision to increase the subscription price to *Hansard* from $3 to $65, and in view of representations made to myself as well as to other members by those who, until now, had to abide by the action taken, but who can no longer afford such an unreasonable increase, can the minister tell the House what he proposes to do to make this service available, at reasonable cost, to those who want to avail themselves of it?

Some hon. Members: Oh, oh!

Hon. Roch La Salle (Minister of Supply and Services): Mr. Speaker, I can sense that members opposite are frustrated up to their eyeballs.

Mr. Speaker, soon after I was sworn in as minister, I realized that this $3 to $65 increase was unacceptable. I, of course, received, as the hon. member himself noted, recommendations to make the price of *Hansard* more reasonable, because it is important, in our view, to make as much information as possible available to the public. I will, therefore, make an announcement at three o'clock today that the cabinet, upon my request, has decided that the price of *Hansard*, which the government had set at $65, should be reduced to $25 for private citizens and teaching institutions and remain at $65 for governments and companies.

* * *

[*English*]

FISHERIES

QUOTAS—CONSULTATION WITH PROVINCES

Hon. Roméo LeBlanc (Westmorland-Kent): Mr. Speaker, I have a supplementary question for the Minister of Fisheries and Oceans. I wish him well in his important responsibilities.

I know that his government has made a fetish of consultation with the provinces, even in areas where the provinces have little or no jurisdiction. Certainly this is the case in the allocation of quotas between types of fishing fleets.

May I ask the minister if he would inform his colleague from New Brunswick who immediately complained that he had not been consulted. I suspect that those who were consulted and agreed were from provinces where large fleets have dominated inshore fisheries policies for years. Has the minister considered that a lot of small fishermen belonging to fragmented organizations do not sit on the Atlantic Groundfish Advisory Committee, and in fact that he as minister should make sure that their interest is served, and not only the interest of the large fleet based outside the Gulf?

[Mr. Atkey.]

Hon. James A. McGrath (Minister of Fisheries and Oceans): Mr. Speaker, I welcome the question from the hon. member. I look forward to his distinguished contribution in the House as social critic.

I want to say to the hon. gentleman that I take second place to no one, not even the hon. member, in looking after the interests of the inshore fishermen. I say to him that consultation does not necessarily mean agreement, but there was consultation. On the basis of that consultation, we took our responsibility and made a decision.

I am sorry the hon. member does not agree with the decision taken, but it was made on the basis of updated biological data. I had no choice but to allocate those additional quotas. I was advised, after consultation with the inshore fishermen, that they could only use an additional 4,000 metric tons. After consultation with the non-Gulf fleet, they wanted the remaining 9,000 and we agreed to allocate them 6,000 metric tons because they had been fishing anyway for the same stock off Sydney Bight. That now means they will be, of course, able to fish in the Gulf in November and December at a time when there will be no inshore fishing activity in any event.

Mr. LeBlanc: A supplementary question, Mr. Speaker. The reason, mainly, why I have to take an interest in the fisheries is my concern about some of the policies that are appearing on the horizon. This is very much one of them.

May I ask the minister if he will reconsider his decision, based on the fact that the large offshore fleet that he is allowing to return to the southern Gulf in fact has been largely served by the resources of the 200-mile limit? Will he check the amount of fish that they have taken, which they did not usually take off northern Newfoundland? Will he look at the amount of fish that they have taken in relation to the small fishermen? I am not speaking now of the 65-footers; I am speaking of the 40 and 45 and 50-foot boats which have yet to benefit from the 200-mile limit, including the southern Gulf.

Mr. McGrath: Mr. Speaker, the decision stands for this year. In answer to my hon. friend, I can tell him that it would have been irresponsible on my part if I did not allocate those additional quotas to the offshore fleet in order to provide some additional supplies to the underutilized plant capacity in the maritime region. That would have been irresponsible, and I suspect the hon. member would have been the first one to flag it.

* * *

VETERANS AFFAIRS

PRORATA PENSIONS FOR CERTAIN WIDOWS—INTRODUCTION OF AMENDING LEGISLATION

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, my question is for the Minister of Veterans Affairs. In view of the very welcome announcement, both in the Speech from the Throne and in the list of bills proposed for this session which was given to the House on October 11, to the effect that

there will be amendments to all of the statutes affecting veterans, may I ask the minister if one of those amendments will be a provision that will make it possible for widows of disabled veterans to be given prorata pensions in cases where they are now denied any pension because the veteran's disability was below 48 per cent?

While he is answering that question, can he tell us what other measures affecting veterans we may look for in the next little while?

Hon. Allan B. McKinnon (Minister of National Defence and Minister of Veterans Affairs): Mr. Speaker, I should like to thank the member from Winnipeg North Centre for his question. If ever the word "colleague" is used properly across the floor of the House, it must surely be between the Minister of Veterans Affairs and the hon. member for Winnipeg North Centre.

Some hon. Members: Hear, hear!

Mr. McKinnon: As is now well known, I have made proposals to my cabinet colleagues about the various acts covering pensions and other things concerned with veterans.

With respect to the 48 per cent rule, while I have not been able to move as far as the hon. member would like or as far as I would like, I have made a start in moving in the direction we would both like. I understand that the proper format for this kind of discussion is not to give away everything that is in a bill before it is presented for first reading.

I can only say that the bill will cure several ills that are there at present and will make a move in the direction that the hon. member would like on the 48 per cent pension.

Mr. Knowles: Mr. Speaker, may I thank the minister for his assurance that we are going to move at least some distance with respect to amendments to the Pension Act. Will he also be bringing in amendments to revise and update the War Veterans Allowance Act in view of the thorough review of that legislation that has taken place during the past number of months?

Mr. McKinnon: Mr. Speaker, I will not be bringing in an act that will cover everything that was reviewed, but there will be a mention and there will be some amendments to the War Veterans Allowance Act.

* * *

[*Translation*]

NATIONAL UNITY

SEPARATISTS WITHIN PUBLIC SERVICE—GOVERNMENT POSITION

Mr. Gaston Isabelle (Hull): Mr. Speaker, I have a question for the President of the Treasury Board.

Last Monday night, during his mini-stop in Hull in his pre-referendum pilgrimage, the premier of the province of Quebec invited the 18,000 federal public servants on the north side of the Ottawa River to join the public service of Quebec.

I would like to ask the minister whether he intends to ask certain "Judas Iscariot" federal public servants who have already started a propaganda campaign within the various departments to resign immediately and go to work in that illusionary paradise to which the separatist leader of Quebec has lured them in order to have their votes much more than their services.

• (1500)

[*English*]

Hon. Sinclair Stevens (President of the Treasury Board): Mr. Speaker, it would be very helpful to myself and to the House, I am sure, if the hon. member would name the Judas Iscariots that he is referring to.

[*Translation*]

QUEBEC REFERENDUM—INQUIRY WHETHER PUBLIC SERVANTS WILL BE FREE FROM LEGAL RESTRICTIONS

Mr. Jean-Robert Gauthier (Ottawa-Vanier): Mr. Speaker, I wish to direct a question to the right hon. Prime Minister. Given the Prime Minister's lack of interest in the Quebec referendum question—ranging from helplessness to indifference—can this attitude on his part be interpreted by federal civil servants as being the position of the present government, which would allow them to act as they wish either for the "yes" or "no", without the least legal restriction?

Right Hon. Joe Clark (Prime Minister): Mr. Speaker, I suggest that we better serve the cause of national unity when we show Quebeckers and all other Canadians that Canada now has an administration which can co-operate successfully with the provinces. This is the way we intend to encourage Quebeckers to support the federalist cause in any vote.

* * *

REGIONAL ECONOMIC EXPANSION

SUBSIDY FOR SALT MINE AT ÎLES-DE-LA-MADELEINE, QUEBEC

Mr. Rémi Bujold (Bonaventure-Îles-de-la-Madeleine): Mr. Speaker, my question is directed to the Minister of Regional Economic Expansion. Last Friday, the minister stated that he could not see any reason why his department should turn down the $10 million loan application which the Quebec government has made to develop a salt mine operation in the Magdalen Islands. Could the minister indicate to the House whether he has any objection to that now and, if not, when he is likely to make an announcement about this grant?

[*English*]

Hon. Elmer M. MacKay (Minister of Regional Economic Expansion): Mr. Speaker, I thank the hon. member for his

question which is of great concern to his constituency and to the province of Quebec.

As long as this very substantial project, which has capital costs in excess of $60 million, would not have injurious affectations on the whole Canadian salt industry, I would be very favourably disposed to assisting in whatever appropriate way we could do so. On the other hand, there are environmental and business matters which are still under consideration. I would be very pleased to acquaint the hon. member with the progress of these assessments as they proceed.

* * *

PRIVILEGE

MR. ROBINSON (BURNABY)—MINISTERIAL ANSWERS DURING QUESTION PERIOD

Mr. Speaker: Order, please. I have a notice of a question of privilege from the hon. member for Burnaby (Mr. Robinson).

Mr. Svend J. Robinson (Burnaby): Mr. Speaker, I rise on a serious question of privilege, of which I did give Your Honour notice earlier today.

My question arises from answers which were given to the House yesterday and last Friday by the Solicitor General of Canada and Minister of Consumer and Corporate Affairs (Mr. Lawrence), and, in addition, it arises from an alteration of substance in today's *Hansard*.

On Friday last, Mr. Speaker, I asked the minister a question—I note that the minister is returning to his seat—concerning a meeting of a number of cabinet ministers about a possible criminal prosecution under the Combines Investigation Act. The minister's answer to this House at that time was as follows:

> I thank the hon. member for his good wishes, and I would inform him that the source of his information is completely and totally erroneous.

I subsequently learned, and it became clear, that this was not in fact the case. In fact the minister confirmed that the meeting did take place involving the ministers in question and on the subject of the possible prosecution mentioned. While the minister yesterday stated that the Minister of Transport (Mr. Mazankowski), who was present at the meeting, made no representations with respect to the timings of the possible prosecutions, I am informed that the minister did indeed express his viewpoint at the meeting with respect to the prosecution in question.

Second, the Minister of Consumer and Corporate Affairs indicated to the House that the meeting which took place on Friday was, and I quote from his answer of yesterday:

> —one of a series of meetings that take place quite frequently in regard to various prosecutions recommended by the Minister of Consumer and Corporate Affairs to the Minister of Justice.

I met yesterday with the director of investigation and research in the hon. minister's department who referred the inquiry to the Attorney General for possible criminal prosecution and who, Mr. Speaker, was present at the meeting on Friday. This gentleman indicated that he did not recall during his five years' tenure as director a single similar meeting taking place discussing a possible prosecution involving himself and cabinet ministers.

I contacted his immediate predecessor. He indicated the same, that he had no recollection of a previous meeting taking place.

Today, Mr. Speaker, we had confirmation from the previous ministers involved that no such meetings had in fact taken place. This directly conflicts with the answers which were given by the minister to this House.

I should also add that I had arranged originally to speak with the gentleman in question, the director of investigation and research, and that I had confirmed a meeting with him for Monday of this week for one o'clock. That morning I was informed in this House by the minister that I was not to meet with the director of investigation and research—

Some hon. Members: Shame!

Mr. Robinson (Burnaby): —until such time as the minister had had an opportunity to clarify the nature of meetings between members of Parliament and civil servants.

Some hon. Members: Oh, oh!

Mr. Robinson (Burnaby): Finally, Mr. Speaker, I wish to make reference to a substantial alteration in the *Hansard* reference to this matter.

I received the blues—which of course are green—of the answers to the questions yesterday. I checked the blues and an answer was given—at least was reported by the minister—which did not accord with my recollection of what in fact had taken place. I ordered the tape recording of the question from yesterday, and there is a fundamental and substantial alteration.

Hansard for October 16 indicates as follows:

> Indeed, I believe this was the first time the minister had been to that type of meeting.

The tape recording indicates otherwise. I quote:

> Indeed, I believe that this was the first time the minister had had that type of information with him.

There is a fundamental difference between the two versions of the events.

I wish to conclude by asking that should Your Honour find that a prima facie matter of a question of privilege has arisen on the grounds on which I have risen today, I would move, seconded by the hon. member for Winnipeg North Centre (Mr. Knowles):

> That this matter of privilege be referred by this House to the Standing Committee on Privileges and Elections for full investigation and report back to this House.

Some hon. Members: Hear, hear!

Mr. Peter Stollery (Spadina): Mr. Speaker, we have again today, as we had last week, a clear indication of a government

that is treating the House of Commons like the group of fools that the new Prime Minister (Mr. Clark) secretly thinks the members of Parliament are.

Some hon. Members: Oh, oh!

Mr. Stollery: This is a very important question of privilege, Mr. Speaker. Last week we had the Minister of Labour (Mr. Alexander) clearly having been caught in a situation where he had told some people one thing and other people another, and had not correctly informed the House of Commons.

Now we have a situation with the Minister of Consumer and Corporate Affairs (Mr. Lawrence) who has been clearly caught by the hon. member for Burnaby (Mr. Robinson), who is to be congratulated for bringing this kind of thing to the House early enough in the session for you, sir, to give some kind of direction as to how far this misleading can be allowed to proceed before it is clarified by the Chair.

I rise to support the motion put by the hon. member for Burnaby. I think he is to be congratulated for again bringing this sort of thing before the House early enough in the session for you to make a decision so as not to allow the government to mislead the House, as they did today on the pipeline question in the Yukon, and now with a specific example concerning the Minister of Consumer and Corporate Affairs.

● (1510)

Hon. Lincoln M. Alexander (Minister of Labour): Mr. Speaker, the only reason that I rise is because I was most surprised to note that the hon. member for Spadina (Mr. Stollery) would bring me into this matter when I indicated to him during the question of privilege that, if there was any mistake on my part, it was an innocent mistake because they had met, I said, at this moment. I would appreciate members accepting when other members try to clarify a situation by coming before the members of the House in order to give them the benefit of all the facts, without having it thrown back in their face. I did not have to withdraw that because, as you indicated, Mr. Speaker, it was just a question of words and I was right. I want to start this Parliament off on the right foot. I think it is very irresponsible and cheap of the member to come back at me the way he has done, and I would doubt it very much—

Some hon. Members: Oh, oh!

Mr. Alexander: If you expect the House of Commons to run as it should, ladies and gentlemen, I hope you will respect when members stand on this side and, in all good conscience, try to clear the record, without you taking some cheap political advantage—

Some hon. Members: Hear, hear!

Mr. Alexander: You have had your point. It was a cheap shot. It was to your own political advantage, and I resent it.

Some hon. Members: Hear, hear!

Hon. Warren Allmand (Notre-Dame-de-Grâce): Mr. Speaker, I have the impression that hon. members on the government side do not really appreciate the seriousness of the question of privilege and the question raised in this particular issue. Prosecutions under the Combines Act are some of the most important and largest prosecutions in this country. You will recall recently in the sugar case the judgment ordered by the Supreme Court was $2.5 million.

Some hon. Members: Order!

An hon. Member: What about the former minister, the member for Papineau (Mr. Ouellet)?

Mr. Allmand: The hon. member for Papineau at that time took the honourable course of action which I think that that hon. member opposite should take today.

Some hon. Members: Hear, hear!

Mr. Allmand: Yesterday the hon. member for Burnaby (Mr. Robinson) put this question to the Prime Minister (Mr. Clark). The answer by the Prime Minister is alarming. The hon. member for Burnaby said to the Prime Minister:

> Will the right hon. Prime Minister also confirm to the House that there will be no further such involvement, particularly by the Minister of Energy, Mines and Resources, in discussing possible charges of price-fixing by oil companies under the Combines Investigation Act?

As we all know, there is an inquiry going on with respect to the oil companies and that is just about ready for prosecution. What did the Prime Minister answer when asked to give assurance that there will be no further discussions? He said:

> Mr. Speaker, if I properly interpret the question put by the hon. member, he is asking that I guarantee that before the government takes action, ministers who might have a particular interest in an action that would be taken should not be consulted. Naturally, I am not going to give that kind of guarantee.

The Prime Minister is saying that he will not guarantee that these kinds of discussions will go on any further. That is a shocking thing under our tradition with respect to prosecutions as they are carried out by attorneys general of this country and carried out by the director of investigation under the Combines Act.

I should point out that the director of investigation under the Combines Act is not an ordinary civil servant. He has statutory powers under the Combines Act to act independently, without any pressures or influence or any sort of political discussion. Therefore, not only would I support the hon. member for Burnaby in his question of privilege that this be referred for full investigation to see who was there, what was said, and how many meetings there were, but I go back to the question I put to the Prime Minister. I believe this minister should be suspended until this whole thing is settled.

Some hon. Members: Hear, hear!

Hon. Allan Lawrence (Solicitor General and Minister of Consumer and Corporate Affairs): Mr. Speaker, I did not know if there was going to be another ex-minister making a contribution to this debate. As I understand the situation, and

I am sorry that I received no official notification whatsoever that a question of privilege would arise today on this matter, there is a request that if there is a valid question of privilege that has been enunciated before you that you refer this matter to the Standing Committee on Privileges and Elections. I may say to you that certainly I would have no objection for that to be done if you thought you had genuine cases of privilege before you.

Again, I had nothing from the Chair, the Table or the hon. member about this matter. However, as I understand the question of privilege that has been enunciated to you, it is a double-barrelled one. Number one, there has been some tinkering with the official journals of this House in relation to *Hansard* of yesterday. If that is true, that is a very serious charge to make. Certainly I would like to see that cleared up. Second, somehow or other in the course of the question periods of Friday, Monday, and yesterday, I intentionally misled the House. Basically I think those are the two portions of the question of privilege before you.

Let me deal with the first one first. In no manner, shape or form have I corrected *Hansard* at all, or attempted to correct *Hansard* at all in respect of anything that I said yesterday or the day before, with the possible exception of some very gross grammatical errors that I have the habit of making in this House, but certainly in respect of any question of substance referred to by the hon. member, I can indicate to you, sir, to the House, and to the member, that I have not changed or intended to change *Hansard* in any way, and in relation to the phraseology used by the member I have no knowledge whatsoever of that type of change being made.

As a matter of fact, in respect of both versions which the hon. member has just given to the House, my impression and my memory are that both of those are wrong. Not only is *Hansard* wrong, but also in respect of the tape which the hon. member says he heard in respect of what I said—I think that was wrong, because what I intended to say, and what I believe I did say in respect of this question, and the knowledge of my colleague in respect of this matter, was that the meeting that we held last Friday, a meeting by the way that was not even called by me, was the first opportunity that the Minister of Transport (Mr. Mazankowski) had of being apprised of the facts of this matter.

That meeting was not called by me. It was called by the Minister of Justice (Mr. Flynn) pursuant to his responsibilities and his duties. The ex-minister said that type of meeting had never been called before. I believe he is wrong. In any event, that type of meeting had been held before. As a matter of fact, in regard to possible prosecutions under the Combines Investigation Act, that type of consultation has taken place not only under this administration but under previous administrations.

In respect of the advice that was given to the Minister of Transport, which is the crucial point referred to by the member referring to alterations in *Hansard*, I sent a brief to the Minister of Transport which I have reason to believe he unfortunately received just as he was going to that meeting, and that meeting was the first time in an information-giving session such as that the Minister of Transport had any opportunity to be aware of the meeting at all.

That is the type of impression I intended to leave with the House when I said what I said, and I firmly believe that is exactly what I did say. If the hon. member is now saying that I said something different from that, I am saying that the hon. member is totally wrong.

Getting back to the other question, the question of me misleading the House in respect of previous meetings, I say to the ex-minister that if he does not know that this is not a discretionary matter for the Minister of Consumer and Corporate Affairs, he should know it is not a discretionary matter.

• (1520)

It is not me who the director of investigations has to convince to proceed with an action in that case. It is not me who the Minister of Transport or any other operating departmental head has to convince. The question whether or not there is to be a prosecution under the Combines Investigation Act is a matter solely and exclusively within the responsibility of the Attorney General of Canada.

I believe the Minister of Justice is making a speech today, perhaps in the other place—I am not sure—clearly indicating that it is his responsibility, and to know more about the intended prosecution he wanted, of course, to consult with me; he wanted to consult with the director, he wanted to consult with the minister and, as a matter of fact, he wanted to consult with another minister, the minister whose responsibilities involve federal-provincial relations, because in regard to the western trucking situation what has to be done, because of governmental intervention into the whole question of rate setting and the whole question of route setting, has to involve some direct and open consultation with provincial ministers. To indicate that this type of consultation with this government should not be carried on by anyone, even with other governments, is a completely ridiculous notion.

I was very interested to hear three different ex-ministers say that it is not within the responsibility of the Attorney General of Canada to consult with other ministers before he starts a prosecution. That is utter nonsense. I happen to believe it is utter nonsense within the knowledge of the ex-minister who just interrupted me, not to mention two or three other ministers. I say this because I can well remember, in this very chamber, the attorney general of Canada, who at the time was a certain hon. member, Ronald Basford, indicating on March 17, 1978, that as attorney general of the day he had consulted with certain of his ministerial colleagues before instructing that charges be laid against the Toronto *Sun*, its editor and its publisher, under the Official Secrets Act.

Some hon. Members: Oh, oh!

Mr. Lawrence: If my memory serves me well, that minister of the day would have been consulted at that time by the then attorney general because obviously he had a large part to play in respect to the very circumstances in which that charge was laid. I suggest there are other ex-ministers, still members of

this House, who were consulted at that time by the then attorney general. Of course there has to be the fullest consultation within the ministry with respect to all these things and, by golly, if there had not been, I would say the record of that particular ex-minister with regard to combines investigation cases obviously shows he should have consulted, if he did not.

Some hon. Members: Hear, hear!

Mr. Lawrence: Within this ministry there is now and there will continue to be the fullest consultation between ministers. That is what I meant to say the other day, that is what I believe I did say, and that is what I am saying is the truth today. It certainly was not misleading to any member of this House.

Mr. Speaker: I have no intention of prolonging this discussion. The hon. member for Burnaby (Mr. Robinson) has raised by way of a question of privilege a matter which contains three points—it has been described as having two but essentially it contains three, none of which, I think, falls within the definition of privilege following the intervention by the Minister of Consumer and Corporate Affairs (Mr. Lawrence).

First, is the question of the possible alteration in *Hansard*. I have had a preliminary investigation undertaken and the line to which the hon. member for Burnaby refers may have been misread by the reporter—I am not sure—but I will certainly undertake to the House to investigate, as I always do, and report to the House. Any alteration in *Hansard* is, of course, a very serious matter. But that is a subject for me to take up, now, with the editor in the light of the minister's assertion that at no time did he effect any alteration in the record. Once the minister has not done so, if it is the editor or the reporters, that is the responsibility of the Chair, and I will investigate the matter and make a full report at the earliest opportunity.

The other two points relate to whether or not it is a proper practice for ministers to consult with one another before laying a prosecution under the Combines Investigation Act. While that is a fascinating point, it is not a procedural point. Whether or not ministers are taking a step which is not in keeping with precedent in terms of ministerial practice is a matter of some concern and interest to hon. members, I am sure, but whether they do so, or whether they propose to continue to do so, may become a matter of legality or a matter of constitutional significance, even. However, it is surely not a matter of procedural significance here in the House; it is not a question of privilege whether ministers do or do not consult before the director of prosecutions gives advice to the Attorney General of Canada on the initiation of proceedings under that particular statute. Therefore, since it is not a procedural matter, there is no point our continuing argument as to whether or not consultations of that kind can take place or have taken place in the past. It does not give rise to a question of privilege, at least not in the manner in which it has been cast today.

Finally, there is the question of whether or not the minister misled the House. He has stated he stands by what he says, that it was a correct explanation of the information he possessed at the time. Presumably he invites hon. members to check the record to see what it says and whether it conforms to the information he now has. From the procedural point of view the significance is that the minister stands by what he said. Therefore, if any misleading took place, it was obviously misleading which was not intentional.

Members who examine the precedents will understand that if a question of privilege is to be established here the House must not only have been misled by the minister but the House must have been misled intentionally. Whether he was right or wrong, the minister says he stands by his answer. Therefore, if any misleading took place—which he denies—then obviously that misleading could not have been intentional in the circumstance. Whether this becomes a matter for debate or argument, or criticism of the quality of the answer given, or criticism of the performance of the minister, remains, again, an open question. What I have to decide is whether or not there is a procedural matter involved. The only circumstance in which it can become a procedural matter involving privilege would be if the minister deliberately misled the House and, since the minister stands by his answer, obviously he could not have deliberately misled the House if, indeed, he misled the House at all, which he denies.

For these reasons, having examined the three points which were raised, I do not think any useful purpose can be served by continuing the discussion at this time.

MR. FOX—ANSWER GIVEN BY MINISTER OF EMPLOYMENT AND IMMIGRATION

Hon. Francis Fox (Blainville-Deux-Montagnes): Mr. Speaker, I rise on a question of privilege. This is the first opportunity I have had to bring it to the attention of the Chair; it has just come to my notice. It arises from an answer given to me in the House yesterday during the question period after I had asked the minister responsible for employment at what time he would be making public his employment strategy. In answering that question the minister indicated, as reported at page 228 of *Hansard*:

> Most of the details of these programs will he announced in the budget since they may involve budgetary matters. So they will be announced at the time of the budget.

That was a straightforward, pretty clear answer, Mr. Speaker. However, it has been brought to my attention that this very morning, in a speech made outside the House, the hon. member in his notes of a speech to which he referred in the question period, indicated not one, not two, not three, not four, not five, not six but seven initiatives, as he calls them, of one of the major components of his employment strategy.

An hon. Member: Shame!

Mr. Fox: Mr. Speaker, I believe this is an infringement of the privileges and rights of members of this House and certainly not in keeping with the rhetoric we were given to believe in the Speech from the Throne wherein the hon. minister's leader

told us that this government would try to make Parliament a more meaningful place.

Some hon. Members: Hear, hear!

● (1530)

Hon. Ron Atkey (Minister of Employment and Immigration): Mr. Speaker, I repeat, as I indicated to the hon. member yesterday, that the key elements of the employment strategy are budgetary matters properly introduced at budget time. The speech of which the hon. member has obtained a copy—along with the hon. member for Vancouver East (Mrs. Mitchell) and, I hope, others—relates to an employment strategy for women. There are broad outlines of courses which are already public knowledge, but some of the details of which may be in the budget, clearly have not been revealed to the public or to anyone in a public way. The details will be, as indicated yesterday, a matter for the budget in this House.

I can assure the hon. member that there is still time, if he has any reaction to the seven items to which he has made reference, or to any other matters which might be properly included in the employment strategy, that I would welcome his views and those of his colleagues as a constructive contribution to the evolution of an important employment strategy.

ROUTINE PROCEEDINGS

[*English*]

OLD AGE SECURITY ACT

MEASURE TO AMEND

Hon. David Crombie (Minister of National Health and Welfare) moved for leave to introduce Bill C-6, to amend the Old Age Security Act.

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

MOTION TO ADJOURN UNDER S.O. 26

[*English*]

ENERGY

REPORTED INCREASE PROPOSED IN PRICES OF OIL AND GASOLINE

Mr. Cyril Symes (Sault Ste. Marie): Mr. Speaker, I ask leave, seconded by the hon. member for Winnipeg North Centre (Mr. Knowles), to move the adjournment of the House under the provisions of Standing Order 26 for the purpose of discussing an important and specific matter requiring urgent consideration, namely, the reported proposed increase of $4 per barrel a year for oil and, more specifically, an increase of 24 cents to 30 cents a gallon in the price of gasoline now being proposed by the Government of Canada to the ten provinces, which will have a catastrophic impact on the Canadian economy resulting in massive inflation and unemployment and triggering an economic recession affecting all regions of Canada.

It is imperative that, before implementation, this House of Commons urgently and immediately discuss this alarming Government of Canada proposal.

Mr. Speaker: Order. I have received in proper time the notice of the hon. member of his intention to seek the invocation of Standing Order 26 in order to arrange an emergency debate on the subject he has just outlined to the House, and his presentation is in keeping with the notice which he did give me.

I do not feel that this is a proper subject for discussion at this time pursuant to Standing Order 26, for several reasons. The first is that I have some doubt as to whether it is necessary to set up an emergency debate to discuss anything during the course of the throne speech debate when any member can seek the floor and raise any subject he believes is relevant to the Speech from the Throne. I would not have ruled the matter aside on that point alone, because there are obvious restrictions on the ability of a group of members to address themselves to a subject in a cohesive way during the throne speech debate, but, after all, I must have regard for the fact that the hon. member and his colleagues do have an opportunity to participate in the balance of the throne speech debate and to focus on this subject if it is their desire to do so.

I have some other doubts, though, which lead me, on balance, not to grant the application. I have some concern as to whether this is on an ongoing matter rather than a matter of critical proportions. We have several problems of this sort. Members seek to utilise the provisions of Standing Order 26 on various problems in the country such as unemployment, inflation, and matters of that nature which are continuing problems but which, members allege, at a given time cross from being chronic to acute problems worthy of emergency consideration. Oil prices are a continuing matter in that category, and it would be very difficult to persuade me that continuing or chronic considerations are, or ever were, intended to be the proper subject of Standing Order 26. However, even if they were, in this particular case I have further doubts. I am sure that even on a cursory examination of the news reports related to the subject which the hon. member has raised, price increases, as usual, would be for a future date, and in fact would not be at one time but would be phased in over a rather extended period of time. All of that obviously has to be taken into account when considering whether the House will have an opportunity to discuss these.

It remains unclear as to whether the government, in proposing the price increases, either requires or, even if it does not require, intends to seek the approval of Parliament. That remains uncertain for me now, and in any case in the final analysis it has been said, and was repeated again today by the

Minister of Finance (Mr. Crosbie), that the price increase for crude oil itself does not require parliamentary approval.

The hon. member has included in his motion, and I quote more specifically "an increase of 24 cents to 30 cents a gallon". That, I understand on the basis of the replies of the Minister of Finance here in the House, relates to a suggested increase in the federal tax which would, I gather, be coupled with any such increase about which the hon. member is concerned. If that is so, that would clearly be a budgetary measure and would be debated in full during the course of a budget presentation. Therefore, I have to conclude that the House would not, on the information I have now, be deprived in any way of ample opportunity to debate the matters raised in this application, if in fact they do come about, which was left in some uncertainty today.

Therefore, until some of these matters are clarified more completely, I would not be disposed to think the House should consider this matter as an emergency pursuant to my understanding of Standing Order 26.

ROUTINE PROCEEDINGS

[*English*]

SPEECH FROM THE THRONE

CONTINUATION OF DEBATE ON ADDRESS IN REPLY

The House resumed, from Tuesday, October 16, consideration of the motion of Mr. Fretz for an address to His Excellency the Governor General in reply to his speech at the opening of the session.

Mr. Jim Fleming (York West): Mr. Speaker, may I take this opportunity, which is my first to rise to speak in this Thirty-first Parliament, to congratulate you on your re-election as Speaker. I had the opportunity in my first session of Parliament to have you as a neighbour, a row ahead of me, and I remember those days very well. Your wit and your wisdom have only increased since that time, and they were at a very high standard then.

Some hon. Members: Hear, hear!

Mr. Fleming: I would also like, in the spirit of this House in its better moments—and we will start off with the better moments and see how it goes through my speech—to offer my congratulations to the new Prime Minister (Mr. Clark) and hon. members opposite on the mandate given them in the election. I want to talk about the degree of that mandate as I make my comments today, but as best I can I sincerely wish them well in the interest of Canada.

• (1540)

I want to congratulate both the mover, the hon. member for Erie (Mr. Fretz), and the seconder of the address in reply, the

hon. member for Cardigan (Mr. MacDonald). Their thoughtful comments about their constituencies, their firmness of mind and freshness bode well for their contributions to this Parliament in the months ahead.

I plan to deal with two areas. First, as a member of the opposition and a member of Parliament since 1972, I would like to deal with the commitments made by the new government during the course of the last election campaign and what we now have instead. As well, I want to deal with the cultural field, in which I was given some opportunity by my leader to concentrate in an area which I believe is absolutely fundamental and critical to the survival of this nation.

I should like to speak on the issue of the new government, about what they promised and what we have. May I review, if I can, some of their economic proposals. They said that the last government, the government of which I was a supporter, had created terrible deficits, that indeed the spending of the Government of Canada was sending Canada down the road to hell. And so, in the course of the last campaign they concocted as an answer something called the stimulative deficit. That was created by that great democrat, Senator de Cotret. The senator proposed that, and that is what we heard in the campaign. Upon their election and in a minority situation, they abandoned that as impossible because they said matters were even worse than they thought they were so far as deficits were concerned. That is a possible position to take, except that that particular declaration, while abandoning a major plan that offered the return of money to many Canadians who felt the tax burden was becoming unduly large, that rationalization, came the same week that another senior minister of the new government announced that the deficit for the current fiscal year would be less than that forecast by the previous government.

In turn, the previous government was accused of being gutless and unimaginative on several very basic economic principles followed by that previous government. We were attacked for persistently claiming to float the dollar and, in fact, not floating it. I can remember when, day after day, the then member for Don Valley, now the principal economic adviser to the new Prime Minister, would rise in the House and attack the minister of finance of the last government, saying, "You are not floating the dollar at all; you are interfering with hundreds of millions of dollars; you are meddling with it. Fix it or float it. I would like to have it fixed." I believe that is what he said. He said, "I would like to have it fixed, but make up your mind." Upon forming the government in the six months that followed, they followed precisely the same policy they had constantly attacked when they were in opposition.

When it comes to the traditional policy of recent Canadian governments to increase our interest rate in line with increases in the American interest rate in order to attract capital and to grow as a country, we were constantly attacked for following the Americans, for not having some independence of mind, and for not finding an alternate course. Of course what we have seen happen since the election is again the policy they attacked

as a fundamental mistake on our side which they have now decided to follow. They followed it religiously, even though there are many of us on this side who believe the time has come now to investigate at least, to see if it is wise, simply without questioning, to follow the increases in the American rate, especially when our own inflation rate is considerably lower than that of the Americans and we may indeed have a possible alternative policy that could work for Canada.

At any rate, on all these fronts, on the promised spending and give-out to the taxpayers, on the issue of the floating or non-floating dollar, on the issue of our inflation rates, they promised the opposite of what we were doing, but all they have done since they have formed the government is exactly what we did. I suggest that placed in the minds of the Canadian public, now that Parliament has finally met, some real concern about credibility and some real doubts that there would be some changes. Obviously the outcome of the election showed that some change was desired. That is what they said they would give, but apparently in those fundamental areas they will not give it at all.

They also accused us of being insensitive—and this was through the other side of the mouth—when we proposed the tightening up of the unemployment insurance regulations, because there was a broad feeling in the land, and a feeling in this House among members of most of the parties at least, that systems which were well intended were not working well. So, I must say that after considerable debate in my own caucus in the last Parliament, some changes were put forward, and those changes, finally after lengthy debate, were adopted, but with the then official opposition opposing us on that issue. What is the first thing they did upon becoming government? They gave final approval to putting those changes into effect!

I am talking about credibility and the very difficult position of the Canadian public as we try to make this Parliament work. During the campaign I heard a great deal about wage and price controls, about the last campaign five years earlier, the 1974 campaign. I heard about how we promised something and did a complete reversal. Well, at least it took us 18 months and very changed economic circumstances to do a reversal. They, in three or four months, reversed on almost every major economic plank they had, and the ones where they have not, I find most incredible as an offering to this Parliament for Canada's future.

I should like to mention one or two economic issues such as the issue of cuts to the civil service, the so called privatization. As I recall, that began by the Progressive Conservative Party saying. "You have too much government. We are going to cut it down. It is too much of a burden. The people are paying too much in taxes and the deficits are too great." They said, "Our answer will be a cut of 60,000." That is a nice figure; it has lots of zeros in it, but how they came up with the six in front I do not know. They got rid of Bryce Mackasey and that leaves them with 59,999. However, they say they have a plan.

That mastermind—I know he does not like to hear it said—the mastermind of the bank of western Canada, the President of the Treasury Board (Mr. Stevens), continues to demonstrate his ability as one of Canada's leading economic acrobats. In the minds of the Canadian public these cuts are going to mean less of a burden on the taxpayer, and yet he is suggesting that one of the major Crown corporations the government should get rid of is a company like de Havilland with several thousand workers from my own constituency, a Crown corporation that a Liberal federal government took over in order to build it, to concentrate on technology which could be a world competitor and to make it strong. That is happening; it has just begun to show a reasonable profit. But what do they do? They say they will get rid of it. Well, there are two problems with that. First, that will not help the pocketbook of the Canadian taxpayer because the company is making profit and it is in the interests of the Canadian public to retain that company, at least until it reaches the point of considerably greater health. Right now it is at the turning point of real expansion and real success, and we will have to watch very closely as the new government moves toward privatization of de Havilland, to be sure that indeed the long-term interest of that technology and the interests of those workers are kept in mind.

[Mr. Fleming.]

Much the same can be said of Canadair. Here is a company we picked up as the federal Liberal government. We said it needs help, it needs some direction and money for support. We gave it support and now it is highly successful, but they say, with some kind of crazy economics, "Now that it is successful, we will give it back to the private sector and let someone else profit rather than the taxpayers of Canada."

One other economic issue of some importance to me, coming as I do from metropolitan Toronto, is the so-called mortgage interest tax deduction program. That program has now been switched to a mortgage interest tax credit. In my view, that is a positive step. Their original plan would have meant that the richer you are, if you hold a mortgage the more you will get. Now it means you will all get the same amount. I must admit that must come as some disappointment to some of the folks who voted Conservative and, after adding and subtracting, figured they would get as much as $4,000 or $5,000. Now the maximum they will get is $1,500 after the program is phased in.

Of much more concern to me, however, are those people who rent, the old and middle-aged people who worked hard to pay off their mortgages. Of much more concern to me in my constituency are the many thousands of Canadians who have built their homes here, particularly when I think of the Italian Canadian community and others who, very quickly, believing it was fundamental to their family life to have their home paid for, paid off their mortgages in less than ten years, pooling their resources, working hard, scrubbing floors, putting up brick walls, helping to build our cities. They will get nothing out of this program, and yet it is the major offering to the Canadian public, so far as getting any money back is concerned. Where will all that money come from to pay back the terrible deficits which this government says we have created?

● (1550)

Perhaps I have said enough about economics, unless one considers the Jerusalem embassy issue an economic one. I do not know how, at least in part, it can be considered anything else. Surely the kindest thing which can be said about that whole terrible mess and all its consequences is that it was an ill thought out decision of no real aid to Israel. Perhaps in the long term it would be against the interests of Israel. Certainly it has caused us great trouble in the Arab world. How many millions or billions have we lost? When they talked about the policy of moving the embassy from Tel Aviv to Jerusalem, I heard nothing about the much touted promise of the previous Conservative opposition that when taking government they would bring down a tough Arab boycott bill, that they would really do something. I wonder if anyone else has heard anything about that.

The government I supported put forward a bill which the Jewish community that supports Israel directly, and generally the Canadian community, found to be a reasonable approach. It was a guarantee that certainly we were not going to allow any discrimination against people because of their faith or interest in Israel. Certainly if that happened, it would be public and it would be castigated. There would be pressure against the people who might do that. All of a sudden with respect to something about which there was not enough before, we have heard nothing since.

We had the promise of an open government. Certainly for five months there was no Parliament. Now we have a Parliament, and when we finally get to Parliament what has the spokesman for open government and his supporters done? I gather they talked it over. I hope they talked it over before the Prime Minister said to Newfoundland that, even though the federal government and that province argued before, even though there was an agreement with the maritime provinces, and even though there was a test case regarding the west coast in the supreme court, the resources were theirs—"Newfoundland, here you go". After having said to the west coast, "Although we have some problems, British Columbia, here you go", he thought he might as well say it to the maritimes as well.

So there is the open government; there is the better use of Parliament. There was no reference to Parliament, no constitutional meeting. If it was open, at least we would know if they talked it over with Bill Davis. Did they talk it over with Hatfield? Did they talk it over with the Manitoba government? They are all good Conservative regimes. From what I know, no. That is our new open government. What about basic constitutional reform? I do not think anyone in the House would deny the people of Newfoundland maximizing what is justly theirs under the constitution. But the fiscal powers, and some basic interest to make sure that the fundamentals of one nation and the equality of all people in that nation are maintained, must be retained for the central government, the government of all Canadians.

When we talk about open government we should remember that two-thirds of the cabinet are locked out of the inner cabinet. That is not a very open government. Coming from Toronto I should like to ask where is Toronto in this inner cabinet? Where is Manitoba? My leader pointed that out very well. Where is New Brunswick in that inner group? We have had a tough season in Toronto, aside from my party having lost some seats, which is perhaps a non-objective comment. But the Argos have not been doing very well, the Argos wearing their blue. The Blue Jays wearing their blue have not done very well, and now we have the blue Tory ministers, all of them second string. Poor Toronto is not doing very well, although I have some hope for the Argos. Hope springs eternal, and I have some long range hope for the Blue Jays.

An hon. Member: What about the blue maple leaf?

Mr. Fleming: I do not know about those three fellows from Toronto sitting on the outside. I do not know if they have a hope at all of getting into first place.

Then there is Petro-Canada. I see we have brought hon. members opposite to life a little. That always encourages me. They will not disband Petro-Canada; they will simply cut off its arms and legs. Well, they will keep the high risk part in order to go out and spend money that others will not spend in frontier areas and to develop the tar sands and to find the technology to give us a real assurance of energy supply for the future. They will keep that part and sell off the profitable part. Meanwhile they con the public by giving them free shares. It looks like that will happen. After that the little guy will have a few shares. He can watch them go up as his taxes and energy costs go up. Then the big guy will buy shares. He will buy shares and make profits, and we will have a great Canadian company! Is that not wonderful? It is, but what about energy prices for average Canadians? What about pensioners trying to heat their homes? What about poor people? Where is our expertise, which we cannot just have in the high risk portion, to know the entire market place, to know whether we are being conned by some of those multinationals? It is gone.

I guess we have heard a great deal about Petro-Canada. Perhaps members on both sides are becoming tired of hearing the word. I do not believe anyone can say that the retention of Pacific Pete, the Atlantic Richfield portion, the profitable part, will harm the Canadian public. After messing up Jerusalem, after changing all their financial proposals, after keeping Liberal policies which they frowned on for months and years, how can they say finally that they will show guts by taking up that policy on a fundamental issue of interest to all Canadians, which I am sure no one can deny? It is madness. If it is madness today, then it will be a lot more madness a year or two down the road when this Parliament finds itself back in an election. Woe is the day as that story unravels for that party and that government. As that tragedy unravels, woe is the day for the Canadian public.

Even Bill Davis is shaking in his boots today. A couple of months ago Mr. Davis went out with his animated face and charged around the province of Ontario supporting the new Prime Minister. We know that he must be sitting quietly at home now, perhaps with a glass of brandy in one hand,

wondering if everything in his past has been all that correct and wise.

I have said enough about Petro-Canada, but before I pass on to another topic I should like to make reference to Foothills. It was to provide $1.5 billion to $2 billion and tens of thousands of jobs for Canada. Apparently over the period of three months no minister, no prime minister, or no senior official had a meeting with Foothills. During the months of June, July and August there were no meetings in the new government over a major Canadian economic need. It was a matter that was by no means assured. Everyone watching the United States knew the confrontation between the executive and the legislative branch and did not think for a moment that it should not be watched. They knew there was public relations and leaning and pushing to do. The Conservative government, the experts on business, the ones who want privatization, did nothing over three months. Zip, it went out the window, and, "gosh, oh golly, shucks," another one is gone. If one looks at Japan, apparently Japan is out the window.

We have read about Argentina in the last few weeks. We have read about the Middle East and the Mexican deal. There was to be a meeting in September, and the Prime Minister made a joke. Somebody said, "Postponed or cancelled?" The Prime Minister said, "No, just postponed until next year". I do not know if we will be on our feet economically next year if this kind of record continues.

I have finished my comments about the government generally, but I should like to move to a more positive and hopeful tone, the field of culture. I mean that sincerely. I want to congratulate the Secretary of State and Minister of Communications (Mr. MacDonald). He is not here today, he is away at a conference with his provincial counterparts who have responsibilities for communications. I want to pay my respects. In the cultural community he is considered progressive. Last November I believe he indicated in the budget speech five or six budgetary proposals which he said were commitments of his party to assist the Canadian cultural community if they got into office. He and his committee on culture moved across the country last year. I believe it showed a real desire to make some progress. In that speech the then hon. member for Egmont said the following:

> Our institutions of culture are starved for funding . . . such neglect of our culture . . . can only seriously jeopardize the well-being of this nation. We must bring a new vigour to federal responsibility.

If one honestly cared about one's country and is a critic in that area, then one would look forward to new vigour. I know of the minister's sincerity. I would call him a progressive more than a conservative in his interests in the field of culture, but he is not a superman. He is not faster than a speeding bullet. He cannot leap tall buildings in one bound. Also, he is the inner cabinet minister for social policy. What is that? Is it medicare? Do we have problems with medicare? Is there slippage? Will it not be universal any more? He is responsible for that in the inner cabinet. Also native interests are major responsibilities. There are big problems to be solved fairly. Also I gather that pensions will come under his inner cabinet responsibilities. What about indexing? Are we not to have indexing? Will we fight to keep indexing so that old people will not have less and less each year? What about social assistance? He has all of that to handle, as well as communications. There are staggering challenges over satellites, cable television, Pay TV, interconnections, super stations, and the future of the CRTC and its ability to cope. He is faced with all of those challenges. Then we come to the field of culture where he says we need new vigour.

• (1600)

Then we have the CBC. Do we have problems with the CBC? Do we have problems with the CBC! Then we have the National Film Board, the Canadian Film Development Corporation, the National Arts Centre, the Canada Council, with all its implications, the National Museums, the National Gallery, which is very important, the Social Sciences and Humanities Research Council, the National Library, as well as publishing policy and recording policy. On and on the list goes, with one human being to deal with them all. No matter how progressive or how capable, how can he do it? Why when they have 137 members, and I mean this genuinely, with some very competent people in the back benches, is it necessary? Is he the only progressive man, in the Prime Minister's mind? Is this one of the few red Tories holding on? I hope that is not the case. I want good things in the cultural area, but why is one minister trying to cope with so much? He is a man who does care and understand.

Mr. Stevens: He is so good.

Mr. Fleming: Well, we will find out in time. I think that is arrogance on the part of this inner cabinet minister who suggests he is so good, and he is so good. He is so good there is no room for the others I think are very good and should be there.

Mr. Stevens: No, my colleague.

Mr. Fleming: I quite understood the "so good" minister.

Let me take a moment now to deal with the parliamentary enquiry that was very vaguely referred to in the throne speech. We do not know if it will be a joint parliamentary enquiry of the Senate and the Commons, though I have heard it will be that, I believe in a speech by the new Secretary of State and Minister of Communications. The idea of putting all the cultural fields together, reviewing things and straightening it all out, is something that everyone who is involved in the area has been calling for now for a year or two. I know the previous secretary of state made several major efforts at putting them together. I have real concern in a minority Parliament whether this can be competently and thoughtfully done when we are faced with the workload and the challenges we have here.

Of equal concern is the fear that while the Secretary of State and Minister of Communications may feel that is a productive route, and that demonstrates democratization and the open government concept they want to prove, it may be very dangerous, indeed, when the minister who just interjected

a moment ago can go in and argue as President of the Treasury Board that it is under study and they do not need any more money. Remember, it was the Secretary of State who said a year ago that they were starving. Let us not continue that starvation. We take him at his word, but is that not a good excuse? That is what I am afraid of, that he will say they are having a study and that they should not be given any money until that study is completed. How long will that study take, and how much more critical will the situation become? The Secretary of State has said the situation is critical.

Let me take a moment to talk about this suggestion about starvation for funding. I asked my first question of the Secretary of State and Minister of Communications last week and he very proudly, when I questioned the heavy burden he had, responded that he had found $2 million more for the Canada Council. That was not responding to the question. I am very pleased about the $2 million, as I know it is a breath of air for them, but it is still $6 million to $7 million less than they would have had without restraint. It was the previous government that I supported that brought in restraint. While I was in support of that government, I also criticized it in committee for the extent of the restraint. I support the new minister in giving them more assistance.

If that is $2 million more, whatever happened to that $24 million the previous secretary of state, Mr. Roberts, promised from Loto Canada funds? We now hear that the total deal back is $24 million, and that is for sports and culture. If we have half of that, that is $12 million, and $12 million and $2 million is $14 million, we end up with a net loss of $10 million, and that is for the cultural community. But I will bet anything I can bet that it is not going to be $12 million. My hint for that was in a letter I received in response to a letter I sent to the Secretary of State. In that letter of September 19 he said:

> The net result will be increased revenues available from Canadian lotteries for the support of sports and cultural activity. That these new funds will be realized primarily at the provincial level is in my opinion a most positive development toward encouraging more active provincial participation in cultural support.

I agree, the provinces have to do more. Of course they do. He seems to be saying there will be more money, but not here. He seems to be suggesting it is for the provinces. More money for the provinces is good, but he says we are starving here, suggesting that the Canada Council and all those other agencies are starving. This letter seems to suggest less money, not more money, and I think the cultural community, which has some faith in this new minister, deserves an answer. Is the amount to be $10 million less, $12 million less or $14 million less? If it is $10 million more I will be very happy and the first to congratulate the new minister. However, I have my fears about that.

The proposals of November, 1978, put forward by the new Secretary of State, included expanding the 100 per cent capital cost allowance for publishing and recording. I argued, as I did under a motion pursuant to Standing Order 43 last week, that he said last November these firmly would be budgetary proposals if they formed the government. They formed the government early last May, or early last June, and they have had five months to introduce them. We still do not know the budget date, but there is no secret about these things. That party promised them. We have a starved cultural community. Why not bring them in or bring them forward for discussion in committee so we can find out if they will work? They may not work, but I would like to find out about them. I want to be positive, but why put them off and then say they are starving? I do not think that is fair to a community that holds hope in this minister. I do not think this was rhetoric in opposition. Perhaps the problem is that he cannot get his colleagues to move. If he cannot, I want to point out that there is a problem.

I want to talk for a moment, if I may, about the suggestions contained in the minister's speeches when he was a member of the opposition and the critic of the then secretary of state. He seemed to suggest that he would regionalize the National Film Board and the Canada Council. I have heard around and about, in talking to people and in interviewing them, in an attempt to pick up the best knowledge I can about this area in addition to what I have learned over the years as a member of Parliament, that he has abandoned that. I hope he has, because strong regions do not have to mean a weakening of the middle, and if they do mean a weakening of the middle I think that is catastrophic. I hope that is not the direction he is going.

There are some specific areas in respect of which I want to put some questions on the record. Let me refer to the area of copyright. My colleague, the hon. member for Argenteuil (Mr. Gourd) very forcefully made the point during the throne speech debate yesterday that for 50 years, and to the discredit of the previous government as well, no changes have been made in the Copyright Act. He referred to all the disadvantages it creates for our authors when we are trying to spur our Canadian authors and to build Canadian talent. Some real efforts were made by the last secretary of state. I know a lot was happening in his office to press the Department of Consumer and Corporate Affairs, where the responsibility lies, for some action in this regard. I simply want to say that while our committee has not formally reached an agreement on that policy, and this involves simply a matter of finding the time in the first few weeks, I agree entirely with my colleague, and I hope we will move in that direction. I hope we can pressure the government into moving in that direction.

Again a major area of criticism by the new Secretary of State was in respect of copyright and the lack of action. He has been the Secretary of State for almost six months. In looking at 80 new bills on the order paper, some of them not so new, I see nothing about copyright.

Let me refer to voluntary action, an area of concern and the responsibility of the Secretary of State. We read in the papers that Ken Dryden has left the nets to do a little protective work. Perhaps I should be more positive. He has left to do some investigative work in the voluntary action area. He is going to head up a task force on voluntary action. When we call the department we are told they know nothing about it. There are no terms of reference, and they have not seen Mr. Dryden.

There was a task force on voluntary action several years ago. I simply want to encourage the Secretary of State, with

the support of his government, to move quickly on this. I have some agreement with members opposite that good work can be done in the voluntary sector, and it is time we found out about these concerns. It is time we found out specifically whether lotteries, for instance, have distorted the ability of the voluntary sector.

I asked questions on that of the last government. I have written to the new Secretary of State, and I am very pleased that he has replied saying he shares these concerns and will be pleased to explore this issue more fully. He is going to take it up with his cabinet colleagues. He has asked for my suggestions, and I have suggested he certainly should look into the social impact of lotteries.

Finally, in conclusion, I simply want to say culture is not an airy-fairy issue; it is the reality of Canada. Of course the regions have to maximize and reflect the reality to themselves, but we are more than regions and we are more than a community of communities. We are a nation, and each part of Canada helps to make up the greatness of the total, but each part must better learn of, understand, and appreciate the other parts. It is the sharing of the richness of diversity that leads to national maturity. It is the assurance of the opportunity for excellence to develop anywhere that guarantees artistic and cultural opportunity everywhere.

Some hon. Members: Hear, hear!

Mr. Robin Richardson (Beaches): Mr. Speaker, may I first most sincerely congratulate you on the unanimous selection of yourself for a difficult but most important post. I can think of no better person for this most respected position during what I am certain all hon. members will work for and pray will be a "Parliament of Reconciliation." I pledge to you my co-operation in this essential task.

• (1610)

Next, I extend the traditional and very sincere congratulations to the hon. member for Erie (Mr. Fretz) and the hon. member for Cardigan (Mr. MacDonald) who moved and seconded the Address in Reply to the Speech from the Throne. I should also like to refer to my predecessor, the member for the riding of Greenwood, Mr. Andrew Brewin, and pay a tribute to him. Mr. Brewin is a very fine gentleman, a respected parliamentarian who represented my district for 17 years and, in my opinion, he is a compassionate man and a great Canadian.

Some hon. Members: Hear, hear!

Mr. Richardson (Beaches): I hope to hold a reception for him later this year here on the Parliament Hill he loved so well, to which all of his many friends will be invited. I should like this House to know that Andrew Brewin is held in high regard and affection by many who, like myself, do not happen to share his political views.

I should also like to express my personal tribute to the memory of the Right Hon. John George Diefenbaker who was well known to the Richardson family. As some hon. members would know, my uncle, Burt Richardson, was Mr. Diefenbaker's chief of staff for several years in the early 1960's. Mr. Diefenbaker was a man of great moral integrity and personal courage—a man of strong Christian conviction—and my only regret is that I did not have the privilege to sit in this House with him as a member of this Thirty-first Parliament.

My sadness at the passing of Mr. Diefenbaker is only the human feeling of realizing a great man and former prime minister of the Canada we love is no longer with us. It is more than overcome by the knowledge that the present Prime Minister (Mr. Clark) and leader of this Progressive Conservative government is equally a man of great moral integrity and personal courage, who is willing and able to take the tough actions necessary to ensure a safe, prosperous and united Canada for all Canadians in the days, months and years ahead.

I propose in this speech, Mr. Speaker, to deal with the prospects for Canadian peace and prosperity raised in the Speech from the Throne and, in particular, to challenge all hon. members to work together to help restore morality and a sense of true values to public affairs. After all, Mr. Speaker, Parliament is the central forum of our country. It should set the tone of public life since its decisions are felt by every Canadian. Our greatest challenge, individually and collectively as members of Parliament, is to help rebuild public respect and confidence in government.

First, Mr. Speaker, I should like to make a few general remarks. At a moment like this when I am giving my first speech in this historic Parliament, I naturally think of the people in my own constituency. I think of the people of Beaches, as I am sure other hon. members think of their constituents, as the salt of the earth, and I hope I can justify the confidence they have placed in me as their federal representative.

I think particularly, Mr. Speaker, of the many people I met during the past two years of campaigning as I called from house to house, who have experienced and are experiencing the devastating effects of prolonged inflation. I am concerned, Mr. Speaker, about the retired people trying to live on limited pensions, the working men and women whose life savings are being destroyed, the homemakers who face soaring food prices, the homeowners, merchants and other small business entrepreneurs who are being devastated by high interest rates, and the young people who are facing very uncertain job prospects.

I think also, Mr. Speaker, of the many people I met who are fed up with politics and government. I am sure other hon. members experienced the same thing. They are the people who are dismayed by corruption and scandal in high places; sick of being bought off with their own money; distressed and discouraged at red tape and remoteness of government, and downright angry about the taxes which now account at all levels of government for almost 50 per cent of all the earned income in Canada. Fifty per cent, Mr. Speaker! God only asks for 10 per cent; Caesar and his legions are not so easily satisfied.

Who can deny, Mr. Speaker, that these are darkening days? The smaller this world grows, the more it seems to fly apart. There are wars and rumours of war; hot wars, cold wars, bush wars, and economic wars. There is famine and hunger, disease and suffering, strife and turmoil. There is financial uncertainty bordering on chaos that could serve as the prelude to an awful worldwide depression with its untold misery. The threat of nuclear holocaust is constantly with us. It would seem, Mr. Speaker, that "the distress of nations" is upon us.

It seems to me, Mr. Speaker, that primarily inflation is a moral and political problem. Have we in this House the imagination to see that it is a threat to the political, social, and moral character of our society? Do we not see that the confiscation of capital, income and savings that results from inflation provided some politicians and bureaucrats with the excuse to trespass into many areas of our lives, and curtail freedoms? Have we not perhaps now come to the point in our history where, in a very real sense, "democracy in deficit" is descriptive of both our economic plight and possibly of our political future, unless we are willing to act with courage and conviction to resolve our problems?

Mr. Speaker, I am proud to be a member of this Thirty-first Parliament and, in particular, of this new Progressive Conservative government that is facing up to these very real challenges. I trust that we all in this House perceive the need to work together, regardless of political party affiliation, to support the initiatives set out in the Speech from the Throne. We must work together, regardless of party affiliation, on the foreign policy review, on the basic reform of Parliament, and on ways to balance the budget. We must address the crucial moral issues at the heart of the human dilemma today—social justice at home and abroad, the right to life, the problem of inflation. We must come to grips with what we are all about as individuals and as a nation.

Our failure in the past as a society, and our failure specifically here in Parliament, has been to articulate our national goals and preserve our individual values in attaining them. It is this failure, Mr. Speaker, that has led to the broad sense of disillusionment amongst the Canadian people today.

I represent many Canadian people who wish to be governed by a righteous and God-fearing Parliament. As many hon. members may be aware, Christians all over Canada have been praying for each one of you personally in the hope that men and women of God would be making the laws of the land. Mr. Speaker, I believe we have a yardstick by which to measure our effectiveness. That measuring device is God's Word. We must search for a biblical basis for civil government.

As a professional economist and businessman I have said much, and I will say more at a later time, about the primary cause of our inflation, which is government itself. But, Mr. Speaker, as a Christian and as a concerned Canadian, I am convinced that not all of Canada's problems are economic. Many are moral and spiritual. Indeed, both the human spirit and the national soul may perhaps be more in need of repair than the federal budget.

I believe the bible to be true, Mr. Speaker, when it states in second Chronicles 7:14 God's promise as follows:

> If my people, which are called by my name, shall humble themselves and pray, and seek my face, and turn from their wicked ways; then will I hear from Heaven, and will forgive their sins and will heal their lands.

What more do we need to encourage us, to motivate us, than to become active working together in the healing of our land? Mr. Speaker, I may sound like a voice crying in the wilderness, but I know for a fact that this Thirty-first Parliament has many others of like faith.

I am excited, Mr. Speaker, by much of what I have seen since the May 22 election, and I am very optimistic about our country's future because of the leadership I know will be given by hon. members in this "Parliament of Reconciliation." Our individual and national response to the desperate plight of the Vietnamese boat people, and the support received from hon. members on both sides of the House, is a very encouraging sign of what can be achieved by this Parliament as a positive witness to our fellow Canadians and to the world. Canadians have had enough of meanness and pettiness. What they want from us, Mr. Speaker, is leadership, and the true essence of leadership is service to others.

It is a fact that Canada, more than any other nation in the world, is blessed with abundant resources, good, hard working, and law abiding people, and a huge potential. As the Prime Minister has so properly said, "It is a time to build". I believe that in our Prime Minister we have an enlightened leader who has the courage of his convictions to uphold an unpopular stance in the name of the future good. He has given a positive indication in his response to the debate on the Speech from the Throne that we are and will continue to move firmly to correct those things which have been holding us back individually and collectively from meeting our God-given potential in this country. Although he would perhaps not use the same words as I, the Prime Minister has challenged us all, whether we be members of Parliament or individual Canadian citizens, to participate in this building of Canada with energy and skill; to stand fast in our faith; to fight the good fight; to be consistent in our good works, with love and understanding—"like the yeast that leavens the loaf and raises the level of all it touches".

"Do unto others as you would have them do unto you". Mr. Speaker, what a tremendous transformation would occur if the golden rule were applied to politics and government. Can you imagine the change that would be wrought? No more political campaigns based on "victory at any price by any means"; no more dog-eat-dog tactics; no more under-the-table deals; no more false witness; no more ego trips for self-centred purposes. Where there is animosity, there would be love; where there is greed, there would be generosity and compassion. Patience would take the place of anger, and service would rise above self.

Mr. Speaker, I respectfully recommend to this House that one small thing we might do to signal a new direction to the people of Canada would be to allow the general public to enter this chamber while we are conducting daily prayers. It would

certainly do no harm, and might even prove inspirational to some Canadians to see their members of Parliament humbling themselves before God on a daily basis, asking Him for His divine guidance.

● (1620)

Especially in these times, Mr. Speaker, when Canada stands at the political, economic, and spiritual crossroads, the challenges facing this Parliament are very important and can be exciting and rewarding too, not in the monetary or status-seeking way, but in the knowledge that we in this House of Commons are doing our part to build Canada so that some day it might truly be said of this land that " . . . His dominion shall be from sea even to sea . . ."

In conclusion, Mr. Speaker, the challenge set out by our Fathers of Confederation was to build a nation in keeping with basic Christian principles. What began with them as a step of faith more than a century ago has proven to be a continuing test of faith ever since. I submit, Mr. Speaker, it is both a challenge and a sacred obligation for the hon. members of this House to work together in the healing of our land at this time of unparalleled opportunity.

[*Translation*]

Mr. Jean-Claude Malépart (Sainte-Marie): Mr. Speaker, my first words will be to congratulate you on your re-election as Speaker of the House and to congratulate all hon. members on their election to the House. I also want to thank all the voters in the riding of Sainte-Marie who put their confidence in me. What confidence! All other candidates lost their deposit!

Mr. Speaker, having read the Speech from the Throne, I have to admit that I found it very deceiving. I expected that this Progressive Conservative government, after spending 16 years in opposition claiming that it had the solutions to all our problems, would present after five months in office something other than words and pious wishes. I admit that I am deeply worried about the two million senior citizens who built this country, about the 700,000 unemployed and those who will join their ranks, and about the seven million Canadians whose income is below $10,000 because the government offers them little if anything at all.

The formation of the inner cabinet was one of the first moves made by the right hon. Prime Minister (Mr. Clark). This category of Canadians about whom I am worried and who represent a high percentage of the population of Canada gets no consideration from this goverment. Indeed, the Prime Minister did not consider it appropriate to include in the inner cabinet the Minister of National Health and Welfare (Mr. Crombie), the Minister of Labour (Mr. Alexander), and the Minister of Employment and Immigration (Mr. Atkey). Those three ministers should represent and defend the interests of the groups of Canadians they serve. It would be essential that those same ministers be present at the meetings where the main decisions are taken. I do not know why the Prime Minister did that, whether it is because those three ministers are not competent enough or because he is simply not interested in those groups of citizens.

Mr. Speaker, I am convinced that if those ministers had indeed taken part in the meetings of the inner cabinet and spoken for the interests of citizens that their departments serve, the Prime Minister would certainly not contemplate increasing so quickly the price of oil. I may indicate that the first victims of that increase will be the lower income group and not the industry that can pass on this hike to those same people. Moreover, those ministers would certainly not have let the President of the Treasury Board (Mr. Stevens) cut 60,000 jobs in the public service thereby increasing the number of unemployed. I would like to know on which studies the government based itself to reduce the number of civil servants by 60,000. Can the President of the Treasury Board tell or assure the House that services offered to the public will not suffer from these cutbacks? How are we to know that there are not only 10,000 public servants too many? I trust that the decision to cut 60,000 public service jobs was not taken the day the Prime Minister decided to move the Canadian embassy to Jerusalem, because that was not his best day.

As stated in the throne speech, the government hopes to solve unemployment and create jobs by relying on the private sector. It should know that the private sector has long since had the opportunity to create jobs aided by government grants, with the result that there are now 700,000 unemployed. We have a lot to look forward to! I believe the government is wrong in relying only on multinationals and small and medium business, because we all know that their prime motive is profit and not job creation. One has only to consider the action taken by such companies as ITT, Cadbury, Sun Life and many others which could not care less about the workers. Often, Mr. Speaker, when governments give grants to corporations in order for them to modernize their equipment, there does not result in any new jobs. I will give you as an example a bakery with equipment producing 100 loaves of bread a minute; after receiving a grant from the federal government, they bought new equipment capable of producing 400 loaves a minute. The result is that you have only one operator instead of four, and three unemployed.

Furthermore, the Minister of Employment and Immigration decided to cut the Canada Works programs. That is unfortunate because it was one of the rare programs where the government put faith in the ordinary citizen. I hope that decision will be reviewed because in addition to creating jobs that program provided services meeting the needs of the people, particularly senior citizens. The government should also review the policy to help businesses so it will really help create employment.

Mr. Speaker, I want also draw the attention of this House to the tax credits for home owners announced by the Minister of Finance (Mr. Crosbie). That is an unfair decision because

there is nothing for tenants. Instead, the Government of Canada in co-operation with the provinces should have examined the possibility of establishing an over-all housing policy to help middle income workers to own a home and low income people to have decent housing through a tenant subsidy.

If you look at Statistics Canada figures for 1976, you will see that there are in Canada four million home owners versus two million tenants. If you look at the provincial breakdown there are 1,676,000 owners and 958,000 tenants in Ontario versus 953,000 owners and 940,000 tenants in Quebec. Mr. Speaker, after reading those figures, you see the government's mortgage tax credit policy is unfair to Quebec where the rate of ownership is low. Furthermore, it is also unfair to senior citizens because most of them who own a house paid off their mortgages long ago. Indeed, in an article in the newspaper *La Presse* of Wednesday, October 3, one can read, and I quote:

> The Canadian Council on Social Development feels the interest and property tax credit program announced by the Clark government will have a very detrimental impact if it is not further improved to include low income Canadians.
>
> In a press conference yesterday in Ottawa, Director General Pierre Bourdon urged the government to amend its program to correct its three great weaknesses which he identified as follows:
>
> — no advantage for tenants, who account for 37 per cent of the population;
>
> — a maximum tax credit of $260 after four years for families at the bottom of the income scale ($10,000 to $15,000), compared with $900 for those with an income of $30,000;
>
> —nothing except the maximum property tax credit of $250 for owners of older houses and for rural families with large properties and low incomes.

It would have been desirable, Mr. Speaker, so as to enable middle-income Canadians to purchase a home, for the government to amend the policy of the Canada Mortgage and Housing Corporation which guarantees loans only for the purchase of single-family dwellings and duplexes. I refer, for instance, to the city of Montreal where the majority of houses have three floors and three or four units. If the Canada Mortgage and Housing Corporation could authorize guaranteed loans for these properties, we could increase the number of homeowners in Montreal, where there are now only 353,000 homeowners compared with 571,000 tenants.

As evidence of the importance of the loans guaranteed by the CMHC, if a middle-income citizen wants to buy a property evaluated at $50,000, he can obtain a 90 per cent loan guaranteed by the CMHC, which represents a mortgage of $45,000 and which means that he need only make a deposit of $5,000. However, if the loan is not guaranteed by the CMHC, he can only obtain 75 per cent of the value of the property, or $37,500, and must make a deposit of $12,500, which means a difference in capital of $7,500.

I also take the liberty to say to the Minister of Finance that he did not have a very good argument when he answered a reporter who told him that his policy offered nothing to tenants. He made the following answer and I quote the newspaper *Le Devoir* of Tuesday September 18:

> Furthermore, the Minister of Finance gives nothing to the 4.5 million tenant families because "nothing was promised to them", he said.

We cannot say it is a very brilliant answer.

Mr. Speaker, the Speech from the Throne refers to the creation of a social development ministry that will ensure better co-ordination of programs and spending in that sector. As I see it described in the Speech from the Throne and dreamed up by the Conservative party I suggest that this ministry will be responsible for reducing important services given to the people and not for improving the living conditions of small income citizens. However, that department has the responsibility to study thoroughy social programs of the federal and provincial governments such as the veterans pension, the old age security, the guaranteed income supplement, federal and provincial family allowances, tax credit for children, social welfare, social housing, school taxes, all those programs financed from taxes.

There are also programs paid by workers on top of their income tax, including the Canada Pension Plan, unemployment insurance, automobile insurance and work income supplement in Quebec and, in other provinces, private pension plans. There is also the Workmen's Compensation Board which is financed by companies. In fact, if we study all those programs to establish a guaranteed income policy allowing small income citizens to obtain higher allowances, I entirely agree.

Mr. Speaker, these days much is said about the proposed dismantling of Petro-Canada by selling stocks to Canadians. I believe that this decision is a real joke for small income citizens. What about older people who have only the old age security pension and the guaranteed income supplement? Single persons get only $325.95 a month and a couple $602.44 a month. What about people who depend on welfare—in Quebec a single person gets only $276 a month and a couple $439? What about people living on minimum wage who get only $3.47 an hour in Quebec, which adds up to $555.20 a month before taxes, not to mention the 700,000 unemployed who get from $480 to $550 a month? What do you think those citizens are going to do with two oil shares? Their first reaction will be to sell their shares to the rich, so they can eat. In a matter of months they will be the losers, because the new shareholders will ask the government to raise oil prices and subsidize their operations. Those will be the facts.

Mr. Speaker, there is a reference in the throne speech to parliamentary reform, and I quote:

> You will also be asked to consider reforms to extend the power of Parliament. Proposals will be submitted to the Standing Committee on Procedure and Organization to strengthen the powers and resources of parliamentary committees, to accord more prominence to private members' initiatives, and to make my ministers more accountable to you. The standing committee also will be invited to consider the question of a permanent Speaker for the House of Commons.

Mr. Speaker, how can I believe in those reforms to give more powers to members of Parliament? How can the Prime

Minister say such a thing, when he himself took powers away from his own members and even made "back-bencher" or second-class ministers by establishing an inner cabinet to control the whole cabinet? To quote from the press release issued by the Prime Minister's Office:

> Mr. Clark has announced that the reorganization of cabinet included the establishment of a main cabinet committee overseeing five policy sub-committees. The major policies of government will be developed mainly by that group.

And we note the absence of ministers to represent the majority of the people.

> The main cabinet committee, chaired by the Prime Minister, will develop government priorities and take decisions on major policy aspects stemming from those priorities.

Now, Mr. Speaker, here are two documents both signed by the government, two documents which contradict one another. That is why I am anxious to see that reform. To conclude, Mr. Speaker, I believe that if we are to improve the standard of living for people with low income, who are always the first to be affected by any increase in the cost of living, we will have, first, to prevent any further increase in oil prices; second, establish a policy to give subsidies to tenants; third, maintain and improve Canada Works and Young Canada Works programs; fourth, review all CMHC's programs; fifth, stop all cuts in unemployment benefits; sixth, study the possibility of allowing any citizen to retire and get old age benefits at the age of 60; and, seventh, establish a guaranteed minimum income plan.

● (1630)

[*English*]

Mr. Eric Ferguson (Saint John): Mr. Speaker, I welcome this opportunity to participate in the throne speech debate in this the first session of the Thirty-first Parliament of Canada. I wish to congratulate you, sir, on your election as Speaker of this House. Your fairness and skill in carrying out your duties are well known across Canada.

Furthermore, I am delighted to congratulate the mover and seconder to the Address in Reply to the Speech from the Throne. Both the hon. member for Erie (Mr. Fretz) and the hon. member for Cardigan (Mr. MacDonald) displayed a concern for their constituencies and for Canada which, I hope, will set the tone for this session of Parliament. I would also like to congratulate the right hon. Prime Minister of Canada (Mr. Clark) for his success on May 22. I am pleased to be part of this new government.

I have come to this House of Commons with a record of nearly 28 years of service to the public, 23½ years with the Royal Canadian Mounted Police, and four years as police chief for the city of Saint John, New Brunswick. Both careers were very satisfying to me. In many ways the Royal Canadian Mounted Police represents Canada to the rest of the world. My pride in being a member of that force remains undiminished and untarnished.

Some hon. Members: Hear, hear!

[Mr. Malépart.]

Mr. Ferguson: It is also a particular source of pride to me to be the first police chief of a major Canadian city to be elected to the House of Commons of Canada.

Some hon. Members: Hear, hear!

Mr. Ferguson: Saint John, New Brunswick, has one of the oldest police forces in North America. It has the oldest police union in the world, having been organized in 1918. Unrest in municipal police departments captures headlines in the newspapers much too often. The reasons are much too complex to describe at this time. In my present role as a member of Parliament it is my fondest wish to use my knowledge in police work to alleviate some of the problems.

As a member of the Canadian Association of Police Chiefs I was cognizant of the fact that resolutions received by the previous federal government were not given the attention they deserved. If in some way I, as a member of Parliament, can serve as a catalyst between the federal government and the police community, then I believe I will have served well.

I wish to thank the people of Saint John for having elected me. I hope I can maintain their confidence during my years in the House of Commons and serve my city and country to the best of my ability.

● (1640)

Mr. Speaker, I have come to Parliament to speak for the city of Saint John. I have come to speak for the factory workers, the drydock workers, for the office workers, for senior citizens and young people, for sailors and fishermen, for business and labour. Indeed, I have come to work for every citizen in the city of Saint John, and to work for Canada. I have come to speak, not with a noose in my back pocket or with a narcotic control act in my right hand, but, rather, I have come here with compassion and concern, a belief that things can be better, that we as members must do better, and I am prepared to work as hard as I am able to aid this government in bringing about necessary changes.

These necessary changes are ones which will improve the quality of life. We need, for example, to inquire into the needs of the disabled and handicapped, to strengthen the role of the voluntary sector, to extend spouses' allowances in certain circumstances, and to amend certain legislation respecting veterans. These are just a few of the programs to be considered as a means of improving life for Canadians. More will be brought in, more will be approved. More are required.

During the past five years Saint John, New Brunswick, has been the only city in Atlantic Canada where there has been a reduction in the number of federal government jobs. Indeed, in that period there has been no growth at all. In fact there has been a decrease. The previous federal government, starting in 1975, had set in motion a program designed to bankrupt the city in terms of federal positions. Thirty-seven jobs from the Department of Veterans Affairs are moving to Halifax, 77 jobs from Revenue Canada are going to St. John's, Newfoundland, and five positions in the Post Office Department are going to Halifax. I realize that this program had been set in

motion by the previous government between three and five years ago. To my mind it has been a bad decision. I have met with the Minister of National Revenue (Mr. Baker) and the Minister of Veterans Affairs (Mr. McKinnon). I have met with the Minister of State (Transport) (Mr. Howie). Mr. Speaker, if nothing can be done about the program at this stage, I ask that steps be taken to compensate for the loss of these 119 jobs. During the recent campaign I attacked the previous administration for implementing this program. The people of Saint John are now looking to me for action.

The city of Saint John bid for the 1977 summer games. The federal government of the day appointed a three-member independent sports committee to inspect the various sites in respect of which application had been made for the games. This committee gave its unqualified support to Saint John, New Brunswick. The then mayor of Saint John, Mr. Robert Lockhart, the city council and Mr. Ev. Trites, chairman of the steering committee, worked very hard, along with other members of the committee, and Saint John itself spent in excess of $60,000 putting forward a presentation which had full support from the province of New Brunswick. But in the infinite wisdom of the previous administration, a political decision was made and announced, contrary to the recommendation of the independent study. The hon. member for Outremont (Mr. Lalonde), who was then the minister responsible, made this political announcement. Mr. Speaker, the citizens of Saint John had worked their hearts out to get these games and they were all bitterly disappointed.

In 1985 Saint John will be celebrating its 200th birthday. In the same year New Brunswick has been designated to hold the summer games. To my mind there are many reasons for the games to be held in Saint John this time around, but the overriding reasons must be as follows: first, we want them in Saint John; second, the city and council have voted 100 per cent to have them there and are prepared to put up their share of the money; third, the games will provoke an unparalleled degree of community spirit which will do wonders for the city and, fourth, they will provide much-needed structures which will be of lasting benefit to the people. It will be an honour for us to welcome athletes from across the country who come to take part in the summer games of 1985. All these reasons are tremendously valid, but the overriding reasons for bringing the games to Saint John is because it will be our 200th birthday.

The Saint John harbour toll bridge in the centre of our city is a federal structure which has been plunging deeper and deeper into debt each year. This bridge was completed in September, 1968, at a cost of $18 million, and the interest on the debt in 1978 was $1.2 million. The cost of maintenance and expenses for the same year amounted to $600,000. The income from tolls in 1978 amounted to $1.3 million, leaving a net loss for the last operating year of $500,000. The total debt to date is now $26.8 million and rising.

I should like to quote from a report to the House of Commons by the Auditor General, Mr. J. J. Macdonell, on March 31, 1977:

> Revenues of the Saint John harbour bridge have been insufficient to meet principal and interest payments on the National Harbours Board loan and the advance from the Municipal Development and Loan Board. The miscellaneous loan from the Department of Finance was made to cover the shortfalls on repayments of principal and interest. In these circumstances, these loans cannot be regarded as fully collectible.

The province of New Brunswick has offered to assume the maintenance costs of the bridge provided a transfer of ownership occurs and the debt is forgiven. The bridge would then become an integral part of the provincial highway system. I would appeal the Minister of Finance (Mr. Crosbie) to forgive this debt and proceed with the transfer of ownership as soon as possible.

The port of Saint John has seen great growth in the past decade and hopes to double the present tonnage by the year 1990. I would like to express my gratitude to the hon. Richard B. Hatfield, Premier of New Brunswick, for his government's involvement in the construction of the Rodney terminal container pier. This is the only instance in Canadian history of a provincial government providing economic and political leadership in an area which is truly a federal responsibility. Had it not been for this involvement in the amount of $25 million, Saint John would surely have become a secondary port on the eastern seaboard. Indeed, we would not now be in the container business at all.

We in Saint John were pleased with the announcement by the Minister of State for Transport last June concerning a contract in excess of $13 million for port development. This expansion was very much needed and will allow our port to handle more goods more efficiently. Much more is required. With the development of great potash mines in the Sussex area only 50 miles from Saint John, terminal facilities are now required to handle the additional tonnage. The port of Saint John has an excellent labour force. We want to handle additional cargo, and I am sure the shippers we serve will be well satisfied with our performance.

My background dictates that I be concerned with the protection of human life. The time has long passed for a close investigation to be carried out not only in the port of Saint John but in every port across Canada to ensure that the safety of the workers is paramount. Too many deaths and serious injuries have taken place which could have been prevented had proper safeguards and security measures been implemented.

● (1650)

We have in the city of Saint John one of the best shipyards in Canada, if not the best. At the present time the yards employ in the vicinity of 1,800 people. The Saint John Drydock and Shipbuilding Company has the labour force, and the expertise which is required to ensure that Canada takes its rightful place in the world of super vessels. As set out in the throne speech, the Clark government will ensure an even flow of work to Canadian shipyards. This is the type of government program we welcome and encourage, one which builds on the strength of a region and promotes stability in our economy.

In order for Saint John Drydock and Shipbuilding to construct super vessels and carry out ship repairs which meet the

standards of world demand, it is necessary to undertake expansion of existing facilities. We are looking to the Department of Regional Economic Expansion to aid us in this goal.

We in Saint John and Atlantic Canada have a real contribution to make to Canada and to confederation. We are blessed with a wealth of natural resources and resourceful talent. Atlantic Canada is strong. We have a fine history in shipbuilding, farming, forestry, mining and fishing. We have great sea ports, beautiful beaches, and unpolluted streams. We are a good people, and that is really our strength. We look to the federal government in Saint John and in the Atlantic region for leadership and encouragement to build upon our strengths. We look to the federal government for incentives to improve our economy and lifestyle.

It is important that collectively our citizens, business, labour, and government at all levels, work hand in hand to develop our area and to make opportunities available in order that our young people can stay at home if they so choose and take their rightful place in society.

The opportunities to develop a wide range of energy resources in Atlantic Canada are unparalleled. There is great opportunity to develop our coal reserves and to explore the concept of harnessing the beautiful Bay of Fundy tides, including wave energy. It is now for us to move with haste in development and research in this regard.

On the outskirts of Saint John there is Point Lepreau, a nuclear plant which is programmed to go into operation within the next 18 months. As in most areas in the country, in Saint John there is much concern about safety. I am pleased that this government will be setting up a parliamentary committee to study all aspects of nuclear power. For Canada today nuclear power is becoming one alternative to conventional fossil fuels. Safety at all times has to be the overriding concern.

I am pleased that the government will form a youth employment secretariat. This will streamline all the federal programs under one department. Young people must have the opportunity to work and grow in this country. If the economic climate continues to affect young people from across the country adversely, we will sow seeds of disillusionment rather than seeds of hope. Every effort must be made to encourage job training and retraining for young people. This is mandatory in an ever-changing society.

In excess of 51 per cent of the people of this country are female. I am pleased that this government will place before parliament an employment strategy for women. Today only 3.5 per cent of the membership of the House of Commons are women. Not only have women been missing in significant numbers from the House of Commons, but they have also been missing from boardrooms, commissions, and the policy-making areas of our political system.

An hon. Member: How many have you hired?

Mr. Ferguson: I hired 12. In order to correct some of the injustices which have been done during the past ten years, a masterful effort will be required. This Parliament must do everything possible to provide opportunities for women to take their rightful place in society. The figures regarding women and poverty are staggering. This must be changed.

In closing, I want to talk briefly about the senior citizens of Canada. I am one of those lucky Canadians whose mother is still living. She will be 91 on November 30. She runs her own home, and she is a great campaigner.

Some hon. Members: Hear, hear!

Mr. Ferguson: We must do everything possible to encourage our mothers, grandmothers, fathers and grandfathers. Every member of this House must keep in mind rising prices, rising interest rates and the effect they are having on senior citizens, most of whom are living on fixed incomes. We have an obligation and a responsibility. After all, they were the builders of this nation, and it is incumbent upon us to ensure that each and every one can live in dignity.

We have much to be thankful for, and counting our blessings is not a bad motto. As a maritimer and as a Canadian I want our people to stay in this country and prosper and to build a future based on pride, dedication, and hard work. We in Saint John and all those from one end of this country to the other have the natural resources and the will to accomplish this goal. We have a great resource, our people, to meet this challenge, and there is no reason why our dreams cannot be carried to reality.

Mr. Lessard: Mr. Speaker, may I ask the hon. member a question?

The Acting Speaker (Mr. Scott (Victoria-Haliburton)): Will the hon. member accept a question?

Mr. Ferguson: Sure, I will accept a question.

Mr. Lessard: First I would like to congratulate the hon. member for Saint John (Mr. Ferguson) on his speech and, in particular, on the delivery of his speech. Although I do not agree with everything he had to say, I want to compliment him on his well-delivered speech.

I would like to ask the hon. member a question. He stated that government programming has negatively affected Saint John and that roughly 200 people will be moving away, might be moving away, or might be affected. I would like to ask the hon. member if I would be fair in stating that through DREE and its programming, and by making Saint John a special area, the previous government contributed much to the development of Saint John, the city the hon. member is so proud to be representing here today. I had the pleasure to be in Saint John and to meet the hon. gentleman. Will he agree with me that DREE has contributed much to the well-being of his city?

Mr. Ferguson: Mr. Speaker, it is a real honour to be asked a question by the hon. gentleman. I did meet the hon. gentleman in Saint John, and it is a beautiful city.

Yes, DREE money has come in very handy in the city of Saint John, and we need more.

Second, the great concern we had during the previous administration was that even though much DREE money was spent in Saint John, it seems strange that there is not one person working in any DREE office in my home city of Saint John. We do not have a DREE office in Saint John. If we want to deal with DREE we have to drive to Moncton, 100 miles, or to Fredericton, 60 miles. Ours is the only maritime city where in the last five years there has been a decrease in the number of federal jobs, and that situation is continuing.

[*Translation*]

Mr. David Berger (Laurier): Mr. Speaker, I should like to congratulate you and your assistant on you appointments to these most important posts in the House. As this is my maiden speech, I should like to say something about my riding.

For a number of reasons I am proud to represent the Laurier constituency on Montreal Island. First of all, it is quite a privilege to sit as a member in the House of Commons, the highest legislative body in Canada. My constituency, named after the eighth Prime Minister of Canada, has been represented in the past by a long list of imposing personalities. For instance, it was ably represented during the last Parliament as well as the past 15 years by the hon. Fernand Leblanc, who has been appointed to the Senate. Senator Leblanc, like all those who had preceded him in the House, had always been close to his constituents. As a matter of fact, the people of this riding have always been privileged ever since it became a constituency in 1935. Their first representative was the Hon. E. Bertrand, a minister in the St. Laurent cabinet. After his appointment to the bench, he was replaced by the Hon. J. Eugene Lefrançois, later appointed to the Senate. Its next representative was the Hon. Lionel Chevrier, a minister of transport in the Mackenzie King and St. Laurent governments, and both a minister of justice and solicitor general in the Pearson government. He was later appointed High Commissioner to London.

All those men served their country loyally and constantly. For the benefit of hon. members, I shall explain the geographic and demographic situation of the riding of Laurier. Located east of downtown Montreal, it extends from Park Avenue in the west to Papineau to the east, from Sherbrooke in the south to Bernard St. and the railway track in the north. Amongst its better known streets let us mention Laurier, St. Joseph, Parc La Fontaine, the commercial street, Mont-Royal, St. Denis, St. Louis Square and St. Laurent or the "Main", where traditionally east Montreal joins west Montreal. The population of the riding is 65 per cent Francophone and comprises several minorities of which the main one, numerically, is Portuguese. It also includes considerable numbers of Canadians of various origins: English, Greek, Spanish, Italian, Chinese and eastern European. In fact, every corner of the world is represented in the riding.

• (1700)

The riding has been and still is one of the areas where one of the larger numbers of immigrants settle; to my mind, it truly represents the Canadian mosaic. Some time ago, the riding had a fairly large number of Jewish people who were immortalized in the writings of Mordecai Richler. Before going any further, Mr. Speaker, I should like to express all my gratitude to the people of the riding of Laurier for welcoming me so warmly as a candidate, and electing me with quite a large majority. I hope I shall prove worthy of the trust the riding has put in me.

Mr. Speaker, as a candidate taking his first few steps in the field of politics, I have noticed a mood of impatience amongst my electors, impatience with the governments at every level which take so long to find solutions to their problems. As an example of what I mean, I should like to describe the housing situation in my riding. Since the election I have received a great number of calls from people in their sixties who, after working for 40 years, want to move into low rental housing. These are often sick people who live in those three storey houses with outside staircases, typical of eastern Montreal. They can barely keep up their homes which are often badly heated. There is a lack of low rental housing in Montreal, as was noted in a newspaper article last spring, which stated that there were 9,000 such units which were occupied, with a waiting list of over 11,000.

A related problem is the shabbiness of these houses in general in my riding. The Canada Mortgage and Housing Corporation has a residential rehabilitation assistance program administered by the city of Montreal. The need for such a program is self-evident because our downtown areas are in dire need of renovation. However the problems that I have noted in the implementation of this program put its adequacy in question.

Some low-income tenants—some of whom have been living in the same apartment for over 30 years while others are ill and even often handicapped—have been advised that their lease will be cancelled at some future date when government approval is obtained. The owners are unable to set the rental rates before undertaking the construction. The tenants doubt that the projects will ever be undertaken but feel that the owners will rather make some superficial repairs to take advantage of government subsidies at their expense. Tenants' associations have been set up to fight against those projects or suggest some alternatives.

Mr. Speaker, when tenants move and buildings become half empty, the services worsen. The owners say that present subsidies are not high enough to meet ever soaring construction costs, with the concrete result that rents are higher after repairs and this prevents some low-income tenants from moving back into their apartment. No step has been taken to relocate the tenants during construction. In addition, there is no co-ordination between that renewal program and provincial

legislation on rental which does not even allow owners to cancel leases to make repairs. Consequently the parties enter into endless legal proceedings which bring no adequate solution. I welcome the statement made by the Prime Minister last week in this debate when he said that his government would undertake to launch studies if that could lead to better solutions than those proposed by the government. I urge him and his minister responsible for Canada Mortgage and Housing Corporation to undertake a study on how this problem can be resolved as soon as possible and to refer that study to the appropriate House committee.

Mr. Speaker, unemployment is another major concern in my constituency. Not only are jobs needed, but the problem is even more far-reaching since we have to face structural unemployment. It seems to me that the young men and women graduating from high schools and community colleges do not have adequate education. They do not know how to find a job and they often have qualifications in fields where there is no job. I recall a few years ago I heard someone in the aviation industry say that his company badly needed aeronautical engineers. Unfortunately not one single student graduated from Quebec schools in that particular field that year. Canadair was faced with a similar problem; because of the success met by its *Challenger* operation in the last few years, it had to set up training programs for non-qualified labour.

Mr. Speaker, how could we fail to understand the growing impatience of a population faced with such permanent problems and unacceptable conditions such as the grain handlers strike in the port of Montreal, which has already been going on for five months, and a public transit strike which paralyses the whole city. If the Minister of Labour (Mr. Alexander) were here, I would ask him how long he intends to wait before taking measures to put an end to the strike affecting the port of Montreal. That question has been put on several occasions in this House. We all know that we live in a great country whose wealth in natural resources is unparalleled and we should ask ourselves why nothing is done to solve these problems.

[*English*]

Mr. Speaker, I am concerned about the new government. It says that it is committed to efficiency and to cutting out waste. Important steps in the process of reform were initiated in the last Parliament, as has been acknowledged by a Conservative minister. But I am afraid that for the sake of satisfying its doctrinaire philosophy the government will cut out good programs and dismiss competent personnel. It has already done so. We are now losing a considerable amount of the expertise which has been assembled in Ottawa in the past 16 years.

The Anti-Inflation Board, while often criticized, accomplished much for which it will receive a general recognition in the future. During the summer I read a publication of the Board entitled "Inflation and Economic Policy", which I believe was distributed to all members of the House. The authors of the report stressed the limitations of economic policy. Because of the slowness of the economy to respond to monetary and fiscal stimulus, they favour a policy of gradual expansion. Selective measures, they said, should be used to correct weaknesses in the economy, for example, to fight structural unemployment, to which I referred earlier, and to develop particular industries. This government, with its doctrinaire philosophy, has ignored this advice. Rather than improving programs that were developed after much research and consultation with experts in many fields, it has wastefully committed $2 billion annually for a housing program that everyone knows is not a housing program.

Another important program which has suffered from budget cuts is the Canada Works program which provided employment and tangible social services to my riding and many others with high unemployment. I have received dozens of calls, from distressed older persons in particular, who benefited from this program in the past and are at a loss to make do in the months ahead. I urge the government to restore the program to its original levels. Unfortunately I feel my words and those of my colleagues fall on deaf ears.

• (1710)

We in Quebec have been preoccupied with the referendum. It is part of our daily lives. Bill 101 has been confusing for many English Canadians in Quebec and across Canada who have difficulty reconciling the apparent contradiction of a unilingual Quebec with a bilingual Canada. Initiatives by the Parti Québécois to shift the burden of bilingualism, as they put it, and to give Quebec a French face, have created tensions and led to economic loss and hardship. Some aspects of Bill 101 are clearly excessive and will be changed by a Liberal government, but English Canadians must recognize the concern which French Canadians have for the survival of the French language, as well as the economic consequences that language has for French Canadians to this day.

Most Canadians rebel at the thought of legally obliging children to attend French schools, yet in many cases French Canadians have always been forced to learn English in order to earn a living, which in effect amounts to the same thing. Furthermore, no matter what language legislation is adopted, or even if Quebec achieves independence, any French Canadian who wishes to advance in many areas of human endeavour will have to learn English.

Perhaps no aspect of Liberal policy was more controversial and misunderstood than the previous government's efforts to create a sense of belonging to Canada for French Canadians, and yet no policy was more vital to the survival of our country. I must confess that I have great difficulty in understanding the begrudging manner in which some English Canadians greet the French presence in our country. I am proud of our two principal languages. On a trip to Cape Breton Island some years ago I was pleasantly surprised to find a number of French villages along the coast which, in spite of all obstacles, had managed to keep their language, culture, and character. The French language outside of Quebec is like a precious flower Canadians must cherish.

The right hon. Leader of the Opposition (Mr. Trudeau), in a speech to the Canadian Association of Broadcasters in Winnipeg in April, 1977, tried to explain the objectives of the government's language Policy. He said that sometimes he wished that the government had never described the official languages policy as "bilingualism", because the word apparently implied the intent that all Canadians learn two languages. Also he said:

> Such is not our intent at all. What we have is simply a program for . . . greater equality between two languages, either one or the other of which is spoken by virtually every Canadian.

In trying to explain what language means to people he said:

> Just as when you speak English, when a Quebecker speaks French it is something he does naturally and automatically—almost like breathing. That is precisely why language is so important: because when you limit a person's use of his language, it is almost like interfering with his breathing. When we cannot speak our own language, we feel stifled, a bit as if we are choking.

This speech was made several months after the election of the Parti Québécois. Also our leader tried to explain why Quebeckers had voted as they did. He referred to the economic opportunities which had been denied to French Canadians in private industry. He tried to explain why the air traffic controllers dispute had become such a potent symbol to Quebeckers. He said that he felt it was in large part because the most visibly modern, future-oriented job sector of aviation seemed to be saying to Quebeckers that the tasks, in which other people all over the world are normally able to use their own language, are ones in which they may never look forward to using the French language in Quebec.

He stated that in Quebec the private sector would have to provide more opportunity for French Canadians to work hard and make decent progress using the French language only. On the national level, corporate business and other private organizations would have to make room for and share more power with the French Canadian who speaks English. Provincial and municipal governments would have to offer more administrative and educational services in French in areas where there were important French-speaking minorities. The federal government was quite willing to share costs in this respect. Our leader concluded by saying that our country could remain united only if French Canadians wished to and were able to participate fully in Canadian society.

It is evident that Mrs. Stephenson, the minister of education of Ontario, has not listened to these important words in refusing to establish a separate French school in Penetanguishene because of the cost. Also it is evident that some of those industries which have left Quebec in the last several years did not hear these words or did not care to hear them. In the final analysis they have done a great disservice to our country.

Just last week Canada's Commissioner of Official Languages remarked that Canada must become a comfortable and acceptable homeland for French-speaking Canadians or the country will not survive. Mr. Yalden said:

> Language reform is not an option for Canada, it is a basic requirement. Without it there will be no Canada, at least not as we have known it.

Notwithstanding the substantial efforts made by my leader and his government, we face today the greatest crisis in our history. It is a crisis which concerns all Canadians, not just those living in Quebec. In his remarks in this debate last week, the right hon. Prime Minister (Mr. Clark) stated that it was the duty of all members of this House to speak to the people of Quebec about a strong Canada and about maintaining our confederation. With all due respect, I believe that that duty extends to the rest of Canada as well. Each and every member of this House has the duty to explain the reality of this country to his constituents because, in the final analysis, as the Pepin-Robarts commission stated, it is only through a change in attitudes on the part of all Canadians that we will solve our national unity crisis. I have felt for some time that it is only through accommodation, generosity, vision, and will on the part of all Canadians, that Canada will survive and prosper.

But as our leader has pointed out, it seems that our language problem may be only one manifestation of a greater problem, a crisis of our national will. We are witnessing today the balkanization of our country where there is no national interest, just the interests of the provinces. The arguments of our leader are lightly dismissed as having no practical application by those scrambling aboard the bandwagon of decentralization. When our leader was prime minister he was often accused of being insensitive to the demands of certain parts of the country, and of seeing matters in only one light. I agree with the opinion expressed by a member of the government party last week when he said that the people of western Canada had judged our leader very harshly and that history will judge him with greater kindness and greater objectivity.

This country is not as easy to manage as the present government believed when it was in opposition. The solutions are not straightforward as they are now finding. I urge the right hon. Prime Minister not to dismiss the warnings of our leader out of hand. There are many, many Canadians who are now starting to ask, "What chance does Canada have?"

For those who feel that national interest has no practical application, I should like to remind the House of the impediments to the free movement of capital and labour which have been established in our country in recent years. During my election campaign I met a number of construction workers in my riding who were accustomed to working in Ontario when the industry was slow in Quebec. Thanks to the construction war between the two provinces they can no longer do so. I believe that is an area which falls within the domain of the hon. Minister of Labour (Mr. Alexander), and I would ask him to undertake everything possible to attempt to ensure that we restore the free movement of labour for the benefit of all Canadian workers.

If I may, I should like to suggest a policy which could provide inestimable benefits for the whole of Canada. Every Canadian knows that the building of the Canadian Pacific Railway was a vital element in establishing a country from coast to coast. It was essential to provide a cheap efficient system of transportation. The world today is struggling with the problem of providing sufficient energy for its needs while

Canada is struggling to compete in world markets. In spite of our vast energy resources we are not divorced from this problem, as the hon. Minister of Energy, Mines and Resources (Mr. Hnatyshyn) has found out in recent weeks and months.

Perhaps the profits from our energy resources should be devoted to developing a system of high speed intercity rail passenger transportation which would conserve energy and provide employment. Investment in such high technology areas would certainly reap dividends in exports as well. I believe Canada's subsidies for uneconomic passenger services for 1977 amounted to approximately $196 million. The United States will spend $800 million in fiscal 1979 in subsidies to Amtrack. For those people who think that is enough for a country of that size, I should like to point out the figures I have of subsidies for intercity rail passenger services in European countries and Japan. Britain spent $700 million in 1978, France spent $900 million, Italy spent $1.5 billion, and Japan spent $4.1 billion. Is it any wonder that North Americans, and more particularly Canadians, are the highest per capita users of energy in the world?

● (1720)

I, and others in this House, represent a generation of Canadians who grew up in the 1960s. We have heard for years and years of the greatness of Canada, about its potential, its people, its rich resources, its oceans, its farmlands and its cities. I would like to think that I might be able to say to this House on behalf of my generation that we feel it is time to act.

A Liberal colleague, the hon. member for Parkdale-High Park (Mr. Flis), stated earlier in the week that it was embarrassing to have to admit to foreigners that our constitution is still in England. I agree with that feeling. It is time we patriated our constitution. It is time it was amended to give the provinces what is rightfully theirs, but also to provide for the national interest. We must put these matters behind us so that we can begin to realize our potential. We want leadership from this House and from our governments. I for one do not want to be sitting here 15 years from now rehashing the same arguments we have heard for the last ten years, especially on this side of the House.

In spite of the differences of opinion among the members of this House, we share a belief in the future of Canada. Sometimes we will have occasion to be discouraged, but that should not diminish our purpose. Some time ago I read a statement by Walter Cronkite which perhaps indicates why I am in this House today. I am sure that similar motives have spurred other members of this House, and I should like to read this. When asked what he would tell kids getting out of school today in an age when a diploma no longer has the clout it had, he said:

> I tell them . . . that the challenges are so immense that it's an absolute crime and a sin not to get involved in attempting to meet these challenges, and to try to find solutions to the problems . . . one could be justifiably pessimistic about the state of the world and the survival of man . . . (kids) can become very cynical. They can say, "Why fight it, let me get mine in any way I can", or drop out—but not fight the problems. But they've got to fight the problems and it should be a great adventure to fight the problems—that's what I try to tell them. It ought to be great to get out there and see if you can make the thing work.

[Mr. Berger.]

Let us face these challenges with confidence and resolve, Mr. Speaker. Thank you.

Mr. David Kilgour (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, permit me, sir, to express the pride I feel at being a small part of the new government and to participate here as the new member of Parliament for Edmonton-Strathcona. With others here I have an opportunity not only to bring the concerns of my constituents to this body, but I hope as well to bring a little youthful idealism to some national issues.

Last week the opinion was expressed by an hon. member opposite that the Conservatives are so busy preaching what is right, they have forgotten what is good. I cannot accept, sir, the separation of that which is right from that which is good. This common sense principle has not, unfortunately, been applied in the governing of this country during the past years. The consequences of not having done so have been serious and have left the new government a legacy of urgent and threatening problems, problems which affect us not only as individual citizens, but as members of a free and democratic society.

The difficulties Canada faces today cannot, of course, be laid solely at the feet of past leadership. We are caught, along with the rest of the world, in the dilemmas of modern man. Ours is an age characterized by dissolution of tradition and old values. Ours is an age of unlimited expectation and increasingly limited means. Most crucially, we are in an age when it is not uncommon for those who govern, for those who administer the rules, to have lost faith in their own legitimacy.

Little wonder, then, that citizens question the legitimacy of rules. It is for this very reason, namely, to re-establish the trust and belief in the legitimacy of government, that the basis of governmental decision making must be rooted in what we believe is right rather than that which is merely expedient under the circumstances.

What is at stake in this kind of decision making is not Progressive Conservatism or Liberalism, or any other "partyism", but the ability to think clearly about what can and cannot be done to resolve the problems Canada faces today.

The most imminent of such problems is the presence of chronic inflation, in my opinion, and I think in the opinion of the vast majority of my constituents, at least; inflation which wipes out savings, impoverishes pensioners, rewards speculators, punishes many hard-working citizens, discourages private investment and productivity, and hinders trade competitiveness.

Helmut Schmidt, Chancellor of West Germany, has said that "inflation for economies is a killer disease". The symptoms of this disease are manifest both in a nation as a whole and in the workings of government. Inflation has also taken a toll on national morality. Witness the recklessness of consumer buying, the underlying insecurity, the loosening of responsibility at all levels of society, and the growing lack of respect for older pillars of society, including parents.

The symptoms of inflation are evident in our government's reluctant acceptance of three recent hikes in the bank rate of

the Bank of Canada, raises increasingly damaging to the ordinary citizen, homeowner, farmer, and businessman alike.

The fact is, sir, in my opinion, that we are presently reacting to a situation created during the past six or seven years during which time our federal government spent more than it raised, financed its debts on credit, and intentionally inflated the supply of paper dollars. In an effort to do good, to meet the pleas in favour of social betterment, the previous government provided a lot of bad examples to Canadians.

Our major economic problems today stem in large measure, sir, from the inflationary bias of past government policies, policies which motivated citizens to spend too much and to save too little. Federal taxes, the budget and monetary policies all promoted immediate consumption instead of investment for the future. The result has been a less productive work force, a reduction in real growth, and an upswing in expectations. The reason has been too much money chasing too few goods.

From 1968 to 1978 the Canadian money supply, as defined by "M1", increased by approximately 160 per cent. During this time real economic growth in our country was about 54 per cent. The general price level in the economy increased by 106 per cent, a percentage very close to the amount of new money printed in a vain attempt to prime the pump or spur the economy.

One has to ask, I think on all sides of the House, why the previous government permitted the money supply growth to reach the point where the governor of the Bank of Canada now must talk about braking? A most important reason, of course, was the need to finance the rising federal debt brought on by deficit after deficit. Deficits can hardly be blamed on the Bank of Canada. In the period from 1968 to 1978 federal spending nearly quintupled.

Americans are worried about their current deficit of $30 billion, yet proportionately our current deficit is nearly three times the size. In U.S. terms the Canadian deficit would be more than $110 billion.

After the election, approximately 39 per cent of persons interviewed by Gallup pollsters indicated they considered rising prices or inflation to be Canada's number one problem. Our deficit is too high and the reduction of that deficit is one of the government's main tasks. Our government is pledged to curb government spending, but it will take real toughness to bring that deficit under control. Inflation must be attacked at its root cause. Not only must there be a cutback in deficit spending, excessive expansion of the monetary base must be stopped.

● (1730)

Being a lawyer, I believe in consulting precedents, especially when those precedents are impressive. West Germany is a country with a rock solid economy. During 1978, West Germany had a trade surplus of $21 billion. Its GNP is expected to grow more than 4.5 per cent in 1979. Inflation is not expected to exceed 4 per cent. Helmut Schmidt believes that the first among the greatest world problems is the notion—I am paraphrasing—to consume more than is produced and to fill in the gap by printing money. I believe we should heed Chancellor Schmidt's advice. The opinion of Mr. Schmidt is already shared by a number of economists both in the United States and Canada.

The solutions they propose include the following measures: first, consistent policies of moderate monetary growth; second, long-term tax incentives to encourage saving and investment; third, working toward balancing the budget and discouraging excessive consumer spending; fourth, reduction in government spending; fifth, the scrapping of destructive and wasteful government regulations, and sixth, a reduction of the government's over-all role in the economy in order to encourage personal incentive and private sector competition. The direction of the new government as revealed in the throne speech is very much in the direction of these proposals.

Like others in this House on all sides, I suspect, I am perplexed by the latest bank rate increase. It has given Canadians the highest real cost of borrowing in Canadian history—much higher than in the United States because inflation in that country is now running at about 14 per cent compared to about 9 per cent in this country. I am aware that the United States must try to keep its nominal interest rates above its inflation rate. But if inflation in that country goes to, say, 30 per cent because of bad fiscal, energy, and monetary policy in Washington, must this mean that the bank rate in Canada will automatically go 33 per cent or 34 per cent as well?

I realize that our central bank defends such increases as being necessary to maintain the value of our dollar in foreign exchange markets. But surely the difference in our current inflation rates must inevitably cause our dollar to move upward relative to the United States dollar. As for our balance of payments problem as a whole, I am persuaded that there are now probably more basic cures than monetary ones, such as exporting some of our surplus natural gas, moving more export grain, etc.

In short, Mr. Speaker, I believe that inflation has completely destroyed the credibility of the previous government, as well as the value of Canadian dollars. Borrowing by the government in the past has primarily been to hide an inept economic performance, and intentionally to keep the fly wheel of inflation turning. There we can vividly see an example of where expediency took precedence over right. The new government has an enormous task ahead of it. It will take a great effort, and courage, to curb expenditures. Nevertheless, this task is a vital one. Otmar Emminger, head of West Germany's equivalent of the United States Federal Reserve, has said that "inflation is like a dictator—it must be fought before it becomes established, or it is too late".

Next to the state of the economy the most serious concern of the people in Edmonton-Strathcona appears to me to be the growing violent crime rate in the west, and in Edmonton in particular. The 1977 Statistics Canada figures indicate that Edmonton had more violent crimes than any other major Canadian city. The violent crime rate per capita was more than double the average for Canada as a whole. From 1977 to

1978, for instance, murders in Edmonton increased by fully 85 per cent.

The increase in crime is also apparent in the whole Canadian context, evident in the national crime rate, which has gone up about 152 per cent during the last sixteen-year period, with crimes of violence approximately doubling. The disturbing fact is that crime rates have been rapidly going up in a period when Canadians have been enjoying both rapidly improving living standards and social services. How can this be explained?

Charles E. Silberman, author of "Criminal Violence, Criminal Justice", a fairly recently published work, notes that most crime is committed by people between the ages of 14 and 25 years of age. Silberman believes many of these adolescents are committing crimes because of the weakening of adult social controls.

I noted before that we live in an age where the old values are being questioned. This is equally true of our criminal justice system. After all, our justice system reflects the predominant social values of the day. The criminal law was originally fashioned with the idea that citizens entered into the social contract with the understanding that society would guarantee, or at least put a premium on, their lives, dignity, and right to possessions. Especially during the past decade our criminal justice system changed its emphasis from that of reform to that of rehabilitation, based on social scientists' convictions that most crime is rooted in environmental causes. The concept of rehabilitation has undeniably proved to be a failure. By the 1970s it had become clear that prisons were not effectively rehabilitating prisoners. The same faces were appearing in front of the courts with startling regularity.

It has also become clear that present parole laws have not been very effective. A 1974 study of penitentiary parole by the solicitor general's office showed that 53.7 per cent of the individuals released were back in prison within five years of their release.

I believe I am justified in saying that there is a growing conviction in the country that the mild treatment of convicted violent criminals, and I would stress "violent", has contributed to soaring crime rates. More important, there is an increasing fear of criminals by the citizens of this country, a fear that is gradually turning into real resentment.

A society in which crime goes without real punishment and victims receive no justice for their injury is a society that may turn to vigilante justice. Witness the increasing numbers of Canadians inclined to favour capital punishment.

Our criminal justice system constitutes a key element of our social fabric. It follows, in my opinion, that people will act, to some extent, according to how they believe society views their actions. A sentence not commensurate with the gravity of the crime indicates to the violent offender that his action is not regarded by society as a serious breach of social norms. Would not criminals be more effectively deterred by raising the penalties involved in violent crime as well as raising the opportunities and rewards offered by a non-criminal existence?

[Mr. Kilgour.]

Cynicism and indifference to good and evil are products of a society that is less concerned with the needs of those who observe its rules than with those who break them. Guidance respecting acceptable social behaviour must be provided in our social structure, especially for the young members of our society. The starting point for this, of course, should be the family and the educational system. These institutions must be reinforced by our justice system, through measures that, first, provide sentences commensurate with the severity of violent crimes; second, distinguish between the professional criminal and the occasional offender; and third, implement common sense rules with respect to parole and bail.

[*Translation*]

The last point I wish to bring to the attention of the House is the constitutional matter. The Quebec referendum, coming along with the recent provincial disagreements, will give great urgency to the problems related to the nature of Canadian federalism, as it is described in our constitution. The last century has obviously brought drastic changes to the structure of Canada. The growth of technological innovation as well as the growing diversity within Canada have required changes to the role of governments. These changes have been accompanied by growing confusion over the relations between the national and provincial governments.

Many Canadians, particularly in western Canada and in Quebec, have considered the policies of the previous regime to be harmful to the true federal system. The impact of these policies indicates that a number of citizens regard Ottawa as monolithic and insensitive to provincial needs, contrary to the spirit of the British North America Act.

It is becoming even more obvious that the provinces are little inclined to melt into a unitary and centralized state like France or Great Britain. The provinces believe that under such conditions the value of the language, the cultural traditions and their respective economic environment, which vary from one province to another, could become sources of frictions and debates. Also they think that it could be very harmful for our national unity.

The centralist point of view of Canada which considers the provinces as creations of the Canadian Parliament has indeed been refuted by the judiciary committee of the Privy Council since 1892 when it rejected the centralist argument in the case of the Maritime Bank, by upholding the intent behind the British North America Act which was neither to weld all the provinces together into one single state nor to subordinate the provincial governments under a central authority.

A country as large as Canada cannot be governed by and from Ottawa alone. If it were not a federal system, like a ten-link chain, it would be disunited. The Canadian economy cannot be designed to feed central Canada. A chain can be strong only if its links themselves are strong.

As for Quebec, it is imperative that there be significant resolve at the provincial level. Because of its cultural and

linguistic make-up, Quebec has need of a strong judicial and political structure to protect its interests and remain part of Canada. Few Quebeckers think that the changes in the constitution suggested by the former government were in fact based on the wish to protect provincial rights, when in fact nothing was done by that government in the last eight years to better the constitutional position of the provinces within confederation.

Whatever past errors may have been, time has come for all Canadians to express their devotion to Quebec. Canada and Quebec have need of one another if Canadians want to continue proving that citizens of various cultures and origins can build a country worthy of the envy of the whole wide world. Tearing it apart now, as the former prime minister said, would be "a sin against humanity". It is very easy for us, Canadians, who feel the same way, to recognize the need for such changes as will achieve a realistic balance between the provincial and federal governments.

In considering the changes in the constitution that would help national unity, attention could be concentrated on the following factors: regional disparities, Senate reform, entrenching the Supreme Court in the constitution, federal government purchasing power, entrenching the Canadian Bill of Rights. The new Clark government recognizes that a truly federal system demands that there be consultations between the responsible governments through federal-provincial conferences. In addition, it recognizes that the provinces must have a broad enough base on which to set up efficiently the institutional and economic foundation of their own economies with a view to meeting their development need better.

• (1740)

[*English*]

I have mentioned briefly three problem areas which, if not checked, could constitute a very real threat to the fundamental principles of our society.

The dilemma we face, as far as inflation is concerned, is that the methods used by the previous government to resolve tensions in the economy are the very methods which are most likely to undermine the foundations of our social system. In my opinion they have, to a substantial degree, destroyed our trust in money itself, the instrument of exchange through which we conduct all of our economic affairs.

It was Abraham Lincoln who said, "You can't bring about prosperity by discouraging thrift... You cannot help the wage-earner by pulling down the wage-payer... You cannot establish sound security on borrowed money... You cannot build character and courage by taking away man's initiative and independence. You cannot help men permanently by doing for them what they could do for themselves."

Second, with respect to the problem of crime, we must remember that law and order are a matter of civilization. When there is no proper control over crime, a proper social order simply cannot be maintained. Thus crime threatens the social order in much the same way as does totalitarianism.

Criminal law in itself can never bring about a good society. However, it helps provide the framework within which a society can function.

Finally, with regard to the constitution, it must be remembered that in its expressive sense the constitution is a communication from the people to their governors of how they have asserted their freedoms and responsibilities. The federal government must be sensitive to this true spirit of our constitution and acknowledge its partnership role with the provinces in the governing of the nation.

The answers to the above problems have no easy solutions. There are no promising new doctrines or panaceas; there are only difficult and perhaps unpleasant choices. The root causes of these problems cannot be dealt with by experts or by abstract theories. They must be tackled by common sense people from a commonsense perspective that to effect something good one must proceed on the basis of what is right. This government, as the representative of the Canadian people, has the primary responsibility to proceed from the right to the good.

With the serious danger of chronic inflation, growing crime, and the threat to national unity, Canadians and the new government must recognize that this is a time for strength, a time for good will, a time for understanding and determination on all of our parts.

Mr. Keith Penner (Cochrane): Mr. Speaker, in rising to participate in this debate I want to join with many others in congratulating the two new members of Parliament who moved and seconded the Address in Reply to the Speech from the Throne. I agree with other hon. members that the hon. member for Erie (Mr. Fretz) and the hon. member for Cardigan (Mr. MacDonald) performed well, and I know that their constituents will be extremely proud of them. All members in this House on the opening day of Parliament, that day of tradition, were pulling for these new members. We wanted them to do well, and they certainly did not fail us.

I want to say how pleased I am as a member of Parliament from northern Ontario that one of ours, the hon. member for Sudbury (Mr. Jerome), is once again the occupant of the Speaker's chair. It was my privilege to be associated with Mr. Speaker for one year during the Thirtieth Parliament in the capacity of deputy chairman of the whole House. That experience for me was not only enjoyable in every respect, but also it was an excellent opportunity to learn more about the intricacies of the procedures in this House, those mysteries of which the gentlemen at the Table know all, and when we go to them, will reveal to us what we need to know. During that year of working with Mr. Speaker I came to respect his quick mind and to appreciate his many talents and abilities.

I am now entering my twelth year as a member of this great democratic institution, the federal Parliament of Canada.

Mr. Alexander: The class of '68.

• (1750)

Mr. Penner: The Minister of Labour (Mr. Alexander) says the class of '68. That, of course, is not a very long period of service compared to some, but I can say to the new members of Parliament in this House that those nearly dozen years have gone by like an instant. So full, so demanding, and so challenging has the life and work of being a member of Parliament been, that time quite literally does fly.

A cynical friend of mine once said that one should never take up an occupation, profession or career that you enjoy too much because, if you do, you will find that it makes your life pass too quickly. My cynical friend would be ill-advised ever to enter active politics or become involved in public life, because he would discover that one's life does indeed pass by quickly. Weeks become like days, and years are often like months.

When I was called upon to speak a few minutes ago, I was identified by you, Mr. Speaker, as the member for Cochrane. That identification is still somewhat new to me, because for over a decade in this House, I was the member of Parliament for Thunder Bay. I should briefly explain that the old constituency of Thunder Bay was a large rural riding in northern Ontario. It was entirely rural, and included no part of what is now the city of Thunder Bay. That is all a little bit confusing.

To compress the story, boundaries were changed through the process of redistribution, and much could be said about how badly that was handled in the province of Ontario. I do not know about other provinces, but in my province it was done in a less than satisfactory manner. At any rate, as a result of that process, one third of the old Thunder Bay riding was joined with three quarters of the previous Cochrane riding to create what I call the new constituency of Cochrane.

No member of Parliament could ask for a better riding to represent in the Parliament of Canada. There may be, and I am sure there are, some that are as good, but there can be none better than the constituency of Cochrane. There are, for example, in the constituency of Cochrane French-speaking Canadians, English-speaking Canadians, new Canadians from all over the globe, and native Canadians, the original Canadians, and they live together in this part of northern Ontario in relative harmony and in an atmosphere of good will. The many differences among us are not merely tolerated, they are in fact respected.

The people of Cochrane are strong minded. They live in a developing region of this country, a resource rich region. What takes them there indicates that in character they would be strong willed and strong minded. In addition, they are politically astute. Allow me to illustrate what I mean.

This lesson of political astuteness was well learned when the party that now forms the minority government opposite and their national president came into the Cochrane riding to try to manipulate the political situation in such a way that it would serve their interests. The story is on record in the newspapers of the time. To put it very quickly and simply, the situation which they tried to manipulate blew up in their faces. The imprint of egg on some Tory visages will be difficult to erase for a long time to come. It gives us something to laugh about and we certainly need that, especially when the winter months come with the chilly Arctic winds sweeping down upon our bushland and into our scattered towns and small villages. A good belly laugh at that time does a lot to help the circulation.

Incidentally, I should point out that some of our television viewers in northern Ontario are now able to enjoy, thanks to satellite communications, programs all the way from Atlanta, Georgia. Atlanta has come to have a special interest for us in the Cochrane riding. We understand that this place in the southern United States is now the heavenly emporium for forlorne floorwalkers who have stumbled and fallen in the service of nation and party.

During the course of this so-called throne speech debate members on this side of the House have used a variety of terms in seeking to describe the present Government of Canada accurately. Thus, we have heard reference to frittering, inexperience, naivete, and confusion. Many have spoken about the government's unsureness, uncertainty, and lack of clarity. Some have been so bold as to suggest that what we see opposite is vacillation and evasion, and that the throne speech is, to quote one member, without commitment to anything.

When I observe the actions of the Minister of Indian Affairs and Northern Development (Mr. Epp), a minister whose activities I will be following with considerable interest during the life of this Parliament as the critic for Northern Development, the word which springs into my mind is none of the ones I have already mentioned. Rather, the word that comes to my mind is ineptitude.

I, and others on this side of the House, regret very much that such a distinguished member as the hon. member for Kent (Mr. Holmes) was not given the portfolio of Indian Affairs and Northern Development. How long and how hard this man laboured in the opposition vineyard as the critic for this important area of responsibility! He gained much respect for his diligence and the degree of understanding which he acquired during those many years. Now what is his reward? His reward is to play no more than second fiddle to the maestro from Provencher who is the Minister of Indian Affairs and Northern Development.

I want to talk about some of the activities of that minister, particularly in initiating, without coming to this House, some very significant constitutional changes in the Yukon territory. Perhaps with Your Honour's consent and the consent of all members I can begin that topic tomorrow, and now call it six o'clock.

The Acting Speaker (Mr. McCain): It being six o'clock, this House stands adjourned until tomorrow at eleven o'clock a.m., pursuant to Standing Order 2(2).

At six o'clock the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Thursday, October 18, 1979

The House met at 11 a.m.

• (1105)

ROUTINE PROCEEDINGS

[*English*]

THE CANADIAN ECONOMY

HARDSHIP CAUSED BY RISING PRICES AND INTEREST RATES—MOTION UNDER S.O. 43

Hon. Herb Gray (Windsor West): Mr. Speaker, I rise under the provisions of Standing Order 43 on a matter of urgent and pressing necessity.

In view of the sharp increase in the cost of living announced today of 9.6 per cent, the highest since last May, an increase which reflects increases in the cost of oil and natural gas and in interest rates, I move, seconded by the hon. member for Ottawa Centre (Mr. Evans):

That this government be condemned for its intention to increase the price of gasoline and fuel oil by some 30 per cent and for its interest rate policy, which are causing hardships for consumers, small business people and Canadians generally.

Mr. Speaker: Such a motion can be presented only with unanimous consent. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

CALL FOR RESIGNATION OF MINISTER RESPONSIBLE FOR ECONOMIC DEVELOPMENT—MOTION UNDER S.O. 43

Mr. Herb Breau (Gloucester): Mr. Speaker, I rise under the provisions of Standing Order 43 on a matter of urgent and pressing necessity.

In view of the total absence of a regional economic development strategy in the Speech from the Throne, and the stated objective of the Prime Minister (Mr. Clark) when he was in opposition that regional development would be central in his party's economic policies, I move, seconded by the hon. member for Cape Breton Highlands-Canso (Mr. MacEachen):

That the Minister of Industry, Trade and Commerce and the Minister of State for Economic Development, sitting in the other place, be removed from the inner cabinet and his chairmanship of the economic development committee and be replaced immediately by the Minister of Regional Economic Expansion, the hon. member for Central Nova.

Mr. Speaker: The motion can be presented for debate only with unanimous consent. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

COMBINES INVESTIGATION ACT

POSSIBLE PROSECUTIONS—REQUEST CERTAIN MINISTERS RESIGN—MOTION UNDER S.O. 43

Mr. Svend J. Robinson (Burnaby): Mr. Speaker, I rise, pursuant to the provisions of Standing Order 43, on a matter of urgent and pressing necessity.

In view of the recent conflicting statements both inside and outside the House by Conservative cabinet ministers on the trucking affair, and in view of the serious constitutional question arising from the intervention by the Minister of Transport (Mr. Mazankowski) and a possible prosecution under the Combines Investigation Act and, finally, in view of the complete lack of understanding on the part of the Prime Minister (Mr. Clark) of the serious nature of this question, I move, seconded by the hon. member for Winnipeg North Centre (Mr. Knowles):

That this House call upon the Prime Minister to remove from his cabinet the Minister of Transport, the Minister of Consumer and Corporate Affairs, and the Minister of Justice pending a comprehensive inquiry into these very serious matters.

Mr. Speaker: Is there consent for the presentation of this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

[*Translation*]

NOBEL PEACE PRIZE

RECOGNITION OF AWARD TO MOTHER TERESA—MOTION UNDER S.O. 43

Mr. Irénée Pelletier (Sherbrooke): Mr. Speaker, I rise under Standing Order 43 to ask for the unanimous consent of this House to introduce an urgent and important motion.

In view of the exceptional work she has done for 30 years to the most disinherited people of our planet, and in view of the universal recognition which was given yesterday to Mother Teresa of Calcutta, who was awarded the 1979 Nobel Peace Prize, I move, seconded by the hon. member for Kingston and

the Islands, the Secretary of State for External Affairs (Miss MacDonald):

That the House of Commons send a congratulatory message to the new recipient of the Nobel Peace Prize who was granted this honour for the great and exceptional services she has given to humanity.

● (1110)

[*English*]

Mr. Speaker: Notwithstanding the considerable degree of collaboration involved in the presentation of this motion, I hope the House will forgive me if I again issue a caveat about using Standing Order 43 for congratulatory motions. I shall not disallow the present motion, however; it is obvious there is a great deal of agreement with regard to it. Is there unanimous consent?

Some hon. Members: Agreed.

Motion agreed to.

* * *

DISASTERS

DESIGNATION OF DISASTER AREAS—MOTION UNDER S.O. 43

Mr. Derek Blackburn (Brant): Mr. Speaker, I rise under the provisions of Standing Order 43 on a matter of urgent and pressing necessity to propose a motion which I hope will receive unanimous consent.

In view of the fact that a tornado devastated parts of Oxford, Brant and Haldimand-Norfolk counties in southern Ontario on August 7 last, causing a total of $60 million in damage to crops, orchards, livestock, barns, homes, equipment, and so on, of which $20 million was uninsured, and in view of the fact that the federal government will not or cannot contribute to a disaster fund until the provincial government has contributed a sum equal to the total population of that province—a very unfair and archaic scheme—I would move, seconded by the hon. member for Regina East (Mr. de Jong):

That the federal government introduce legislation which would allow it to declare areas devastated by natural elements as natural disaster areas which would be eligible for direct federal relief funding in addition to any other funding.

Mr. Speaker: The provisions of Standing Order 43 permit the introduction of this motion for debate only with the unanimous consent of the House. Is there such consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

TRANSPORT

CONTINUATION OF VIA RAIL SERVICE—MOTION UNDER S.O. 43

Mr. Keith Penner (Cochrane): Mr. Speaker, under the provisions of Standing Order 43, I rise to seek the unanimous consent of the House to move a motion on a matter of urgent and pressing necessity.

[Mr. Pelletier (Sherbrooke).]

On October 28, an order in council passed by the previous government which delayed a planned reduction of VIA Rail daily transcontinental passenger train service along the CNR main line in northern Ontario will expire. When the order in council was passed, the Canadian Transport Commission suspended hearings on the planned reduction in service which were to be held in communities along the CN main line including Capreol and Sioux Lookout. I would move, seconded by the hon. member for Timmins-Chapleau (Mr. Chenier):

That this House urge the Minister of Transport to extend the order in council so as to further postpone implementation of the final plan for western transcontinental passenger service in order that extensive hearings may be held by the Canadian Transport Commission, especially in those communities between Capreol and Winnipeg on the CNR main line which will be most affected.

Mr. Speaker: Under the terms of Standing Order 43, this motion can be put to the House for debate only with unanimous consent. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

[*Translation*]

COMMUNICATIONS

REQUEST REPRESENTATIONS BE MADE TO LA SOCIÉTÉ CÂBLEVISION NATIONALE LTÉE RESPECTING CONTRACTS—MOTION UNDER S.O. 43

Mr. Louis Duclos (Montmorency): Mr. Speaker, under the provisions of Standing Order 43, I ask for the unanimous consent of the House to move a motion dealing with an important matter of pressing necessity.

Considering the growing dissatisfaction of the people in the Quebec City area with the quality of services provided by Câblevision Nationale Ltée, a dissatisfaction heightened by the strike of the company's employees which for several weeks now has drastically curtailed cablevision services to most people in the Quebec City area, I move, seconded by the hon. member for Quebec East (Mr. Duquet):

That the House ask the Minister of Communications to make the necessary representations to the CRTC so that the federal organization will strongly intervene to bring Câblevision Nationale Ltée to abide by their commitments to the people of the Quebec City area.

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

Some hon. Members: Agreed.

Some hon. Members: No.

[*English*]

CANADA PENSION PLAN

CHILD CARE DROP-OUT PERIOD—MOTION UNDER S.O. 43

Mrs. Ursula Appolloni (York South-Weston): Mr. Speaker, I, too, rise under the provisions of Standing Order 43 on a matter of urgent and pressing necessity. I might also add, Mr. Speaker, that I do so on an appropriate day, since it is 50 years ago today that people actually became people.

In view of a report by the National Council of Welfare that the poorest of all Canadians are elderly widows who worked hard all their lives but who had little attachment to the labour force because of child-rearing responsibilities, I would move, seconded by the hon. member for Spadina (Mr. Stollery);

That the House request the Prime Minister to urge his friend the Premier of Ontario to withdraw his objection to an amendment to the Canada Pension Plan which would allow for a "child care drop-out period" thereby providing most homemakers with non-stop pension coverage.

Mr. Speaker: The motion may be put to the House only by unanimous consent. Is there such consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

● (1115)

OFFICIAL SECRETS ACT

PARLIAMENTARY COMMITTEE REVIEW—MOTION UNDER S.O. 43

Mr. G. W. Baldwin (Peace River): Mr. Speaker—

Some hon. Members: Hear, hear!

Mr. Baldwin: In moving a motion under Standing Order 43, I want to see if the circumstances are as urgent and pressing on this side as they are on the other, and if my motion is equally as effective.

In view of the inhibiting effect which the Official Secrets Act appears to have on the government in its attempt to provide more openness, because of the anomaly of professing respect for human rights in other countries while this law permits such cases as that of Dr. Peter Treu, Bernard Maguire and others to exist in Canada, and because this House has a responsibility to the people of Canada to move quickly to remedy this intolerable situation, I move:

That this House recommends that a parliamentary standing or select committee be forthwith given an order of reference to review the terms of the present act, including a study of such recent cases as that of Dr. Peter Treu and *The Toronto Sun* and to report proposals for suitable changes to the Official Secrets Act, and that no claim of Crown privilege be allowed to limit the extent of inquiry by the committee.

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

Some hon. Members: Agreed.

Mr. Speaker: The House has heard the terms of the motion, seconded by Mr. Nowlan. Does the House adopt the motion?

Some hon. Members: Agreed.

Motion agreed to.

ORAL QUESTION PERIOD

[*English*]

NORTHERN PIPELINES

FOOTHILLS' PROJECT—DATE OF GOVERNMENT'S STATED PREFERENCE TO U.S.

Hon. Allan J. MacEachen (Cape Breton Highlands-Canso): Mr. Speaker, I have a question for the Prime Minister. I wish to follow up the line of questioning which was begun yesterday on the so-called preference of the Government of Canada for the Foothills' pipeline project.

The Prime Minister made clear in his answers yesterday that it was clear to the government of the United States and clear to the Government of Canada what the preference was throughout the summer. I draw to the attention of the Prime Minister a statement made by his Minister of Energy, Mines and Resources on August 23 of this summer—or perhaps the beginning of the fall—in which to the question, "Is Canada going to have to re-endorse the Foothills' proposal," the Minister of Energy, Mines and Resources replied:

Well, I think the position that we are taking as a new government is that we are going to review the alternatives and I simply think it's premature to indicate a position on the matter now.

That was August 23, when the Minister of Energy, Mines and Resources could not indicate a position of the government on this matter. In the light of this fact, will the Prime Minister now admit that the first occasion that the Government of Canada made its position known to the government of the United States was on September 28, and that his government had lost four months in promoting this very important project?

Right Hon. Joe Clark (Prime Minister): Mr. Speaker, the hon. member will know that a day, or two days before the statement by the Minister of Energy, Mines and Resources the Foothills' proposal had been substantially changed at the request and decision of the Foothills group.

What the minister was responding to was a question in relation to the position of the Government of Canada with regard to a position by Foothills which had recently been changed. The fact remains that throughout all of this there has never been any doubt in the minds of the Americans or of Foothills about the position of the Government of Canada, a position of expressing great concern about the consequences of tanker traffic down the west coast and a position of support for the Foothills' proposal so long as that Foothills' proposal was before the NEB.

Mr. MacEachen: Mr. Speaker, I am really astonished at the answer of the Prime Minister, when the transcript of the interview makes it quite clear that the questioning was not about any alterations in the proposal of the Foothills group but, clearly, as to the preference of the Government of Canada for any route.

● (1120)

The next question that was asked was, what is the status of the former government's commitment? In other words, the minister was being asked whether the present government supports the position taken in April by the former government, or, what is the status of the former government's commitment? The answer was:

Well, I think that a new government is going to look at the alternatives and I don't want to suggest in any way that the review itself means that we're either going to change or not change, but I just think that that process obviously has to be . . . that we have a chance to look and have a fresh view of all the alternatives and, accordingly, when that process is over, our position will be made clear to the United States, to the President of the United States.

Will the Prime Minister tell me, now, how it is that the government of the United States could be clear about the preference of the Canadian government, when on August 23 the Minister of Energy, Mines and Resources said in an interview that the process was not over and that when the process was completed, the view of the Government of Canada would be made known to the government of the United States.

Some hon. Members: Hear, hear!

Mr. Clark: Mr. Speaker, I will repeat my answer because the question has now been repeated for three days. The hon. member, the former minister, knows that the statement made by the Minister of Energy, Mines and Resources was made in the immediate aftermath, immediately after the change of position by Foothills.

What the opposition is trying to do is to suggest that there was doubt in the mind of Foothills or doubt in the mind of the Americans as to the position of the Government of Canada. There was no doubt at all. They have no evidence that there was any doubt. No doubt has been expressed by the representatives of either the U.S. government or the Foothills group. Indeed, on September 6, when officials of this government met in regular session with officials of the United States, once again the position of support for the Foothills' line of concern about the consequences of tanker traffic was made very clear. The hon. member will have to try some other issue.

Mr. MacEachen: Mr. Speaker, I would like to deal with the comment of the Prime Minister when he said that there was no doubt in the minds of the American government as to the position of the Government of Canada. I want to draw to his attention a public document, made public by the United States government last August 24, in which it is stated that the Canadian government had been requested to provide the United States government with its preference. The last sentence of that paragraph from which I will quote reads:

[Mr. Clark.]

To date, no official word has been received from Canada as to preference of possible action on applications.

Will the Prime Minister deal with that now?

Some hon. Members: Hear, hear!

Mr. Clark: Certainly, Mr. Speaker. That statement was in the immediate wake of the change in the proposal put forward by Foothills.

FOOTHILLS' PROJECT—DATES OF REPRESENTATIONS TO U.S.

Hon. John C. Munro (Hamilton East): Mr. Speaker, yesterday I asked the Prime Minister if he would supply us with the dates, the times, and to whom his minister or he himself made representations to, in the United States government or to the President of the United States with reference to Canada's position in favour of Foothills.

Would he please honour this House and answer the question and let us know precisely what those dates and times were and who initiated the meetings?

Right Hon. Joe Clark (Prime Minister): The first meeting was on June 6 of the ambassador of Canada with secretary Schlesinger; the next meeting was on June 15 of a representative of the embassy of Canada in Washington with officials of the Department of Interior of the United States; then a meeting on August 3 of the ambassador of Canada and representatives of the State Department of the United States; then a meeting on August 21 of the ambassador of Canada with officials of the State Department and the Energy Department of the United States; then a meeting on September 6, as I have indicated frequently, consisting of consultations on energy, including senior officials in Ottawa; then a meeting on September 21 between the ambassador of Canada and Secretary Duncan; a meeting on September 23 between the embassy of Canada and officials of the State Department; and a meeting on September 28 for delivery of an aide-mémoire.

● (1125)

Mr. Munro (Hamilton East): Mr. Speaker, can the Prime Minister assure the House that on each and every occasion of the meetings to which he just referred, the government made very, very clear to the United States its preference for the Foothills' proposal?

Mr. Clark: To make the point again, Mr. Speaker, there was never any doubt in the minds of the Americans.

Some hon. Members: Oh, oh!

Mr. Munro (Hamilton East): That is not my question.

Mr. Clark: Having regard to Foothills, there was never any doubt in the mind of the president of Foothills, who said last night on television, and I quote:

We had total support of Premier Bennett in British Columbia, Prime Minister Clark in Ottawa and a number of his cabinet ministers.

Some hon. Members: Hear, hear!

THE CANADIAN ECONOMY

NDP SUGGESTIONS TO DEAL WITH INFLATION

Mr. Edward Broadbent (Oshawa): Mr. Speaker, my question is directed to the Prime Minister. The Prime Minister will recall that at a meeting which he courteously requested following the election, I suggested to him that the cost of living was almost certainly to rise to double-digit proportions, likely by the fall, and proposed three concrete suggestions to deal with it.

Could the Prime Minister tell the House, since now, indeed, we have the return of double-digit inflation with the figures released today, why his government has done a number of things over the summer to raise the cost of living, including jacking up interest rates, but has not done a single thing to reduce the cost of living?

Some hon. Members: Hear, hear!

Right Hon. Joe Clark (Prime Minister): Mr. Speaker, I missed the question.

Mr. Broadbent: Mr. Speaker, it sounds like the former prime minister.

An hon. Member: It sounds more like the former Leader of the New Democratic Party.

Mr. Broadbent: Consumers who are paying high prices for food, housing and fuel to run their cars will not laugh off this matter as the Prime Minister has just done. I should like to ask him concretely, what specific measures did he introduce in the summer which would have the effect of bringing down the cost of living? What action did he take? That will be a short answer. More specifically, what does he plan to do immediately to enable Canadians to cope with double-digit inflation?

An hon. Member: Nothing.

Mr. Clark: Mr. Speaker, I take not only the issue very seriously; I take the Leader of the New Democratic Party very seriously. I appreciated the proposals he made to me in a meeting we had earlier. My difficulty was that I do not think he asked a question the first time he was up.

As regards the action the government has taken or intends to take, we regard inflation as public enemy No. 1 of the government. We are proceeding to deal with that problem, principally by bringing the costs of government in Canada under control so that we can remove that significant contribution to inflation and set an example to others in the community.

Some hon. Members: Oh, oh!

Some hon. Members: Hear, hear!

Mr. Broadbent: Mr. Speaker, in the 1920s that solution did not affect prices, but it did cause the depression of the 1930s. I should like to ask the Prime Minister, since he promised in the election, and repeated it at his first press conference after the election, that there would be a $2 billion tax cut for middle and low income Canadians—he reasserted this commitment after the election—will he now tell the House that that will take place in the November budget?

Second, to have some real effect on prices, will he bring in a fair prices commission which will have the authority to roll back unfair price increases?

Mr. Clark: Mr. Speaker, we do not intend to bring in a fair prices commission with the authority to roll back prices. Naturally, I cannot reveal the contents of the budget before it is presented in this House.

[*Translation*]

* * *

● (1130)

INDUSTRY

ABANDONING BY GM OF PROPOSED PROJECT IN QUEBEC—GOVERNMENT POSITION

Mr. Yvon Pinard (Drummond): Mr. Speaker, my question is directed to the right hon. Prime Minister. General Motors announced last week that it would invest some $2 billion in Ontario, and when I asked the Prime Minister about it in the House, he held out to us bright prospects of imminent and substantial investments by General Motors in the province of Quebec. Well, we were all deeply shocked yesterday when we learned that General Motors had asked the federal government to close its file, period. Today, I should like to ask the Prime Minister how he can explain this failure, what he intends to do to ease the legitimate frustration among Quebeckers, and what concrete and short-term action, if any, his government will take to improve the industrial framework of the important area of Canada which is Quebec.

Right Hon. Joe Clark (Prime Minister): Mr. Speaker, this is indeed an important issue. We have been equally surprised by this decision of General Motors. That was General Motors' own decision.

REQUEST GOVERNMENT IMPLEMENT INVESTMENT PROJECTS IN QUEBEC

Mr. Yvon Pinard (Drummond): I have a supplementary, Mr. Speaker. It is obviously similar to the Foothills case—private businesses which the government cannot convince to invest in Canada. Since the government seems to be caught off guard, I urge the Prime Minister to overlook the piddling policy of his Minister of Supply and Services and immediately request his Minister of Public Works to order that all major federal projects to invest in Quebec be unfrozen, in order not

only to create hundreds of permanent jobs but also to stimulate the construction industry and to ensure a federal presence which is important at this time in Quebec.

Right Hon. Joe Clark (Prime Minister): Mr. Speaker, I must point out that in the present case, the decision has been made by General Motors. I do not know whether there is any future possibility. I certainly hope so. I hope there will be opportunities for Canada in the future, and if General Motors submits another application for such a development, the Department of Regional Economic Expansion will be prepared to support such a project. However I must emphasize that this was a decision arrived at due to internal matters at General Motors and not to any other reason.

As to the policy of a federal government presence in the province of Quebec, yes, it is essential, but we have to make sure the projects will really create jobs and establish an economic presence in the province.

INQUIRY WHETHER GOVERNMENT INTENDS TO ENCOURAGE INVESTMENT BY AUTO INDUSTRY IN QUEBEC

Hon. Marcel Lessard (Lac-Saint-Jean): Mr. Speaker, I should like to address the right hon. Prime Minister. Considering the decision made by General Motors, which is very discouraging for Quebec in particular but also for Canada as a whole, and considering the steadily increasing and huge deficit in its balance of payments Canada will apparently have to face this year in relation to auto parts production and car assembling—over $3 billion according to a report which was recently submitted to the Minister of Industry, Trade and Commerce—what does the Prime Minister intend to do and intend to ask his minister in the Senate to do to encourage car companies such as General Motors, Chrysler and Ford to invest more money in Canada, particularly in Quebec and, hopefully, offset the huge deficit Canada will have to face this year in the auto parts trade?

Right Hon. Joe Clark (Prime Minister): I think it is agreed by everyone, Mr. Speaker, by the House as a whole, and it is certainly a policy of the present government, that we should attract good investment here. We were hopeful about a decision to be made by General Motors, and we are disappointed over their decision. We are now examining the situation to see whether the Government of Canada can attract industries in the automotive sector or in other sectors to invest in the province of Quebec.

REQUEST GOVERNMENT ASK GM TO INVEST IN PLANT AT SAINTE-THÉRÈSE, QUEBEC

Hon. Marcel Lessard (Lac-Saint-Jean): Mr. Speaker, I would like to put a supplementary question to the Minister of Regional Economic Expansion and ask him whether he intends to meet personally with the heads of the automobile industry in general and the directors of General Motors in particular, in order to encourage them to invest in Quebec. They have decided not to invest in an aluminum parts-casting project saying they do not need aluminum to achieve their goals, but could the minister meet with the directors of General Motors and encourage them to increase their current investment in Sainte-Thérèse, to expand their assembling facilities in the province of Quebec in order to compensate for the lack of investments which will hit Quebec in the coming months?

[*English*]

Hon. Elmer M. MacKay (Minister of Regional Economic Expansion): Mr. Speaker, as the former minister of regional economic expansion has pointed out, there is a serious imbalance in the automotive industry side which affects the province of Quebec.

I am pleased to be able to report to my friend that my colleague, the Minister of Industry, Trade and Commerce, and I have already initiated arrangements to meet the president of General Motors on an urgent basis and we are making every effort to make certain that automotive projects are directed to his province, and he can be assured that we will not cease in our efforts to do this.

* * *

[*Translation*]

REGIONAL ECONOMIC EXPANSION

INQUIRY WHETHER GOVERNMENT WILL ASSIST ECONOMIES OF QUEBEC AND MARITIMES

Hon. Pierre De Bané (Matapédia-Matane): Mr. Speaker, I would like to ask a question of the right hon. Prime Minister.

Given what the Minister of Regional Economic Expansion has just said, namely that there is a wide gap between Ontario and Quebec in the automobile industry; given the fact that in the aeronautical industry Pratt & Whitney have announced that from now on they would rather turn towards Ontario; given the very generous offer made by the government to GM to induce that company to open a plant in Quebec and the fact that the gap is widening between the two provinces, would the Prime Minister consider broadening the range of federal government measures to help the economy in Quebec and the maritimes, and I refer among other measures to tax breaks, purchases by the government in these provinces and accelerated establishment of government public enterprises in Quebec and in the maritime provinces?

Right Hon. Joe Clark (Prime Minister): Mr. Speaker, yes, we can consider the issues from that angle; in particular, the hon. member who asked these questions and government ministers share the same objective, namely, a strong federal presence which could stimulate economic growth, not only in the province of Quebec but in the maritimes as well. We must take our decisions within the framework of the budgetary

objectives of the government. The minister is now at a very preliminary stage in studying his budget and I can state that the objectives related to regional development will be one of the concerns surrounding the preparation of the budget.

Mr. De Bané: I would like to ask a supplementary question, Mr. Speaker.

Considering the very encouraging statement made by the Prime Minister, considering that the Minister of Regional Economic Expansion declared that equal opportunities for all Canadians was one of the priorities of this government, and since he noted himself that the budget of his own department amounted hardly to 0.5 per cent of the government budget as a whole—that is, $600 million out of $50 billion—could the Prime Minister tell the House if his statement means that the next budget might bring a substantial increase?

Mr. Clark: Mr. Speaker, I think it is too early to make such an interpretation. It is one of our preoccupations. We are trying to find ways to help other departments, not only the Department of Regional Economic Expansion. I think that was the spirit of the hon. member's proposal, which is certainly in line with the will of that department to achieve real economic growth in difficult areas.

* * *

[*English*]

COMBINES INVESTIGATION ACT

POSSIBLE PROSECUTIONS—ROLE OF TRANSPORT MINISTER IN DISCUSSION

Mr. Svend J. Robinson (Burnaby): Mr. Speaker, my question is to the hon. Minister of Transport. I learned this morning from a highly-placed civil servant within his department that the minister received a written briefing from his departmental officials at least two days before the Friday meeting of at least four cabinet ministers, including the Attorney General, recommending that his minister take the position that the Attorney General not proceed with the prosecution at this time in view of the departmental study under way. Yesterday, the hon. Minister of Justice referred outside the other place to a request for a possible delay in any prosecution until the study was completed.

Will the minister table in this House a copy of the written briefing he received, and will the minister confirm to this House that this was, indeed, the position taken by him at the Friday meeting and, if not, what questions he asked and what viewpoint he expressed at that meeting?

● (1140)

Hon. Don Mazankowski (Minister of Transport): Mr. Speaker, the hon. member's allegations are absolute nonsense.

Mr. Robinson (Burnaby): Mr. Speaker, my supplementary question is to the Minister of Transport. Will the minister table the written briefing that he had; and I ask him again, is he prepared to tell this House what viewpoints he expressed at the meeting of Friday morning or, if not, why not?

Mr. Mazankowski: Mr. Speaker, as I said earlier, the meeting was for information purposes, and I received the information.

Mr. Olivier: Open government.

Mr. Mazankowski: I did ask a couple of questions, but I did not keep track of what they were.

Some hon. Members: Oh, oh!

POSSIBLE PROSECUTIONS—MINISTERS AND OFFICIALS PRESENT AT DISCUSSION

Hon. Warren Allmand (Notre-Dame-de-Grâce): Mr. Speaker, I have a supplementary question for the Prime Minister. Each time his Minister of Consumer and Corporate Affairs makes a statement about the infamous meeting, he makes another startling revelation which leaves us with more questions.

Yesterday, the Minister of Consumer and Corporate Affairs said that he did not call the meeting but that it was called by the Attorney General, which is even more serious, and the minister also said that he thinks these consultations should continue. In addition to the questions which I asked yesterday, I would like to ask the Prime Minister, since the meeting was called by the Attorney General, whether or not the Deputy Attorney General or a senior official from the Attorney General's department was present and whether any political aides were present at the meeting. Also, what was the interest of the Department of Transport in these meetings between the Minister of Justice and Attorney General and the Minister of Consumer and Corporate Affairs?

Right Hon. Joe Clark (Prime Minister): Mr. Speaker, I do not know if the Deputy Attorney General or political aides were present, but I will determine that and advise the hon. member. I can say that the meeting was convened by the Attorney General.

In response to the questions asked yesterday by the hon. member, inquiries have been made and I have been informed that in dealing with cases of this kind the Attorney General is unquestionably entitled to obtain information and advice from whatever sources he may see fit, including his colleagues in cabinet.

I am also advised by the law officers of the Crown that the action taken by the Attorney General of Canada was not at all a precedent with regard to the participation of the Minister of Transport. The Minister of Transport was invited to be present because the matter under consideration involved questions which were pertinent to matters of policy of the Department of Transport and having to do with the jurisdiction of that department over aspects in which the subject matter of the proposed action was involved in western Canada.

Mr. Allmand: Mr. Speaker, the Prime Minister has said that these meetings did not set a precedent. Again I tell the Prime

Minister that in combines cases which deal with large multinational corporations and affect the economy of this country, that was certainly not the practice when I was the minister of consumer and corporate affairs, nor during the reigns of the hon. member for Windsor West and the hon. member for Papineau.

Yesterday, the minister of consumer affairs said that these meetings would continue. In view of the investigation which the Prime Minister is making, and in view of other matters which have come to light, would the Prime Minister consider stopping this kind of meeting at least until the matter is fully investigated? Also, because the Prime Minister believes in open government, and since the justice committee is meeting tonight to be organized, would he not agree this matter should be referred to that committee so that we in this House may know what happened at those meetings, and to clear the air?

Some hon. Members: Hear, hear!

Mr. Clark: Mr. Speaker, because of the hon. member's request of yesterday, I inquired as to the law and precedents of this matter so that I would have a better idea personally and could communicate to this House as to the propriety of the meeting. The meeting was absolutely proper, with basis in law and basis in precedent. Meetings of this kind have been held before. Naturally, I am not going to order the cessation or stopping of meetings that are absolutely proper. Nor do I propose to refer to a standing committee a matter where there is no question of precedent or legality except in the mind of the hon. member posing it.

I am rather surprised that a suggestion such as this would come from a former minister of the Crown. We will not be put in a position of having ministers answer in the House of Commons questions regarding discussions which they may have had prior to taking a decision and which they have not yet taken.

POSSIBLE PROSECUTIONS—REASON MINISTER OF JUSTICE CALLED MEETING

Hon. J.-J. Blais (Nipissing): Mr. Speaker, I followed the Prime Minister's replies to the questions with a great deal of interest. The hon. gentleman indicated that he received information regarding the matter from law officers of the Crown.

Has the Prime Minister had an occasion to speak with the Minister of Justice since Friday in order to apprise himself directly as to why the Minister of Justice called this meeting, and if he did have a discussion relating to the circumstances leading up to the questions in the House, did the Prime Minister discuss with the Minister of Justice the very sensitive and delicate role he has as Attorney General while a member of cabinet and being charged with the responsibility of initiating proceedings such as these under the Combines Investigation Act which are, in essence, criminal proceedings?

Right Hon. Joe Clark (Prime Minister): Mr. Speaker, I did not discuss this matter with the Attorney General of Canada and the Minister of Justice because there was no need to, because there is no question at all about the propriety or legality of the action which was taken by the minister.

Mr. Ouellet: No wonder you flunked your law examination.

Mr. Blais: Mr. Speaker, I am surprised, in facing a situation of this importance, that the Prime Minister has not decided to discuss this matter with the minister within his cabinet who was primarily responsible for calling this meeting. I would suggest to the hon. gentleman that he review—

Some hon. Members: Order.

Mr. Blais: —the precedents in the case.

Mr. Speaker: Order.

Mr. Blais: Mr. Speaker, I ask the Prime Minister, when he discusses this matter with the Minister of Justice—and I urge him to do so—to bring to the minister's attention, in view of the evident ignorance of that minister, the precedents in the Campbell case. It is a United Kingdom case which has been a *cause célèbre*, dealing with the issues of independence of the attorney general and which has been credited with causing the downfall of the Ramsey MacDonald government in 1924.

Some hon. Members: Hear, hear!

Mr. Clark: Mr. Speaker, I will forgo the temptation to refer either to evident ignorance or *cause célèbre*, but I would like to make it clear to the hon. member who has put the question that we have determined the law and the practice, and that the actions of the Attorney General of Canada were in breach of neither the law nor the precedents of the Government of Canada.

* * *

ENERGY

PREMIER DAVIS' REQUEST FOR POSTPONEMENT OF INCREASE IN PRICE OF OIL—GOVERNMENT POSITION

Hon. Jean Chrétien (Saint-Maurice): Mr. Speaker, my question is for the Prime Minister. In view of the statement made yesterday by Premier Davis that he wants a postponement of the decision on the increase in the price of oil, a decision which will be very detrimental to the economies of both Ontario and Canada, is the Prime Minister ready to acquiesce to this request and postpone any decision until after the meeting between the premiers and the Prime Minister himself?

Right Hon. Joe Clark (Prime Minister): Mr. Speaker, we are in active discussions with all the provinces, including a meeting today on energy matters between the minister of energy for Canada and the minister of energy for Ontario.

Mr. Chrétien: Mr. Speaker, I ask the Prime Minister if he will tell the House whether or not he intends to discuss the

matter with Premier Davis, who yesterday complained very bitterly that this decision was not in conformity with the stated policy of the Prime Minister who some time ago said that there will be no decision by his cabinet on these matters without the approval of the provinces.

Mr. Clark: Mr. Speaker, of course we will be discussing the matter with the premier of Ontario. The difference between this government and our predecessor is that this government does discuss questions rationally.

* * *

• (1150)

CANADA MORTGAGE AND HOUSING CORPORATION

MORTGAGE INSURANCE UNDERWRITING PRACTICES

Mr. Don Blenkarn (Mississauga South): Mr. Speaker, my question is for the minister in charge of Canada Mortgage and Housing Corporation. In view of the number of condominium townhouses where owners are abandoning their investment, turning their keys over to the lenders and the lenders are accepting quit claim deeds, giving Canada Mortgage and Housing an enormous number of repossessions, will the minister direct his officials in Canada Mortgage and Housing to cease giving undertakings to insure townhouse condominium mortgages until this surplus and repossession problem is straightened around?

Hon. Elmer M. MacKay (Minister of Regional Economic Expansion): Mr. Speaker, mortgage insurance underwriting practices obligate the corporation to evaluate individual applications very carefully. However, we will be extremely cautious in getting into this sort of practice until we have studied market conditions. I could not give the hon. member an absolute undertaking that we would cease, but we will be more cautious in pursuing this practice.

* * *

FINANCE

PROPOSED INCREASE IN INTEREST RATES OF CHARGEX AND MASTER CHARGE—GOVERNMENT POSITION

Mr. Bob Rae (Broadview-Greenwood): Mr. Speaker, my question is for the Minister of Finance. It concerns the high interest rates policy of the government, which was left on its doorstep like an abandoned baby by the Liberal party, and that has now grown into a 1,300 pound Sasquatch.

What action does the minister plan to take to prevent Canadian chartered banks from raising the cost of Chargex and Master Charge rates from 18 per cent to 21 per cent?

Hon. John C. Crosbie (Minister of Finance): Mr. Speaker, I do not plan to take any action. We have a free market economy—

Some hon. Members: Oh, oh!

Mr. Chrétien: The no-action minister.

Mr. Crosbie: —and the forces of competition will regulate rates. When, in the twenty-first century, the hon. gentlemen get into power, they can then shut down our banking system with their interference.

An hon. Member: I can hardly wait.

Mr. Rae: Mr. Speaker, there was a time when a member on this side of the House would have referred to that answer as bafflegab and gobbledygook. I do not know what happened to that member; I think he went to sea.

The question I have for the minister is this: Is he telling Canadian consumers that there is nothing the government can do about price gouging, interest rate gouging or the banks excessive profits? What about the fact that banks are now paying tax at a rate of 10 per cent, which is less than a working guy pays earning $180 a week?

Mr. Crosbie: Mr. Speaker, I do not agree that the hon. gentleman's analysis is correct or that the banks are gouging, nor do I agree with various allegations of that nature. I believe that the banks are operating in a competitive system. Furthermore, the new banking legislation, which I hope the House is going to pass in jig time, will increase competition in the banking system. I do not agree that there is no ray of hope as far as prices are concerned. There is no "ray" of hope in the NDP; I will admit that.

* * *

CANADIAN WHEAT BOARD

EFFECT OF LABOUR DISPUTES ON MOVEMENT OF GRAIN

Mr. Ed Lumley (Stormont-Dundas): Mr. Speaker, my question is for the Minister of Transport. It also comes under his jurisdiction as minister responsible for the Canadian Wheat Board.

The minister has set himself a most commendable goal, to increase Canadian grain shipments this year by 20 per cent. Would the minister advise this House of the shipments to date this year as compared to last? Could he advise whether the five-month strike at the port of Montreal, as well as the unfortunate incident in Vancouver harbour this week, will have any effect on his original estimates?

Hon. Don Mazankowski (Minister of Transport): Mr. Speaker, the latest information that has been provided to me by the Canadian Wheat Board indicates that we are running slightly ahead of last year. For the same period of time we are moving twice as much barley and three times as much rapeseed this year compared to last year.

I want to say that we are down in our deliveries of wheat, which is something of a temporary nature. However, in aggregate terms we are running ahead of last year's delivery for the same period of time.

We are, naturally, all very concerned about the breakdown at the west coast and the accident that occurred there, but I must say the action on the part of all components of the industry—that is, the railroads, the elevator companies, and labour—is commendable. The contingency plans that have been put in place are working very well and we would hope that through this kind of co-operative effort we will be able to minimize the disruption caused by the unfortunate incident.

* * *

TRANSPORT

REQUEST SEAWAY SHIPPING SEASON BE EXTENDED

Mr. Ed Lumley (Stormont-Dundas): Mr. Speaker, because the closing of the Seaway would dramatically increase the pressure on the grain shipments via the west coast and because all segments of the grain transportation industry have requested that the minister extend the shipping season on the Seaway, has the minister had time to reconsider his decision of the December 15 closing date which was announced last week?

Hon. Don Mazankowski (Minister of Transport): Mr. Speaker, of course we and officials of our department are very sympathetic to the suggestions that have been made. Unfortunately, the problem is that we cannot predict the weather.

Mr. Chrétien: Now he is blaming the weather.

Some hon. Members: Oh, oh!

An hon. Member: We have heard that before.

An hon. Member: The weather is much better this year than last year.

Mr. Mazankowski: Things are better this year than they were last year, but at times a little unpredictable.

Some hon. Members: Hear, hear!

Mr. Mazankowski: We would not be able to make a firm determination on that before the first or second week of December. The problem that we have, Mr. Speaker, is that on the Montreal to Lake Ontario section of the Seaway we have a number of hydroelectric generating plants. To give a firm commitment and to allow icebreaking facilities to open up the Seaway for an extended season we could endanger the operations of the hydroelectric plants, which could cause brown-outs and energy shortages in that particular area.

It is a very complicated matter. We are looking at it and we will certainly give all support possible to extending it, but we cannot make a firm determination at this point in time.

[*Translation*]

REQUEST MINISTER INTERVENE IN DISPUTE AT PORT OF MONTREAL

Mr. Louis R. Desmarais (Dollard): Mr. Speaker, I have a question for the Minister of Transport.

Considering that it is of national importance and urgency to ensure the regular delivery of western grain to the various markets, that the Minister of Transport is responsible for the Canadian Wheat Board and the National Harbours Board, and that the Minister of Labour has been unable to find a solution to the handlers' strike in the port of Montreal, can he tell the House what he is waiting for before intervening personally in this dispute?

[*English*]

Hon. Don Mazankowski (Minister of Transport): Mr. Speaker, the actions of the Minister of Transport—

Some hon. Members: Oh, oh!

An hon. Member: You are the Minister of Transport.

Mr. Mazankowski: —have been commendable in working out this particular dispute. He has been involved.

An hon. Member: What about the weather?

Mr. Mazankowski: I want to tell the hon. member that negotiations are going on and it is my understanding that a tentative agreement has been reached on the matter of wages. There are still a number of items that are up for consideration, but I am pleased to say that progress is reported and we are very optimistic that a satisfactory settlement will be reached very soon.

[*Translation*]

CALL FOR INTRODUCTION OF LEGISLATION TO END STRIKE AT PORT OF MONTREAL

Mr. Louis R. Desmarais (Dollard): Mr. Speaker, I have a supplementary question.

Can the minister tell us if he has urged his colleague the Minister of Labour to introduce legislation to solve this conflict?

[*English*]

Hon. Don Mazankowski (Minister of Transport): Mr. Speaker, that would be premature. The fact that negotiations are going on and progress is being made would certainly not necessitate the need for legislation.

[*Translation*]

Mr. Jacques Olivier (Longueuil): Mr. Speaker, I would like to ask a question to the Minister of Transport.

Given the fact that the strike has been going on for five months and that a report from the president of the Union of Montreal Harbour Workers indicates that he is willing to

accept the mediator's report; further, given the fact that a report and talks between government officials and the National Harbours Board recommended special legislation, does the minister intend to state that the Minister of Labour did his job and introduce special legislation to settle that problem which has lasted now for five months when in Vancouver under similar circumstances he tackled the situation two days after the strike had started?

● (1200)

[*English*]

Mr. Mazankowski: Surely the hon. member is not suggesting that we superimpose legislation on this particular issue when negotiations are going on that are fruitful. As I indicated, a tentative agreement has been reached on the issue of wages. There are two or three outstanding issues. Negotiations are going on. Progress is, in fact, being made.

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CONSUMER AFFAIRS

REINTRODUCTION OF SUBSIDY ON BREAD AND MILK—GOVERNMENT INTENTIONS

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, my question is for the Prime Minister. I hope the Prime Minister can tell us whether he is going to do something about the high food prices, which went up by 12.9 per cent this year over last, in view of the fact he met with the leader of our party last June and promised that he would reconsider the reintroduction of subsidies on bread and milk that were taken away by the previous Liberal government, which his consumer critic in particular complained about so loudly during the last session. Will he reintroduce those subsidies?

Right Hon. Joe Clark (Prime Minister): Mr. Speaker, that was the proposal of the Leader of the New Democratic Party. I did undertake to consider it; we did consider it; we decided not to proceed.

Mr. Nystrom: Mr. Speaker, I have many quotes here made by the Minister of Fisheries and Oceans, when he was consumer critic, as to why they should be reintroduced. In view of the fact the price of bread and cereals went up by 19 per cent this year over last, can the Prime Minister tell us why he has decided not to reintroduce those subsidies which are so badly needed by the ordinary Canadian?

Mr. Clark: Mr. Speaker, it is our view that the action which we can take which will most benefit the ordinary Canadian, to use the hon. member's phrase, is to try to get the Canadian economy under control and growing strongly. We are going to be directing all our energies, as a government, to dealing with inflation, to restoring confidence and to getting the economy going.

PRIVILEGE

MR. ROBINSON (BURNABY)—MINISTERIAL ANSWERS DURING QUESTION PERIOD—REPORT BY MR. SPEAKER

Mr. Speaker: Yesterday I undertook to the House to examine the point raised by the hon. member for Burnaby (Mr. Robinson) in respect to what appeared to be an inaccuracy in *Hansard*. The hon. member for Burnaby was quite correct; there was an inaccuracy in *Hansard* reporting in the line to which he referred.

We have determined, through conversations with the Editor and his staff, that the fault does, in fact, lie with the reporter who evidently had misread part of a sentence in transcribing the notes from shorthand into the typewritten transcript.

We have already had some discussions with the Editor and will carry these discussions forward to ensure that the usual high quality of reporting will always be assured to the members of the House. This is one instance of an honest and innocent error, I believe.

Mr. Svend J. Robinson (Burnaby): Mr. Speaker, I appreciate your confirmation. The version which I indicated to the House was accurate, I believe. The Minister of Consumer and Corporate Affairs (Mr. Lawrence) stated that neither my version nor the printed version was the correct one. I ask Your Honour to confirm that the version which I indicated was correct.

Second, I hope that in no way the *Hansard* reporter involved will be penalized. It was an innocent misunderstanding, I am sure.

Mr. Speaker: I, of course, can only confirm that with the exception of this one part of a phrase that was referred to yesterday, the rest of the *Hansard* transcript was completely accurate.

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BUSINESS OF THE HOUSE

WEEKLY STATEMENT

Mr. MacEachen: Mr. Speaker, I rise on a point of order to put the regular Thursday question. Before doing so, I would like to congratulate the President of the Privy Council on taking over his onerous responsibilities. He always used to regard himself, when he sat at this desk, as a model of co-operation. I assure him I will not attempt to improve upon his performance in the weeks ahead.

Now that we will be at the end of the debate on the throne speech on Friday, may I ask the minister what the business will be for next week, especially Monday?

Mr. Baker (Nepean-Carleton): Mr. Speaker, I thank the hon. gentleman, with whom I have had the privilege of working for a number of years, for his kind remarks and the assurances, such as they were, with regard to co-operation as we proceed into this Parliament.

As the hon. member indicated, we continue with the throne speech debate today and tomorrow. On Monday, it is my intention to call Bill C-6, to amend the Old Age Security Act, (Spousal Allowances), standing in the name of the Minister of National Health and Welfare. I give notice today regarding a bill to stand in the name of the Postmaster General, which I will call next, concerning certain postal rates. It is an important matter, rectifying some matters that were let go in procedures that were deemed inappropriate in the last Parliament, and some might say even worse than that.

On Tuesday, October 23, it is my intention to call an act to provide supplementary borrowing authority for the fiscal year 1979-80. According to the order paper, that bill will be introduced by the Minister of Finance a little later. I assume that will go through very quickly.

Following that will be Bill C-3, an act respecting grants to municipalities, provinces and other bodies exercising functions of local government that levy real property taxes. We have been waiting for that for some period of time.

Later in the week we intend to call Bill C-5, an act to amend the Bretton Woods Agreements Act, the Corporations and Labour Unions Returns Act, and Bill C-2, an act standing in the name of the Minister of Labour to amend the Department of Labour Act. There are some tax bills that are the result of the fact that Parliament had its life brought to an end by the call of the general election. These bills arise from the 1978 budget. They have not yet been approved. We regard them as housekeeping matters and I presume they will be proceeded with rather quickly.

In addition, I would give notice of a bill with regard to adjusting the accounts of Canada, standing in the name of the President of the Treasury Board. We will probably be calling that later in the week. Notice is going on the order paper tomorrow regarding the freedom of information bill. We intend to call that early next week, likely Wednesday. Following that will be the property tax credit bill in the name of the Minister of Finance. We hope that will go through quickly.

I should say that the property tax credit bill, the freedom of information bill and certain other legislation will likely have to await the clean-up of the housekeeping legislation which was left as a result of the failure of the government to call them in the last Parliament. Therefore, we have to wait for those. That may also affect the introduction of a budget. I am not prepared to announce a date today.

While I am on my feet, I might mention that later this day the Prime Minister wishes to make a statement on the fiftieth anniversary of the "persons" decision, a very important decision. I would like to have had that statement made now, but through inadvertence, for which I take responsibility, my colleagues the Leader of the New Democratic Party and the Leader of the Opposition were not notified. I apologize to the House. I did not have a chance to speak to my other friends.

I wonder, Mr. Speaker, if we could have unanimous consent to revert to statements by ministers at five o'clock in order that the Prime Minister can make that statement and the appropriate replies can be given?

Mr. Speaker: Is it agreed?

Some hon. Members: Agreed.

Mr. Knowles: Mr. Speaker, I rise on this same point of order regarding House business. May I, too, extend congratulations to the President of the Privy Council on his assuming the role as government House leader. I am also glad that the hon. member for Cape Breton Highlands-Canso is still a member of the House leaders' club. They have changed their positions. Mine seems to be the same.

Supplementary to the announcements that the President of the Privy Council made about House business, may I ask him two questions? First, as the minister will recall, the Minister of Veterans Affairs indicated yesterday that he has several pieces of legislation respecting veterans, one or two of which I believe are ready. Can he say how soon those pieces of legislation will be introduced, and how soon they will be called for debate and consideration?

● (1210)

As a second question, may I ask the government House leader whether there will be legislation during this session to advance the equality of women, particularly in terms of employment and retirement?

Mr. Baker (Nepean-Carleton): I cannot give the hon. member a precise date. I can say, though, with some assurance, that it will be brought in fairly quickly. He has mentioned the veterans bill. I have mentioned the freedom of information legislation, the matter of the tax credit and other pieces of legislation which we believe to be important, but which must await the cleaning up of the old budget bills: we cannot advance those pieces of legislation to which we attach some importance until we are sure we can obtain the co-operation which I hope will be forthcoming from the hon. gentleman.

With respect to the significance of the persons case, we are looking into some of the other matters the hon. member for Winnipeg North Centre mentioned, but I would ask him to note that the first subject the government intends to call after the debate on the address has ended will be Bill C-6, which is designed to deal with what we feel is an inequity respecting women. I hope that measure will receive relatively early passage and that the hon. gentleman will support us.

Mr. Knowles: We shall deal with Bill C-6 when it is called on Monday. May I say to the House leader that he has asked us to let certain matters wait until the tax bills are out of the way, although he himself put half a dozen other measures ahead of the tax bills this morning. I therefore suggest that veterans' affairs and women's legislation are just as important as those other items, and that they should be dealt with without waiting for the tax bills to be passed.

Mr. MacEachen: Just for the purpose of preparing for the work next week, am I to take it that the first item is to relate to spouse's allowances, and that after its passage the House will turn to consider the borrowing authority bill?

Mr. Baker (Nepean-Carleton): Mr. Speaker, when that is passed the House will be asked to consider an act respecting postal rates. I am assuming that those bills could be dealt with on Monday, since it is a full day. After that we would like to call the bill with respect to the Department of Labour, followed by the labour unions returns bill. On Tuesday we would proceed with the borrowing legislation.

Mr. MacEachen: The hon. member is obviously exceeding all his former expectations if he believes we would get five bills through on Monday. I think he had better come down from those euphoric clouds he has reached on becoming a member of the new government.

ROUTINE PROCEEDINGS

[*English*]

TWO-PRICE WHEAT ACT

SUBSTITUTION FOR SECTION 3

Hon. Don Mazankowski (Minister of Transport) moved for leave to introduce Bill C-7, to amend the Two-Price Wheat Act.

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

* * *

ADULT OCCUPATIONAL TRAINING ACT

MEASURE TO AMEND

Hon. Ron Atkey (Minister of Employment and Immigration) moved for leave to introduce Bill C-8, to amend the Adult Occupational Training Act.

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

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LIVESTOCK FEED ASSISTANCE ACT

AMENDMENTS CONCERNING TRANSPORTATION COSTS

Hon. John Wise (Minister of Agriculture) moved for leave to introduce Bill C-9, to amend the Livestock Feed Assistance Act.

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

BORROWING AUTHORITY ACT, 1979-80

SUPPLEMENTARY BORROWING AUTHORITY FOR 1979-80

Hon. John C. Crosbie (Minister of Finance) moved for leave to introduce Bill C-10, to provide supplementary borrowing authority for the fiscal year 1979-80.

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

Mr. Herbert: On a point of order, Mr. Speaker. Did I hear the President of the Privy Council say he would be introducing the postal rates legislation today, or is this item not now to be on the order of business for Monday?

Mr. Baker (Nepean-Carleton): It is going on to the order paper today. I was just advising the House that it would be called on Monday, assuming we get through the other legislation.

* * *

SPEECH FROM THE THRONE

CONTINUATION OF DEBATE ON ADDRESS IN REPLY

The House resumed, from Wednesday, October 17, consideration of the motion of Mr. Fretz for an address to His Excellency the Governor General in reply to his speech at the opening of the session.

Mr. Keith Penner (Cochrane): Mr. Speaker, when the clock showed six o'clock last evening, I was about to expand on certain ineptitudes of the Minister of Indian Affairs and Northern Development (Mr. Epp). In the Speech from the Throne, the government promised that measures would be introduced to strengthen the capacity of our two territorial governments to manage their own affairs. With that proposition I am sure all hon. members can agree and subscribe to the idea that in the long run this is a desirable and very commendable goal.

● (1220)

The Yukon's capacity to manage its own affairs is clearly defined, having been done so by this Parliament, in the Yukon Act. Hon. members, however, will look in vain to find mention of any amendments to the Yukon Act in the legislative program which has been tabled in the House by the government. It was only the day before yesterday that the hon. member for Yukon, the Minister of Public Works (Mr. Nielsen), who is also the number one adviser to the Minister of Indian Affairs and Northern Development on Yukon matters, assured a CBC audience in Whitehorse that the government would take no further steps toward self-government in the Yukon without introducing amendments to the Yukon Act.

What this suggests to me is that the government, the Minister of Indian Affairs and Northern Development, and the Minister of Public Works, are beginning to feel a little uneasy and a little uncomfortable about steps already taken. Those steps were serious constitutional changes regarding the

Yukon, and leading that territory toward provincehood. The government has taken major steps to move the yardsticks toward what it calls responsible government in the Yukon, and the House should know that the government has already taken these major constitutional changes in that territory.

In a letter dated October 9, the Minister of Indian Affairs and Northern Development, acting, as he said, pursuant to section 4 of the Yukon Act, directed the commissioner of the Yukon as follows:

> You are instructed to request the territorial government leader that he shall constitute and appoint a body known as the cabinet or the executive council—

He then informed the commissioner:

> You will not be a member of the cabinet . . . and will not participate on a day to day basis in the affairs of the cabinet, and council—

Elsewhere in the letter the minister said:

> You should advise the government leader that he may use the term premier to describe his office and the term Minister to describe the other members of the (cabinet).

However, and this is the most interesting part of the letter, he cautioned the commissioner with these words:

> Until legislative amendments to the Yukon Act are passed, however, these terms should not be used in Territorial legislation or legal instruments.

It does seem rather elementary to point out that any title which one is not entitled to use by law is not a legal title. Indeed, I am told that the leader of the territorial government himself has been sufficiently distressed about this that he has decided on his own not to bother using the title "premier" which the minister would want to confer upon him.

I think we can snicker with some justification at the ineptitude of the minister in conferring provincial titles on territorial leaders and their institutions, but what we cannot take so lightly are the constitutional changes which he attempted to bring about on the strength of nothing more than his own signature. The fact is that the relationship of the Yukon government to the Government of Canada has been altered without the consent of Parliament. Acting under the cloak of section 4 of the Yukon Act, the minister added insult to his constitutional improprieties when he told the commissioner, Mrs. Ione Christensen, to pack her bags and move out of the legislative buildings altogether.

Let me refer to the section the minister uses to justify all his actions under law. Section 4 of the Yukon Act reads as follows:

> The commissioner shall administer the government of the territory under instructions from time to time given her by the Governor in Council or minister.

Instructions to administer, says the act, but it does not say that the minister has the authority under law to tell the commissioner not to administer at all, which is in effect and in fact what he has actually done. The commissioner, therefore, received her new instructions shortly after learning from the local press that they were on the way to her, and to no one's surprise but to everyone's dismay, particularly the people of the Yukon Territory, Mrs. Christensen promptly resigned.

Whether Mrs. Christensen, a native Yukoner, an immensely popular lady and a good administrator who enjoys the confidence of both the Indian and white communities in the Yukon, felt that she could no longer properly administer a government in which she was no longer even physically present, we do not know. Whether she felt that the Parliament of Canada had instructed her to carry out responsibilities with her council within the normal meaning of the word "administer", which the minister had told her to ignore, we do not know either.

Maybe she felt that Yukoners could not afford full fiscal responsibility until they were able to pay the cost of their own public services. Maybe she was merely disappointed that she, like all Yukoners, was not consulted in the matter, and that is another tragic error this new minister has made so early in his career. He has taken an enormous constitutional step without bothering to come to Parliament to get the authority to do so by amending the Yukon Act, and not bothering to consult the people who are directly affected.

He has taken his advice from whom? Well, certainly from the hon. member for Yukon, the Minister of Public Works, and from the leader of the government in the Yukon. That is who he consulted, and that is the end result of this serious step taken by the minister.

Mr. Epp: Both are elected, Keith.

Mr. Penner: We do not know the major points of disagreement between the commissioner and the minister, because when I asked him in this House to tell us what were the major points of disagreement, he would not say. All he would tell us was that his commissioner felt the government was moving the Yukon too quickly along the path to responsible government.

What we do know is that the commissioner could not be faulted for having had at least some of the concerns I have already mentioned. She would have known full well, for example, that historical precedent required the minister and his government to bring forward amendments to the Yukon Act in order to remove her from the deliberations of her council. It must have been common knowledge to a person as wise in the ways of government as Mrs. Christensen that in 1966 the Parliament of Canada specifically repealed a section in the Yukon Act which had previously required the commissioner to sit separate and apart from the council.

Evidently this made no difference to the minister. The fact that he had to come to Parliament to do that did not bother the minister at all, because someone told him that under section 4, by which he could instruct the commissioner how to administer, he could now instruct the commissioner not to administer at all, not to be physically present, not to consult with any committee, nor to consult with elected representatives.

Perhaps the former commissioner was offended at this slight to Parliament, although "slight" is hardly a strong enough word to describe the rearrangement of constitutional relationships without any reference to Parliament. On the other hand, perhaps she was not so jealous of the rights of Parliament, but we here in this House certainly must be. We can only speculate about her attitude to this irresponsible encroachment by a minister of the Crown upon federal jurisdiction. This grasp for

power—which is what it is, in plain language—was engineered without her advice and contrary to the direct and substantial federal interest. However, I suspect it was the interest of Yukoners which was uppermost in her mind.

An hon. Member: Oh, oh!

Mr. Penner: We hear a great guffaw from the other side. The minister is not even aware that this is one of the most respected public figures in the Yukon, and to guffaw when I suggest that what she was expressing was her concern for her fellow Yukoners, all the minister is doing is further revealing to all here today how ignorant he is of the situation.

● (1230)

Nevertheless, let me turn now to the consideration of the minister's instruction to the commissioner regarding financial management. This is something that always concerns members of Parliament—financial management, financial control of money that is raised from the public domain. I am referring here to section 12(3) of the Yukon Act which instructs the commissioner to consult with the territorial finance committee in the preparation of estimates of expenditures and appropriations required to defray the costs of public services.

I suppose that Parliament instructed the commissioner to consult on these matters since, in the present fiscal year, for example, the Yukon derived $23 million, or about 30 per cent of its operating revenues, from Parliament in the form of a deficit grant, and this is not to mention a further $15 million this year in capital grants. All of this $38 million is over and above the grant of about $13 million in lieu of income taxes which the Yukon government will begin to collect itself next year. No wonder Yukoners are worried about their future taxes, and no wonder the Parliament of Canada, which puts money there, wants to have someone consult in the expenditures and appropriations of these moneys.

In any case, the minister, who assured the House that everything he has done was within the terms of the Yukon Act, was not happy with the words of section 12(3) as they stand—he did not like them at all. Therefore, in place of those words of the Yukon Act, he substituted some of his own. They are in the letter. Let me read them. He told the commissioner:

—the cabinet will prepare the estimates initially and then refer them to you.

Nothing could be plainer, more simple or obvious. If the law of the land is to consult, then you have to be physically present and talk about what is going on. If something is referred to you after the fact, and it is just sent over for your approval, then there has been no consultation and the act of Parliament has been violated. The minister does not seem to worry about that: after all he is the minister, he is the authority, he has good advice from the hon. member for Yukon and he does not need to worry about any of the niceties, any of the legal intricacies.

I am told that one of the effects of this change in wording is to relieve the commissioner of any participation in future discussions with officials in Ottawa as to the amount of the annual deficit grant required. Here again, it might not be right to say that this particular liberty of the minister's raised the indignation of the commissioner, but since it is a clear contradiction of the words and meaning of a statute of Parliament, it should certainly arouse the indignation of this House.

Apart from that, the question of financial arrangements between the two levels of government strikes at the very heart of this issue. Not only do Canadian taxpayers foot nearly 60 per cent of the bill for Yukon public services through federal agencies and the territorial government, but neither the member for Yukon nor the leader of the territorial government seem to be interested in responsible government, if responsible government means that you have to raise your own tax revenues.

The hon. member for Yukon is on record as subscribing to the view that the annual deficit grant which escalates every year is the birthright of Yukoners, not to be diminished in any way by territorial tax revenues such as those to be derived from the Alaskan Highway gas pipeline. I think I have an accurate quote of his words spoken before the pipeline committee. He said:

We see no reason why the deficit financing, to which we have been entitled over the years, should now be changed merely because the Yukon is going to be enjoying greater revenues as a result of a good tax deal.

The opinions of the territorial government leader are not far different, if one can judge by his comments only a few days ago, because he told Yukoners in a radio broadcast that new financial arrangements between Ottawa and the Yukon had not been discussed in the course of his half-dozen meetings with the Minister of Indian Affairs and Northern Development about the commissioner's new instructions. There was no talk at all about her role, her responsibility to participate in the finance committee. The leader of the territorial government lamented, "We are still a colony of Canada". He went on to say that the minister recognized this, and therefore financial arrangements would not change until responsible government had been achieved.

Responsible government would be achieved, he said, on the day that the Yukon territorial government did not have to submit a budget to the commissioner for approval. I do not have to tell you, Mr. Speaker, that that day will not arrive until the Yukon government finds itself in a position to raise its own revenues from its own taxes for its own operations.

An hon. Member: Just like Newfoundland.

Mr. Penner: The hon. member is now talking about equalization payments, trying to fog the issue. Newfoundland came into confederation under a clear set of principles approved and supported by the House. We are not talking about that; we are not talking here about amendments to the Yukon Act: we are talking about unilateral actions taken by the minister himself.

So far as this belief in a "deficit grant birthright" is concerned, Yukoners would have been most interested, as I was, to read some remarks which were supposed to have been given by the President of the Privy Council (Mr. Baker) to the citizens of Whitehorse in a speech which was not circulated there or given out there, but which was circulated only here in

Ottawa. This is what the President of the Privy Council was supposed to have said in the speech in Whitehorse:

One of the hallmarks of responsible government is that the duly elected representatives of the people decide how the tax dollars they raise should be spent. In this regard, should Yukoners decide that it is desirable to proceed towards full status . . . then the revenues generated from taxation of the pipeline right-of-way will assume particular significance.

He went on to admit the following:

These revenues, which will accrue directly to the Yukon, rather than being funnelled through Ottawa, are expected to grow to $30 million annually and more, depending on the rate of inflation, and to amount to over $1 billion over the life of the project. It is interesting to note—

The speech continues:

—that were this $30 million applied to the present annual territorial budget, your government would almost be at a break-even level—

A Progressive Conservative government enjoys hearing that kind of equation.

There is much more I wanted to say on this topic, Mr. Speaker, but I will have to come back on another day, to another debate, to finish my remarks.

Some hon. Members: Hear, hear!

Mr. Nickerson: Mr. Speaker, I wonder if the hon. member would permit a question?

Mr. Deputy Speaker: The only way the House can accept a question is by way of unanimous consent, because the time allowed the hon. member has expired. Is there unanimous consent to allowing the hon. member to put his question?

Some hon. Members: Agreed.

Mr. Nickerson: I would like to ask the hon. member for Cochrane (Mr. Penner) why he thinks it is all right for him, as a southern Canadian, to enjoy all the rights and privileges of a Canadian citizen, whereas I myself, the hon. member for Yukon (Mr. Nielsen), or the hon. member for Nunatsiaq (Mr. Ittinuar), cannot enjoy these privileges. Why does he still want to treat us in this colonial manner? Why will he not allow us to assume the responsibilities of responsible government eventually leading to provincial status?

Mr. Penner: In my opinion, the new member has come to the House not having learned yet to listen to a speech before he rises to his feet to speak in debate. The point that was being made, in answer to his question, is that there is a proper way to proceed in this country and that is by way of an amending statute, by way of parliamentary action. What I have taken exception to, sir, is that constitutional steps have been taken without amendments to the Yukon Act and without any reference to Parliament. Nobody has spoken about the rights of citizens in the constitutional development of this country. The hon. member has completely missed the point, and I am sorry that after such a short period of time here his experience has helped him so little.

Mr. Walter McLean (Waterloo): Mr. Speaker, I welcome this opportunity to participate in the throne speech debate and, along with other members, I wish to offer my best wishes and congratulations to Mr. Speaker on his re-election, and to you, Mr. Deputy Speaker. Also, I wish to identify myself with words of appreciation for the mover (Mr. Fretz) and the seconder (Mr. MacDonald (Cardigan)) of the Address in Reply to the Speech from the Throne for the shape and focus of their remarks.

● (1240)

This is the first speech in the House by the first member for the new federal constituency of Waterloo. It is an honour for me to represent the 67,000 voters in that new riding created during the previous Parliament, along with 17 other ridings.

I should like to refer for a moment to the constituency of Waterloo, which includes a portion of the city of Kitchener, which was formerly a portion of the Kitchener riding. It includes the city of Waterloo, which was represented formerly in a different riding by Mr. Max Saltsman who for many years distinguished himself by his service to Parliament and the people of that area. Also, it includes Wilmot township, which was ably represented by the hon. Minister of State for Federal-Provincial Relations (Mr. Jarvis), as well as Wellesley and Woolwich townships, which were equally ably represented by the hon. Minister of State (Treasury Board) (Mr. Beatty).

The Kitchener-Waterloo area may be known to members of the House nationally through Oktoberfest and the televising of the national parade, if nothing else. But behind the televising of the parade and the stories of festival halls there lies a significant cultural community, a significant and vigorous economic and cultural area. In a sense, the new riding of Waterloo is a microcosm of Canada—building upon German roots and immigration. Today, it is a multicultural community. It takes pride in its Mennonite heritage and the characteristics of that way of life—marked by hard work, integrity, a deep sense of caring and compassion. This is reflected in the fact that the riding is amongst the prominent ones across Canada in the reception of Vietnamese refugees, the so-called boat people. The characteristics of work, trust and caring are inspired by the deep sense of faith which marks the people of my riding.

I want to say a word about the agricultural richness of the area. Dominant is Waterloo stockyard, one of the largest in southwestern Ontario. If one were to travel across the riding, one would enjoy Woolich township and the Elmira maple syrup festival. One would enjoy the hospitality of Wellesley and the apple butter festival. One would enjoy visiting Wilmot township and its areas of production in cheese and poultry. Also, one would enjoy very much the hospitality of small towns such as New Hamburg and Baden.

Within the urban area of Kitchener-Waterloo, one would see vigorous automotive, textile and electronics industries, as well as an industry related to space and the manufacturing of rubber products. The city of Waterloo has been called the Hartford of Canada, with more head offices of insurance companies than any other city in Canada. It is the home of two great Canadian universities. The University of Waterloo is world renowned for its co-operative engineering program. It has a fine applied mathematics program, a significant comput-

er science program around its large computer facilities, an optometry faculty, a program of integrated studies, and the recently established innovation centre which will seek to do research and development in relation to the needs of small business.

Also, there is the Waterloo Lutheran University, as it was known previously. Today, it is the Wilfrid Laurier University. Through its theology faculty it maintains its roots with its former church affiliation. It has a very significant and vigorous business school, a consulting service to small businesses, a very fine social work faculty, as well as a first-rate music faculty.

In drawing this brief description of the riding I am proud to represent, I do so with pride because in the Speech from the Throne there was the call to harness the resources of the nation to nation building. Also, it contained an invitation to all Canadians in all walks of life to participate. The riding of Waterloo, amongst the ridings of this nation, is rich with resources. It has natural resources. It has human resources of body, mind and spirit. Also, it is rich in cultural resources.

I come proudly into this chamber, with all its history and with all of its importance for Canadian life, with a commitment to Canada and its future which I know is shared by my colleagues. I am grateful to God for this nation, its people and resources. Also, I am grateful that in my life I have had the opportunity to live on the west coast where I was raised, to live on the prairies, in central Canada and in the maritime community. For nearly five years I was associated on a daily basis with Canadian University Service Overseas—CUSO— as a co-founder and then the first director for West Africa, particularly Nigeria.

In my years of service abroad, I was able to see more clearly, than might have otherwise been my opportunity, Canada as seen from the world: Canada with its resources, its riches and its possibility to be a leader in the community of nations. Also, I was able to see something of the poverty and need of our world, to live through coups and counter-coups, and to realize how important this democratic Parliament is. I was able to see the importance of national, provincial and municipal institutions, ones which at times we take for granted.

Upon occasion, I was able to advise the Canadian International Development Agency in the direction of Canadian aid. I was able to see a number of the success stories of our effective participation with the so-called developing nations of the world—stories, which are so often not told because, unhappily, it is the bad news, which is often told and not things which are significant. Also, I had the opportunity of serving as a public servant. I recognize the importance of the contribution made by the public service in the nation's capital, as well as provincially within Manitoba. I was a consultant to the government of Prince Edward Island. I was able to see the importance at all levels of government of those who work behind the parliamentary process.

For the past 8.5 years I have been deeply involved in the life of the city of Waterloo as minister of Knox Presbyterian church and an alderman. There were influences and many encouragements to my participation in the democratic process which formed my life. I am grateful for the mood and the focus of my constituents; for their pride in Canada, a pride we share together; for a world-view which has come out of immigration throughout the years; and for a sense that Canada shall play a responsible part in the community of nations. I am grateful to political leaders who have come from that area into the life of this nation, to those who teach and those who have taught me. I am grateful to my colleagues in the public service and the church. I am grateful to my family who permitted me to make this entry into elected public service.

In response to and support of the direction of the Speech from the Throne, I want to speak for a moment about my concern for national unity and for young people who are vital to national unity. I see across the nation tens of thousands, if not hundreds of thousands, of young people who have completed higher education in order to be equipped and able to enter the life of our nation. I am anxious lest their enthusiasm, energy and commitment may not be channelled into our common life.

• (1250)

I see high unemployment and among the unemployed far too many young people. I am encouraged at the direction and thought of the Youth Employment Secretariat, soon to be upgraded and instituted by the government. But I am concerned that in the days that lie ahead we may, as financial crises continue in our nation, not be able to utilize these young people and somehow their lives may become filled with bitterness and disaffection.

I would propose for the consideration of members of this House and the government the concept in Canada of a national youth service. This concept would encourage all young people who complete training in universities, community colleges or CEGEPs across the land to be required to invest two years of service to Canada. This service might be in the military, in CUSO, in voluntary agencies, in business or in industry. It might be in the civil service at the federal, provincial or municipal level; it might be in northern development or with community agencies within our inner city.

This would, obviously, require major consultation with all levels of government, industry and labour; but it would provide for every young Canadian two years during which they could serve the nation. They could, together—like those who served in war years—be under uniform terms of service and pay. In the process of national service they would learn about Canada; they would work in different areas; they would help build Canadian society—and they would begin to feel the sense of belonging, as many of us do in this nation. They would, as well, repay the investment made in their university and community college education. This would give these young people a working experience which would allow them to compete in the work force. Other nations have done this. It will be my hope to encourage consideration of this concept by the govern-

ment and others within the House who may find this a worth-while proposal.

I should like to make a second observation—this one about the single most important question facing Canada, the United States and a number of other western countries; namely, the whole issue of inflation and its effects on our society. The throne speech seeks to address this issue.

I am constantly struck by the way in which inflation is constantly perceived almost totally as an economic problem. This is perhaps understandable, because I am sure every member of this House is constantly reminded of the economic aspects of inflation every day of his or her life. I do not think, however, that we will fully understand inflation, nor will we be able to form a strategy to come to grips with this fundamental problem, until we possess a much broader understanding of what inflation really is.

Inflation is much more than an economic issue. Inflation is a sociological, psychological, political and, indeed, in very many ways a spiritual problem. It is straining the very essence of our society. It presents us with perhaps the fundamental challenge to our whole system of government and way of life as we move into the 1980s. Amongst its many insidious effects in our society, inflation tends to reinforce a protective, narrow self-interest on the part of individuals and groups; and at the same time it tends to weaken the spirit of co-operation and collaboration among the many elements and interests across our society.

I think we are seriously deficient in our analysis of inflation if we do not understand this "cancerous disease" in all its dimensions. By regarding inflation solely as an economic issue, we are blinding ourselves to any real possibility of coming to grips with it.

I should like to propose, therefore, that either as part of some of the conferences on industrial development mentioned in the throne speech, or as a separate national conference in its own right, we should begin to develop a broader and better analysis of inflation and its consequences. We need to involve more than economists in these discussions. Social scientists, church leaders, leaders in the voluntary sector, labour leaders and many other groups should be invited to participate in a national conference on inflation. I hope the government will look seriously at this proposal.

In conclusion, Mr Speaker, let me say I have the honour to represent a riding whose people are proud of Canada, and among those people there are those with dreams for this nation and who are not afraid to tackle difficult situations. Many of them have come from lands of oppression and appreciate the freedom that we enjoy in Canada. I am proud to represent this microcosm of Canadian society, and I am proud to offer my contribution in this House.

As I speak to Parliament on this day when we remember the decision to recognize persons—the human rights of women—I remember also the words of the first Canadian Governor General, the Right Hon. Vincent Massey. I wish during this, my first speech in this significant chamber, to identify myself with the words of Governor General Massey, who said:

> I believe in Canada, with pride in her past, belief in her present, and faith in her future.
>
> I believe in the quality of Canadian life, and in the character of Canadian institutions.
>
> I believe in the Commonwealth of Nations, within whose bounds we have found freedom, and outside which our national life would lose its independent being.
>
> I believe that Canada is one, and that if our minds dwell on those things which its parts have in common, we can find the unity of the whole.
>
> I believe that with sound work, the spirit of a team, and an awareness of ourselves, we can look forward to achievements beyond our imagining.

Thank you, Mr. Speaker.

Some hon. Members: Hear, hear!

Mr. Allmand: Mr. Speaker, since it is very near the hour, I wonder if I might call it one o'clock and commence my remarks at two o'clock.

Mr. Deputy Speaker: Does the House agree that we call it one o'clock?

Some hon. Members: Agreed.

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

At one o'clock the House took recess.

● (1400)

AFTER RECESS

The House resumed at 2 p.m.

Hon. Warren Allmand (Notre-Dame-de-Grâce): Mr. Speaker, during the recent election campaign and during their recent years in opposition, the Conservative party gave the impression that they had the answer to all problems—for the handling of the economy, for the rate of inflation and unemployment, for the price of food and for the price and availability of housing, to mention a few. They also felt they could solve the problems of freedom of information and, indeed, almost every problem in this country. During the election campaign the Conservatives, with these promises and with slick, misleading and sometimes malicious advertising in the media, took in many Canadians.

But what do we have now? After approximately five months of power we have a government of charades, contradictions and flip-flops. We have a Speech from the Throne which suggests a lot of studies. The government wants to study this and study that, but there are few answers. Where are those brave statements that party made before the election, that they were going to act on the price of food, the Canadian dollar, interest rates, youth and unemployment and so on? Where are the answers now?

The previous government said that these were tough problems and that there were few absolute answers; that in a free society there are always trade-offs when the government intervenes. We said that the government can achieve its successes but there are few absolute victories. We pointed out that in a difficult world our record of success in solving problems was much better than that of other countries.

The Conservatives ridiculed that record. They said that they could do better, that they could lead Canadians to a new Shangri-La. Well, they have not. From what we can observe so far, it was all rhetoric, puffery and, indeed, baloney, and I could use a few stronger terms. They have no answers, no real solutions and no principles. Their only principle so far, from my observations, has been expediency and political gain. This was confirmed by the Minister of Finance (Mr. Crosbie) after the election who, when he was asked about his election promises, replied, "Well, those are only promises for the election campaign. We did not really mean them. Nobody was to take us seriously".

What about their brave words that they would give greater respect to Parliament and the elected representatives of the Canadian people? Let us look at the record so far. To begin with, they appointed a senator, Mr. de Cotret, a defeated candidate, to the major portfolio of industry, trade and commerce and to the inner cabinet which is that new power creature where many regions and interests are not represented, not to mention the fact that he is from the province of Ontario from which the Conservative party elected over 50 members. Presumably none of those members had the ability to be minister of industry, trade and commerce. How does this give credibility to the parliamentary system and the electoral process? Here is a senior minister appointed from the Senate who cannot be questioned in this place by the elected representatives of the people and who does not have to stand the heat of parliamentary democracy.

As the Leader of the Opposition (Mr. Trudeau) said, "We would accept ministers being appointed from the Senate if they were from a province which had few representatives in the Conservative party, such as Quebec, but not from the province of Ontario with approximately 50 elected representatives in the party." A defeated candidate being appointed to a senior portfolio is unacceptable. Under our tradition a non-elected minister with a senior portfolio should seek a seat in the House of Commons at the earliest opportunity. That is the tradition in the British parliamentary system in England, Canada and Australia.

● (1410)

Consequently, why is it that the Minister of Industry, Trade and Commerce (Mr. de Cotret), the defeated candidate for Ottawa Centre, does not run in the by-elections to be held in Prince Albert or in Newfoundland? Why does the Prime Minister (Mr. Clark) not insist that he get elected, or else resign from his portfolio? Where is that great respect for the parliamentary system that he spoke about?

There are other examples of disrespect of Parliament. In setting up his new cabinet, the Prime Minister has given eight ministers two portfolios. How does this help members of parliament get information from the government when some carry such a heavy load? No minister with two portfolios, no matter how intelligent, can master his work and prepare properly to answer questions put to him in the House of Commons. Perhaps that is why the minister of consumer affairs is doing so badly in the House. The Prime Minister has saddled him with two of the most onerous portfolios in the government, that is to say, that of Solicitor General and Department of Consumer and Corporate Affairs. I can speak with authority on those portfolios since I have held both of them. According to my experience there is no way an individual can be briefed each day to fully answer questions in the House of Commons for both of those portfolios.

The same can be said for the other double portfolios. I am speaking of the office of privy council and national revenue; defence and veterans affairs; post office and environment; secretary of state and communications; sports and multiculturalism—

Mr. Paproski: And what is wrong with that?

Mr. Allmand: —justice and leader of the Senate; industry, trade and commerce and board of economic development. Each of these portfolios is headed by one man. How does this indicate respect for the parliamentary system and the right of elected members to get answers in this House?

An hon. Member: We give quality.

Mr. Allmand: We get no answers because there is too much for these ministers to handle.

The government has said that it believes in freedom of information and that it will bring in a freedom of information bill. When I wrote recently to the different ministers who are in portfolios for which I am a critic asking them to give me a copy of their daily clipping service, I was refused. I am referring to the Department of Indian Affairs and Northern Development, the Solicitor General's department and the Department of Justice. This is not a question of secret or confidential material but merely a collection of press clippings. They are helpful, however, because they bring together the clippings of all major media in Canada on a given subject. What kind of freedom of information is this? When I was a minister I would never refuse to provide these clippings to my critics. Each time they were asked for, I gave them. Often they were not asked for.

Recently I visited the offices of a prominent consumers' association in Montreal. This association was getting the daily clipping service of the minister of consumer affairs yet we, as critics in this House have not been able to get them. This is an example of more disrespect for Parliament.

What about the actions of the minister of Indian and northern affairs regarding the Yukon territorial government? The minister has said that he implemented these changes in

the Yukon first, because he believes in democracy; second, because the member for the Yukon was elected on such platform, a platform to bring provincial status to the Yukon; and third, because the majority in the Yukon council favour such a move. What nonsense, Mr. Speaker.

The Conservative party ran on many policy positions in the last election. Their platform brochures and election speeches were full of them. Because they were elected as the government, does this mean that they do not have to consult Parliament? Does the fact that they were elected and these items were in their platform mean that they can be implemented by administrative action rather than by consulting Parliament? Does it mean that all promises can be implemented by administrative action, like the new instructions to the Yukon Commissioner? I do not think so. That has not been our tradition.

The Minister's argument is weak on other grounds. Even if the federal election were to be considered a referendum on provincehood in the Yukon, then from my information the question did not carry. If I understand it correctly, the hon. member for Yukon (Mr. Nielsen) won his election with approximately 45 per cent of the vote. It was enough to get him elected but not enough to interpret that the majority in the Yukon favoured provincial status. He had less than 50 per cent of the vote. I do not see how that can be considered a vote for provincehood in the Yukon.

Furthermore, while members of the Yukon council might have individually stated support for provincial status, they have not as a body, as the Yukon council, expressed themselves on this subject since the federal election. There has been no resolution, no debate and no vote in the council. In addition, the Conservative government in the Yukon received approximately 38 per cent of the vote in the last election. How is this an example of democratic action? Well, it is not.

The minister's action respecting the Yukon Territory was a unilateral administrative act without consulting this Parliament on the Yukon council. There was no debate and no vote. Neither the Commissioner of the Yukon nor the Yukon Indians was consulted. Neither their promise nor the Prime Minister's promise to hold a referendum on this subject in the Yukon was kept. The minister of Indian and northern affairs has said he will consult with the council of Yukon Indians later, but to do what? He has already implemented a policy which brings the Yukon down the road to provincial status. Does this mean that when he consults with the Yukon Indians next week and they tell him they are opposed to the instructions given the commissioner last week, he will then withdraw those instructions? I doubt it. The minister has already made up his mind. He has done this now, and he is going to consult later. The Minister has said he will hold a referendum later. If he is going to hold a referendum later respecting provincehood in the Yukon Territory, why did he take the action he took last week?

An hon. Member: He has pre-judged the election.

[Mr. Allmand.]

Mr. Allmand: That is right. He said that the things he did last week are not a move to provincial status. That is not what the former commissioner thinks.

I might point out, because some people were casting doubts about her credibility this morning, that the Commissioner for the Yukon, Mrs. Ione Christensen, was born in the Yukon and has lived her entire life there. Her father was a leading RCMP officer in the Yukon. Therefore, she has strong Yukon credentials. She resigned in protest over the instructions given to her last week because she felt the Conservative government was moving to provincial status too quickly and improperly. The key issue here is not, as the hon. member for Western Arctic (Mr. Nickerson) said this morning, whether or not one day the Yukon and the Northwest Territories should have provincial status; the issue is the complete disregard of Parliament in the implementation of major governmental change.

The minister's contention that his move was prompted by a respect for democracy is phony. With less than 50 per cent of the voters in the Yukon supporting a proposal, one cannot claim democratic support.

There are still more examples to illustrate how Parliament has been by-passed by this government which said it would give a higher priority to Parliament. Acting against public opinion and without consulting Parliament, the Tory government traded off Loto Canada to the provinces. As a member of Parliament who is a strong supporter of amateur sport, I considered this a most regretful move.

I was present at many of the Olympics events held in Montreal in 1976 and at the Commonwealth Games in Edmonton in 1978. What pride there was for Canadian athletes and for the teams who showed so much improvement since the last Olympics and last Commonwealth Games. I believe Canada ranked in the top ten or eleven in the last Olympic Games and we walked away with the Commonwealth honours.

Under our Liberal government, the sports federations in our country had experienced increasing support over the last ten years and Loto Canada was a keystone of that support. It is from that source that a lot of money came for coaching, training and so on. Now the narrow, shortsighted Tory government has abolished all that and our amateur sporting groups are not sure where financial support will come from, despite the announcement yesterday by the Minister of State for Fitness and Amateur Sport and Multiculturalism (Mr. Paproski). National sporting excellence in this country will not be maintained by provinces which approach all things from a regional, provincial perspective. The Tories treated a national dream for Canadian sport with short-term political expediency vis-à-vis the provinces.

● (1420)

There are more examples of ignoring Parliament. The Prime Minister signed agreements with Newfoundland and British Columbia to transfer offshore mineral rights to these provinces. Not only did he implement substantial constitutional change without consulting Parliament, but most informed

opinion considers that these agreements, especially that with British Columbia, are illegal and unconstitutional.

In 1967 the Supreme Court of Canada ruled in interpreting the Canadian constitution that offshore mineral rights were a federal responsibility. They said that under the Canadian constitution offshore mineral rights off British Columbia were a Canadian federal responsibility. Consequently that court decision is part of Canadian constitutional law and cannot be changed by any federal-provincial agreement signed by the Prime Minister of Canada and the premier of British Columbia. The only way the Prime Minister can transfer offshore mineral rights to British Columbia, and perhaps to any province, is by a constitutional amendment. You cannot change the constitution by administrative action.

So far I have spoken about the complete sham displayed by the Tory government which preaches one thing and does another when it comes to respecting Parliament. Now I would like to mention some of the government's contradictions.

The Secretary of State for External Affairs (Miss MacDonald) went to the United Nations preaching peace, virtue, aid and detente, but ended up causing the exact opposite. By her confused diplomacy she has hurt the proliferation of nuclear weapons and left the world with less safeguards. Before her ill-chosen remarks regarding Argentina, that country had expressed its intention to purchase the Canadian Candu reactor and to accept the stringent safeguards laid down by the previous government. Now she has prompted them by her remarks to purchase a more expensive German reactor with less stringent safeguards. What did she accomplish by her speech? The world is less secure and she has caused great harm to the Canadian economy.

It goes on, Mr. Speaker. During the election period the Tories campaigned "Vote Conservative and get the country working again". Then they left Parliament on the sidelines for five months, crippled the Canada Works program and so far have replaced it with nothing else; lost the Candu sale to Argentina and a lot of jobs; and lost the Foothills pipeline by their inaction and negligence, losing more jobs.

Some hon. Members: Oh, oh!

Mr. Allmand: That is getting Canada working again.

Some hon. Members: Order.

The Acting Speaker (Mr. Scott, Victoria-Haliburton): Order. The hon. member should be entitled to the courtesy of the House in order to complete his speech.

Mr. Allmand: The new Canada Works criteria are completely ridiculous because they do not account for very strong pockets of unemployment in ridings which are otherwise well off. I can give examples. The other day my colleague from Saint-Henri-Westmount, who represents a portion of Saint-Henri and the Westmount part of Montreal, spoke. As everyone knows, the Westmount part is rather affluent, but Saint-Henri is not affluent at all. Because the level of unemployment in the total riding is not over 9 per cent, he gets no money at all from the Canada Works program to help the unemployed in his riding. The same is true in Notre-Dame-de-Grâce. While some parts are fairly well off, there are pockets of real unemployment and poverty and we get no money. As a matter of fact, the whole west end of Montreal was cut off from Canada Works moneys because of the policies of the Tory government.

Under our policy we had a minimum amount for every constituency in this country to take care of those ridings where the total level of unemployment might be very low but with pockets of unemployment. They talk about democracy, but they abolished the constituency advisory group for Canada Works. In my riding on two occasions the president of my constituency advisory group for Canada Works was the Conservative candidate in the last election. That is the kind of group we had. I wanted a group under which the money would not be given out on a political basis. As I said, for two years the Conservative candidate was president of my committee, and another year it was the president of the NDP association as well as clergymen, principals of schools and so on. That has been abolished. Now Canada Works money where it applies will be given out on the advice of the Conservative member of Parliament or the defeated candidate.

The most startling omission in the Speech from the Throne is its silence respecting national unity. The Speech from the Throne mentions some activity in the area of federal-provincial relations, such as Loto Canada; but as I said before, I would argue that those things which are mentioned in the long run are initiatives that will lead to disunity.

One can judge the low priority this government gives to national unity by some of its actions or lack of actions. They abolished the national unity office. They postponed the constitutional conference that was to be held this fall. That was promised during the election campaign. They postponed it because they do not know what position they will take. They killed the referendum bill we had before Parliament to keep the separatist government in Quebec honest on their referendum bill. They decided not to proceed with that; they will trust the Quebec separatist government on that matter.

We have had no word on an entrenched bill of rights in the constitution. As a minority English-speaking Quebeckers, that is something that we, along with Francophones outside of Quebec, place high priority on. We want a bill of rights in our constitution to protect minorities in this country, not only linguistic minorities, but those of religion, race, sex and so on.

The other day the hon. member for Nipissing (Mr. Blais) placed a motion before this House asking that this House support French speaking Canadians in the Penetang area of Ontario in their request for a minority language school. Some Conservatives said no to that request. We have not heard anything from this government with regard to federal assistance for minority language education and second language education. To my knowledge, they have done nothing to try and implement the bill passed in this House in the last session giving the right to French and English Canadians to have criminal trials in the language of their choice.

I have a strong feeling that this government has a tendency to ignore Francophones outside of Quebec and Anglophones in Quebec. One has the impression that this Tory government supports the view that Quebec should be solely French and the rest of the country solely Anglophone. In that sense they seem to approve of the bill 101 philosophy.

I wish to remind them, because there are not too many opposite from Quebec, northern Ontario or northern New Brunswick, that Montreal is the third largest English speaking city in Canada and that Quebec is the fourth largest English speaking province in Canada. We have more Anglophones in Montreal and in Quebec than most of the provinces and we have been there longer. We are not a new phenomenon. There are more French Canadians in Ontario than there are in some of the maritime provinces.

These minority groups in provinces which have a linguistic majority in the other language are extremely important. Under our proposals, those language minorities would have been protected. I hope this government will do the same, but I have my doubts as a result of what they have done so far. I personally would like to warn the government that we will be here to ensure they do not forget us. Under no circumstances will we allow them to sell us out and to sell out other minorities in this country.

In my capacity as caucus chairman of Indian and northern affairs I have taken note of certain proposals in the Speech from the Throne, especially those which state it is the government's intention to propose amendments to the Indian Act. Or as the speech states "to correct inequities borne by some individuals". The intention is not too clear. I am not sure whether the Speech from the Throne is telling us they are going to make over-all amendments to the Indian Act, or whether they are talking about the problem of Indian women marrying non-Indian men and thereby losing their status.

● (1430)

In any case, as the critic for Indian affairs in this House on behalf of my party, I should like to know whether they intend to go forward with this amendment without the approval of the Indian people of the country. It has been our policy not to amend the Indian Act in the absence of the agreement of the Indian people with respect to the proposals. I intend to pursue this point. Are members opposite talking about specific amendments with respect to Indian women or the general emendation of the Indian Act? Do they intend to proceed without the approval of the Indian people?

I should also like to know whether the Minister of Indian Affairs and Northern Development (Mr. Epp) agrees with the recent policy statement by the president of the National Indian Brotherhood that, if the Indian Act is amended with respect to Indian women so that they have the same status before the law as Indian men, that policy should be made retroactive and that the resources necessary to take care of all those new Indians should be provided. If we amend the act, as we should do to make sure that Indian women have the same rights as Indian men, there will be a lot more status Indians—double or triple the population of status Indians. If we are sincere about what we are doing, it means doubling reserve land and increasing the resources available to the Indian people of this country to take care of all those new status Indians.

With respect to aboriginal claims, we do not know where the government stands at the present time. I do know the minister has greatly upset the committee for original peoples entitlement in the Mackenzie Delta, the COPE organization, by suggesting he intends to re-examine the agreement in principle which was signed by the former minister for Indian affairs and the COPE organization. They do not know, now, whether they have any agreement or not. The government cancelled the last two meetings which were set with the Council of Yukon Indians to discuss their land claims. They have received the Nunavut proposal from the Inuit in the eastern Arctic but they have not expressed any reaction. The other day the Montagnais people of Quebec received a letter from the minister stating they had a prima facie case for their aboriginal claim but due to the fact that the government was reviewing its policy there was no money available to research their claim and it was not known what the outcome would be. I should like to know—and so would the Indian people—what policy the government intends to pursue with respect to aboriginal claims.

In conclusion, let me say that this Speech from the Throne is a complete disappointment. After waiting five months to call Parliament, the longest period in Canadian history in which Parliament has not met, we find only a commitment to more study and more confusion. Let me make this clear to the government: they did not have the support of the majority of Canadians voting in the last election; they do not hold a majority in this House. They should recognize those facts. This is a Parliament of minorities with respect to the parties. We in opposition intend to do everything possible to keep the government honest, to protect the national interest and, despite the administration's poor performance so far, to make sure we get good government in this country.

Mr. Simon de Jong (Regina East): Mr. Speaker, it is with great pleasure that I rise to take part in this throne speech debate. For me, it is a special honour to stand here today, for I came as an immigrant to this country. My parents came to Canada after experiencing the horrors of the last world war. They came in search of a peaceful place in which to raise their children and they found a home in Regina, Saskatchewan. It is therefore a special honour for me to stand here today as a representative of the community my parents chose as home and in which I was raised.

The community has all the rich social fabric which makes up our country today. Long before the Europeans came, Indians lived on the prairies hunting vast herds of buffalo. Then the explorers came, establishing missions and posts like Lebret and Fort Qu'Appelle. Later came the many waves of European settlers. They came from the Ukraine, the British Isles, Germany, Russia and many other lands. This heritage is all part of our community.

The area I represent has a very interesting history. It was not far from Fort Qu'Appelle that General Middleton set off northward to put down the rebellion of the northwest peoples led by Gabrielle Dumont and Louis Riel. It was in Regina that the Conservative government of the day hung Louis Riel in 1885.

An hon. Member: Shame!

Mr. de Jong: May I digress for a moment, Mr. Speaker, to talk about the plight of the many people of Indian ancestry who live in my riding. The Indian and Metis people have some very legitimate grievances which should have been settled years ago. Too many of them live in economic and social squalor, substandard housing and conditions of ill health, unemployment, welfare dependency and cultural alienation. Indian and Metis people do not want to be dependent upon welfare and government hand-outs. For too many years their lives have been ruled by white bureaucrats. The Indian and Metis people want us to adhere to the commitments which were made when this land was developed. They want the tools and resources with which they can achieve their own economic and social self-sufficiency. For too long we have seen Liberal and Conservative government agents steal their land, evade responsibility and create bureaucratic straitjackets. We need clear, honest leadership if we are to avoid increased human tragedy in my community.

Mr. Speaker, the people I represent have a unique social history, for it was in Saskatchewan that farmers first stood up to the grain companies early in this century. Farmers were being robbed by grain buyers at the grain exchange so they organized wheat pools and, through co-operation, they began to take some control over their lives. It was in Regina in 1933 that the Co-operative Commonwealth Federation—the CCF—was formed, a new political party dedicated to the rights of all Canadians, not just those of the privileged few. It was in Saskatchewan, also, that the CCF first formed a government in 1944 when the people of that province embarked on a great social experiment. In the tradition in which they had fought the grain companies they began to tackle other common problems.

In a very short period of time, some 30 years, the people of Saskatchewan have changed the course of Canadian history. For example, when the banks wanted to take the farmers' land, Tommy Douglas passed laws to stop them. In 1948, a hospitalization scheme was introduced because the government believed that every human being should have access to hospital care regardless of how rich or poor they happened to be. Over the years the people have built up a family of Crown corporations, including everything from an energy company to a computer corporation. They are owned by the people and operated in the interests of the people. Medicare was introduced in Saskatchewan in 1962. Now, all Canadians have access to medical services. Unfortunately, the Liberals started to destroy the system and I am afraid the Conservatives will finish the job.

I would like to point out that in every province except Saskatchewan citizens must pay hundreds of dollars annually for medicare premiums and deterrent fees. In Saskatchewan there is no extra charge for medicare. The people of Saskatchewan do not have to pay extra for health care. It is a right in Saskatchewan, as it should be all across Canada.

How do we do it? A good question. We co-operate. We do not approach problems in the way Liberals and Conservatives do, we co-operate. We have different ideas about organizing the economy. We have different priorities. We care about our fellow citizens. We are our brothers' keeper. In Saskatchewan we believe that the resources belong to the people. We do not let the multi-nationals carry them all away. It might interest people to know that in Saskatchewan there is a dental care program covering children between the ages of four and 12. Soon all young people in the province of Saskatchewan will be covered by a dental plan at no direct cost to the family. It will not cost the people of Saskatchewan thousands of dollars to take care of their children's teeth.

• (1440)

How can we do it? Well, we realize that properly managed Crown corporations serve the people well. We tax resources so that Saskatchewan people reap the benefits from those resources. We use this money to finance our social programs. Last year, for example, the Saskatchewan government got more than ten times the amount from its resources than did the Ontario government. That is how we do it. It is not so difficult. It is a matter of co-operation.

It is exactly the opposite of what this present government is doing. Instead of developing Petro-Canada in the public sector for the benefit of all Canadians, this government would sell off profitable and essential companies to their corporate friends. In Saskatchewan we know the importance of public enterprise. Saskatchewan people own and operate many companies: a transportation company, an oil company, the world's largest potash company, our own energy company and many others. We are not afraid of public ownership. We use it in Saskatchewan for the benefit of everyone.

Some hon. Members: Hear, hear!

Mr. de Jong: Let us look at the benefits: dental care, a prescription drug plan which reduces costs for the sick, programs to help the handicapped, the least expensive car insurance in North America, and so on. The people of Saskatchewan believe in co-operation. We have co-operatives throughout the province; there is probably a co-op in every town or village. Over 60 per cent of all banking done in Saskatchewan is done through credit unions. However, this is the work of only one province, the home of less than a million souls. Much more can be done on a national scale, and that is why we are here.

This country needs economic planning. For too long decisions have been made in the corporate board rooms of other nations, and the results have been disastrous for us. We face many serious problems. We have double digit inflation, chron-

ic unemployment and economic hard times for many Canadians.

Our older people are the ones who worked hard to build this country. Today they are expected to live on meagre incomes. I would like to quote from a piece distributed by the Canadian Advisory Council on the Status of Women which was just recently released.

Three out of four single, widowed or divorced women over 70 had an annual income of under $5,000 in 1977. Even with the government old age pension three out of five single, widowed or divorced women over 65 live in poverty. Company pensions do not help many women. Four out of five single, divorced or widowed women over 65 receive no income from private pension schemes. This is how we treat old people in Canada when we have all the resources we have! This country owes much to its old people. Many young people have little hope of permanent and meaningful employment.

There is talk of oil shortages. Interest rates are soaring. As a nation we face a mammoth debt load. What is wrong? Why should a country as rich as ours not be able to do better for its retired people, workers, farmers and the young? Why? Because successive Liberal and Conservative governments have followed policies which gave away our resources and our heritage. It just boggles my mind. Many of our resources are gone, our environment is polluted and all we have to show for this is a mammoth foreign debt. Foreign companies have taken our resources and left us with debt. Every month millions of dollars leave the country in the form of profits and dividends. This widens our balance of payments deficit and creates many of the financial problems we face.

In Saskatchewan the government went out and borrowed money and used it to acquire a majority interest in the potash industry. Now the profits from that resource will stay in the country and contribute to rather than drain our financial resources.

There is no doubt that many Canadians are going to face a tough winter. Higher interest rates and oil prices will increase the cost of food, clothing, housing and other necessities of life. They will slow down activities and create further unemployment. The only solution the previous Liberal government and now this government seem to have is to attack the victims of the economic system. Cutbacks in unemployment insurance, cutbacks in job creation and cutbacks in low-cost housing and other social programs are the only solutions Liberal and Conservative governments have been bringing before this House.

What is needed is economic planning. We need an economic blueprint. We have to get control over the economic forces so that they benefit Canadians rather than exploit them. We need an economic blueprint which will provide stable prices, full employment, affordable housing, medical care and other social programs. Instead, we have a government determined to recreate a myth, the myth of free enterprise. Imagine, in our day and age when prices are not set by a free, competitive market but by a few international monopolies, we have a government which does not believe government should actively participate in the economic system on behalf of Canadians. This government is hell-bent on turning back the clock. It is destroying the few tools we have to protect ourselves from the manipulation and exploitation of multinationals.

When I read the task force report on Petro-Canada, I was amazed at the philosophy expressed. Somehow they seem to feel that we cannot run a successful public enterprise and still carry out social and national priorities. It is as though national and social priorities are incompatible with running a sound business. The people of Saskatchewan know that this is not so. They stand in total disbelief at the actions of this government.

In Saskatchewan we have a public transportation company. Our population is sparse and spread widely across the province. Many small towns and villages are served by this bus system. The profits from the main routes, those busy routes between cities, go to provide services to those routes which are not profitable. What this government is planning to do with Petro-Canada would be the same as if the Saskatchewan government gave the profitable parts of the bus company away and then began to pay for the unprofitable parts out of general revenue. No government in Saskatchewan would last five minutes if it tried something like that. It would be hooted and jeered out of office. Saskatchewan Conservative members of this House should know this. I am sure they do, and I am sure they know that their action will hurt them in the next election.

Saskatchewan people are quickly learning that this is not a progressive government. They realize that this government is controlled by the Bay Street boys.

What would happen if we sold off the profitable parts of our bus company? The unprofitable routes would have to be financed out of general revenue. There would be pressure to cut services, costs and taxes, and eventually the towns and villages would lose their bus service. That is the effect of this kind of thinking.

This government seems to have hang-ups about public enterprise; it does not think it can work. Well, if Petro-Canada must be taken out of government control, then I have a suggestion, a western suggestion. Make it a co-op, a national consumer-owned energy co-op. Give every Canadian a voting share. This would ensure that Petro-Canada would remain wholly Canadian-owned. It would also ensure that Petro-Canada would serve the interests of Canadians rather than exploiting them. It would ensure that Petro-Canada is democratically controlled.

If the recommendations of the task force on Petro-Canada are implemented, 100 people could end up owning and controlling Petro-Canada. It would eventually be taken over by oil companies and their corporate friends. Making Petro-Canada a consumer-owned co-op would guarantee that this could never happen. Who knows, five years down the road this co-op might operate a nationwide chain of service stations, explore and drill for oil and develop and market solar cells. Let the people make the decisions. Make Petro-Canada a co-op. I challenge the government to do some original thinking.

I would now like to discuss briefly the Conservative mortgage interest tax credit proposal. As with the issue of Petro-Canada, this government seems determined to push ahead with something which just does not make sense to anybody. This year we will be asked to approve over half a billion dollars for a program which will eventually cost the treasury over $2 billion. Why? It will not make housing any more accessible. In fact, increases in interest rates have more than offset what little benefits home owners are going to get this year.

The American experience shows that eventually benefits get built into the cost of housing and that banks and development companies are the only ones who really benefit from the scheme. This new scheme will not stimulate construction. It does not benefit renters and those who have already paid off their mortgages. The mortgage interest scheme is just a political gimmick for which the Canadian taxpayers will end up paying. If the government is really serious about helping the average Canadian acquire decent, affordable housing, let it use CMHC. We have the instrument to stop land speculation, to initiate social and co-operative housing projects on a massive scale to bring down the cost of housing. Members of our party believe that mortgage interest rates should be reduced. They should be brought down to 8 per cent for families earning $25,000 or less per year. This approach would guarantee that banks and developers are not the people who eventually benefit from the public program and the public purse.

● (1450)

Some hon. Members: Hear, hear!

Mr. de Jong: A political will is necessary. I am afraid the government lacks such will. It has embarked upon a program of dismantling CMHC. It is just like PetroCan; they are going to throw Canadian people to the wolves. Their policies will drive up the cost of housing at the same time as destroying CMHC, the only measure of support and protection average and lower income Canadians have to get into the housing market. It is both stupid and cruel.

In conclusion, Canada is facing a number of crises: world energy shortages affect our lifestyle, inflation and economic uncertainty undermine our labour, environmental pollution threatens our health. We have reached a point in human history where man has finally become capable of total self-destruction. After millions of years of survival we stand on the brink of extinction. These are sobering thoughts, but if hon. members have been listening, they will know that I am not alone in this belief. Concerned thinkers and scientists throughout the world are raising their concerns. A new approach to development and economics is required. We cannot afford to continue with the outdated concepts of growth which we have been promoting for the past 200 years. We must have development which makes sense for people, not for profits! In some small way this was understood many years ago in Saskatchewan. The people realized that co-operation would make life better for everyone, so they co-operated. It is not perfect, but people understand that collective action can be taken to solve problems.

The people of Saskatchewan woke up to the fact that the free market system was exploiting them, that the free market system was not so free, that the free market system works well for bosses and owners but does not do very much for the little guy, the average worker and farmer in the country. We in Saskatchewan fought back. We started to take control of our destiny. Saskatchewan Crown corporations are working in the interests of the province. Any profits that are produced are turned over to the provincial treasury to fund social programs and further economic development. Saskatchewan people own a large chunk of their province through Crown investments. Saskatchewan people own and operate these companies. Saskatchewan Government Insurance will never leave Saskatchewan as Sun Life left Quebec. The people of Saskatchewan own their own insurance company; they direct its activities.

Canadians can learn much from the Saskatchewan experience. They can learn to take control over their lives, to direct their own future and to co-operate. Also Canadians will learn that governments can plan ahead, that governments can make life easier and our rewards fuller. Today Canadians are seeking a greater voice in the development of this country. They have good reason to doubt the ability of the federal government to look after their best interests. While Liberals and Conservatives continue to promote their outdated economic theories, our party will demonstrate that we have alternatives, that we can plan an economy which will reduce unemployment, decrease inflation and provide proper health and social services for all Canadians. We will not allow industries to pollute our air, water or land. We will ensure that the environment is cleaned up and protected for future generations. We are not pessimists, we are optimists. It is not a dog-eat-dog world as far as we are concerned. We believe in co-operation and sharing. We are our brother's keeper. We have faith in the human race. We have faith in people's ability to work together to solve their common problems. We have faith in the future. We have faith in the vast human and social potential which can make this land and this planet a peaceful place in which to live, free from starvation and want, exploitation and greed.

Perhaps the best way to sum up would be to paraphrase the first leader of our movement, J. S. Woodsworth, who said, "What we desire for ourselves . . . we demand for all".

Some hon. Members: Hear, hear!

Mr. George Richardson (Humboldt-Lake Centre): Mr. Speaker, I should like to congratulate Your Honour on being elected as Speaker of the House. Also I should like to congratulate the mover of the Address in Reply to the Speech from the Throne, the hon. member for Erie (Mr. Fretz), for his excellent motion and the manner in which he presented it. Also I should like to congratulate the seconder, the hon. member for Cardigan (Mr. MacDonald), on such an excellent presentation. I only hope that my maiden speech will be of the same calibre.

Also I congratulate our new Prime Minister (Mr. Clark) on forming one of the best governments Canada will ever have.

Some hon. Members: Hear, hear!

The Address—Mr. G. Richardson

Mr. Richardson (Humboldt-Lake Centre): I thank the people of Humboldt-Lake Centre for electing me. I assure them I will do my best on their behalf. Indeed it is an honour to be the first representative from the new riding of Humboldt-Lake Centre, the heart of Saskatchewan. The riding contains over 12,000 square miles of inhabited farmland, four potash mines, seven Indian reservations and some of the finest people in Canada. It is situated mainly in the park belt area and contains some of the best farmland in Canada, particularly in the northeast corner. It is strictly a rural riding being made up of the rural areas of the former seats of Saskatoon-Humboldt, Regina-Lake Centre and Regina East. Part of it is the original Lake Centre seat in which Mr. Diefenbaker was first elected to Parliament in 1940.

Times change, populations decrease and Saskatchewan lost four seats in a redistribution. Lake Centre was put in with Moose Jaw and Mr. Diefenbaker had to move to Prince Albert, a seat which he held until his death in August. The title "Lake Centre" has been retained as part of the constituency name in honour of our former prime minister, the Right Hon. John George Diefenbaker.

At this time I should like to pay a brief tribute to Mr. Diefenbaker. He was never afraid of what men said. He always believed in what he did. One of his favourite quotes was that he was never always right and sometimes on the wrong side, but he was never on the side of wrong. He had the ability to bounce back, even when he lost the leadership at the 1967 convention. He went back to his hotel, shaved, put on a white shirt and said the equivalent of: let us go out and save Canada for Canadians. Mr. Diefenbaker made the Conservative party a progressive party. I believe it was his motion which added the description "Progressive" to the name Conservative. Whether this is true or not, it is a fact that he turned the party of the privileged into a party of the people, a party which believes in the worth of the individual and the values of private enterprise. He will be remembered as one of the greatest Canadians of all time.

This is a new government. We are facing the dawning of a new era. Unfortunately we are beginning in very difficult times. At the moment the annual budget deficit is approximately $11 billion. Our foreign exchange account is in a deficit position by several more billion. The United States appears to be going into recession, and the possibility exists of being dragged along with them. However, I firmly believe that if we fulfil our election promises, much can be done to alleviate the situation and put us on the right track to balance budgets and bring about a thriving economy.

● (1500)

Coming as I do from an agricultural riding, my first concerns naturally are for the welfare of agriculture and farmers. But let us face it, Mr. Speaker, when agriculture prospers, the rest of the nation does likewise. Even though Parliament was not in session, this government has been very active. One of our prime concerns, in the west at least, was to get grain moving and to put some cash in the farmers' pockets. We have set ourselves the target of increasing our grain export capacity by 50 per cent by 1985 to meet the Canadian Wheat Board's projected increase in marketing possibilities by that time. When we became the government in May, we faced the fact that in the crop year just ending the railways had handled one million tonnes less grain than in the previous year. Because of the previous government's failure to move sufficient grain in the 1978-79 crop year, we are going to have to increase our handling by 20 per cent this year, and by 10 per cent each year thereafter until 1985, if we are to meet our target and commitment.

In this matter, the Minister of Transport (Mr. Mazankowski) stated this morning that we are ahead of last year. We are taking action, and the wheels are already in motion. Some 5,000 rehabilitated boxcars will be coming onstream this year. In addition to these, there will be 2,000 Canadian Wheat Board tankers coming into service. Thus the grain handling fleet will be increased by 7,000 cars in one year. The Murta commission, headed by the hon. member for Lisgar, has made many useful recommendations which will speed up the turnaround times of grain cars. The Minister of Transport appointed the hon. member for Moose Jaw (Mr. Neil) to meet officials of the elevator companies, and the lines which will be kept and upgraded have probably been selected.

An agreement on the development of Prince Rupert has been signed. Improvements to the over-all system are being rapidly undertaken. The appointment of Dr. Hugh Horner as a grain controller will speed up matters. Because of possible bad weather, strikes and various disasters, such as the one that has just hit the CNR bridge in Vancouver, it is never safe to predict success. However, prospects are bright and we may well achieve our target of a 20 per cent increase in grain shipments this crop year.

A couple of days ago, the hon. member for St. Boniface (Mr. Bockstael) told of the virtues and achievements of the previous government. Let us face it, Mr. Speaker, in a democracy all governments have some virtues and achievements. However, I maintain that we as a government have achieved in five months as much as they did in five years. The hon. member for St. Boniface mentioned the revised quota system. It was a good quota system too because it brought millions of dollars to the pockets of farmers in western Canada.

The idea for that quota revision was mine. In 1969, at a meeting of Mr. Stanfield with grain producers in Regina, I broached the idea of a quota revision, but I was told by Mr. Hamilton that we were not in power at that time, which I accepted. We were not in power and we could not do anything about it. I passed that suggestion along through the Federation of Agriculture to the minister in charge of the Wheat Board at that time. He saw the value of the idea and immediately instituted a quota revision committee. The basis of that quota revision was a new quota system which resulted in millions of dollars ending up in the pockets of the farmers of western Canada over the years.

Some hon. Members: Hear, hear!

Mr. Richardson (Humboldt-Lake Centre): Although it was my idea, they took the credit, but that is fine because we all benefited. If you transferred that idea from here to there, Mr. Speaker, you would see that we have achieved more in five months than the previous government has in five years.

There are also other matters of deep concern to me. With regard to energy self-sufficiency, it is very important that we stop being dependent on foreign oil. The Speech from the Throne stressed this point.

We promised a once in a lifetime exemption from the capital gains tax on the sale of a farm. This is a measure that is very important so far as farmers are concerned. It is also a measure which should be extended to the sale of small businesses. We hope that in time this will be possible.

During the campaign we also promised to inject some common sense into the previous government's mad rush to convert to the metric system. The appointment of an overview committee to discover how far the change-over has gone and make sensible recommendations is a step in the right direction. I hope to have time to return to this matter a little later.

The Speech from the Throne promised to implement our mortgage interest and tax deductibility scheme. Regardless of what the interest rates may be, those who are buying homes will still be helped by the scheme.

Last year, 20 per cent of the construction industry was unemployed and there were some 70 per cent unsold housing units in Canada. This scheme will help get those housing units off the market, will encourage new housing starts, will get construction workers back to work, and help an industry which is 100 per cent Canadian, using 95 per cent Canadian material in its work. What better way is there to help Canadians than by putting them to work building in Canada?

The matter of ever increasing interest rates is of deep concern to this government. The Progressive Conservative Party has always been considered the party of lower interest rates. The mandate given the Standing Committee on Finance, Trade and Economic Affairs to look into all aspects of the situation and bring in recommendations should help toward finding a solution.

Small business is the backbone of this country. It is being badly hurt by ever increasing interest rates. It is the intention of this government to do something about rectifying this situation.

Returning to our promise of a once in a lifetime exemption from capital gains tax on the sale of a farm, I hope that the Minister of Finance (Mr. Crosbie) will be able to implement this measure in his first budget. It is very important that he do so. So far as the farmer is concerned, his property is his pension plan. Because of his ever increasing productivity, he is one of the greatest inflation fighters we have. Why should he be made to pay for inflation that he did not cause?

The present roll-over features in the tax laws are not satisfactory. Under these regulations, a farm can only be transferred to a son or a daughter. A farmer cannot transfer his farm to his sister free of capital gains tax, even though the sister might have worked with him on that farm all her life. If he cash rents, he is no longer considered to be a farmer. He would have to sell his land to his son or daughter at the full market value as determined by the most recent sale of land in that vicinity. He would have to pay the full capital gains tax and his son or daughter would have to pay the full going price of land in that area.

It may be only a few years from now that a would-be farmer will not be able to afford to buy land from an heir who wishes to sell, because the heir will have to have so much money in order to pay his capital gains tax and have something left for himself that he would have to charge an outrageous price for the land. The only purchaser available then would be either a large corporation of government, for instance the Saskatchewan government land bank. In Saskatchewan now—I was given these figures the other day—there are some 914,000 acres of land already under the land bank and some 54,000 acres due to be purchased this year. We have to make it possible for the would-be farmers to buy land, and this once in a lifetime exemption from capital gains tax on the sale of a farm would seem to me to be the answer.

• (1510)

Land ownership by farmers on family farms has been the basis of progressive, productive agriculture throughout generations past. Continuation of our present course will result in takeovers by other than farmers—large corporations, governments and the like. Placing our farms under state ownership or corporation management lowers productivity and puts our future food supply in jeopardy.

Removal of this tax by allowing the farmer his once in a lifetime exemption on the sale of a farm would allow him to sell to anyone at a lower figure because there is no tax to pay. It would allow a family member to buy at a lower figure and be able to pay for it. It would keep ownership in the hands of the farm operator. It would enable him to produce for less, and at the same time productivity of the farms would keep going up, with society as a whole being the beneficiary.

As I said before, I would like to see this regulation extended to small businesses. During the campaign we promised to eliminate the capital gains tax from the sale of public Canadian stocks and bonds. Some 70 per cent of the small businesses in Manitoba, for instance, including farms, are not listed on the stock exchange. The elimination of this tax for them would help equally as much as it would the farmer, and we hope this will take place in the future.

Personally I have always questioned the value of a capital gains tax in a country like Canada, a country that is perpetually short of development money. It does not make sense to me to transfer potential Canadian investment capital to the non-productive sector by using a capital gains tax, then going abroad to borrow more capital at higher interest rates, further upsetting the foreign exchange and balance of payments accounts. I am told that less than 1 per cent of this tax goes into revenue, the rest of it being used up in administration. We are paying dearly for that 1 per cent in lost potential Canadian

investment capital. Far too much potential Canadian investment capital has gone abroad because investors could get a better deal, a better tax break and a better margin of profit. It is the intention of this government to reverse this trend. It is the purpose of this government to encourage Canadians to invest at home.

In addition, Mr. Speaker, with regard to this mad rush to metric that was instituted by the previous government—

An hon. Member: Metric madness.

Mr. Richardson (Humboldt-Lake Centre): It is metric madness, you are right. Seventy per cent of the people in my constituency would put a moratorium on this metric change-over right now.

Personally I am not against changing to something better. I am for those changes that will give us an advantage in the marketplace or make daily life easier and reduce the price of product to the consumer. I believe that the units of measure we use should be the most practical ones; the ones with which it is easier to operate, the ones that will cost the economy the least, the ones that it will be to our advantage to adopt, whether these units be imperial units, metric units or some of each. This mad, indiscriminate rush to metric change-over has achieved the opposite result.

Perhaps I should elaborate on some of the foolish changes in measurement the previous government forced us into. As a farmer I have had units of measurement forced on me that were not asked for, were not needed and are not practical. I refer specifically to the bushel and the tonne.

A few years ago our international grain trade was conducted in tonnes, the farmers were using bushels and everybody was happy, if not with the price at least with the unit of measurement. Today the average farmer does not know where he is at. He has been forced to deal in tonnes at the farm level and a tonne is just something that cannot be visualized. The bushel is a unit of volume as well as of weight. The tonne is a unit of weight but its volume cannot be estimated. A farmer can look at a field of grain and estimate the bushels on it within a very small margin of error. There is no way he can estimate tonnes or kilos. He can look at a bin and tell you immediately how many bushels he has in that bin; he can multiply the bushels by the price per bushel and give you his net worth just like that. He can go and talk to his banker and get his loan. He cannot do this in tonnes without carrying around a bunch of tables and a pocket calculator. When seeding in bushels we knew what we were sowing, and when harvesting we knew what we were reaping. Quotas in kilos or tonnes mean nothing to us whereas quotas in bushels do.

A few years ago, and even up to the present, it did not matter to the Russian or the Chinese buyer, whoever bought our grain, whether the farmer delivered the grain to the elevator in bushels or tonnes. That buyer was receiving the grain in tonnes in any event. Why was this impractical tonne measurement forced on us at the farm level? As it is now, the railways are still paid for hauling in hundredweights and car capacities are listed in pounds. Where is progress made as a result of taking away our bushel and switching to metric?

I received a letter the other day from a small storekeeper in the village of Bruno, Saskatchewan. That storekeeper is being forced to buy metric scales at a cost of several thousand dollars with no trade-in value on his standard scales. These small merchants, the backbone of small communities, are finding it hard to make a go of it. In a small town of 400 or 500 people, and I come from one, how many thousands of dollars worth of groceries do these storekeepers have to sell just to pay for the scales? These small storekeepers cannot afford this kind of thing.

Referring now to lumber, if all our mills were switched to metric what would we use to repair all the standard size buildings in North America? A metric piece of plywood is three inches shorter and an inch and a half narrower. Sheer necessity would force us to produce in both standard and metric. The size of lumber yards would have to be increased to handle the different units. It would be necessary to have two production lines of equipment instead of one, and what that would do to the price of lumber I can guess. This would create problems and extra work for the mill men trying to fill orders for windows, doors, cabinets, lumber, etc. If followed, the actions of the previous government would force us to buy two sheets of metric plywood to repair that hole in our standard wall where the purchase of one standard size piece would have been sufficient. What a mess our livingrooms will be with cracks, joints, spaces and everything else all over the place! One standard size panel would have filled the need nicely.

To my way of thinking it would have been better to allow the person who wanted to use metric to buy a standard sheet and let him cut the three inches off the end and the inch and a half off the side. In this way we would only need one production line, not two, and in this way we would only create one set of problems, not two. The point I want to make is that to date common sense has not been used in this matter of metric change-over.

The manner in which metric change-over was handled by the previous government was an insult to the intelligence of the Canadian people, and a costly insult at that. Industry knows when changeover will be beneficial to it. Farmers, storekeepers, consumers in general know what they want and what is good for them. When they want change they will ask for it, and the time for changing should be of their choosing. That is democracy, Mr. Speaker. In addition to that, when 70 per cent of our trade is with the United States any process of change-over should be in tandem with them; that is, we should change as they do.

I should like to commend the Minister of State for Small Business and Industry (Mr. Huntington) for appointing an over-view committee to study the progress of metric conversion. I am sure this committee will bring in some common sense recommendations that will let us either retain or convert to the unit that best serves our purpose, be that an imperial unit, a metric unit, or some unit yet to be devised.

Thank you, Mr. Speaker. I am sure this Thirty-first Parliament will be one of the most productive, progressive and at the same time conservative Parliaments we have ever had.

Some hon. Members: Hear, hear!

• (1520)

Mr. Maurice Foster (Algoma): Mr. Speaker, I welcome this opportunity to speak in the throne speech debate. I extend my congratulations to you, Mr. Speaker, on being re-elected as Speaker of this House. It is an historical event because I believe it is the first time a member of the opposition has been elected to serve as Speaker in this House. It reflects the confidence which both sides of this House have in your abilities, and I am sure that they will be challenged in this minority Parliament, making your duties that much more onerous. I hope that your ability to judge wisely and your fairness will continue. Those of us from northern Ontario feel it a great honour that one of our own should be elected Speaker of the House. I know that hon. members who served on the back bench on the government side in the last Parliament look forward with great anticipation to the much wider latitude you have always provided to members of the opposition, especially during the daily question period.

I would also like to extend congratulations to Senator Grosart on being elected as Speaker of the other place. He has been a member of long standing in the Commonwealth Parliamentary Association and I sure that this will stand him in good stead in his new appointment. Of course, as Speaker in the Senate he will also be the honorary president of the Commonwealth Parliamentary Association.

I also want to extend congratulations to the former speaker, Senator Lapointe, on the character and the ability with which she served in this high office for several years. She did so with great style, grace and charm, and she has been an outstanding ambassador for Canada when she travelled abroad, whether replacing the Speaker of this House or acting in her own role as Speaker of the Senate.

I congratulate the hon. members for Erie (Mr. Fretz) and Cardigan (Mr. MacDonald) on their respective replies to the Speech from the Throne. I believe that they performed in the best traditions of this House, and hopefully have started what will be very good and worth-while parliamentary careers.

I extend my appreciation to the people of Algoma who last May 22 made what I believe was a very wise decision. I appreciated their support and encouragement on election day. Algoma riding takes in parts of Sudbury and Manitoulin districts as well as Algoma District on the north shore of Lake Huron, and it carries on up along the Lake Superior shore.

There were two significant changes which took place in the constituency this year. Some 15 per cent to 20 per cent of Sault Ste Marie, that area north of the second line and west of Allen's Side Road, was brought into the Algoma riding which resulted in some 11,000 electors being added to the constituency. I look forward to serving those constituents from that important city.

Likewise, since the last federal election the town of Elliot Lake has grown dramatically. It is one of the fastest growing towns in the country. In fact, if this Parliament should last as long as the Thirtieth Parliament, though I do not believe that it will, it will probably be a city by the time of dissolution.

With the last redistribution, there is almost a 50 per cent increase in the number of electors in my constituency, which spreads out along a rural area of some 400 miles from just south of Wawa in the northwest to Nairn Centre in the east, and includes Manitoulin Island, the largest island in fresh water in the world. I believe that it is one of the most challenging and interesting constituencies in the country and that it has the best electors. Of course, the challenge is the same to each and every member in this House, and that is to represent our electors in the House of Commons and to serve them in the constituency. That is what I plan to do as we begin this Thirty-first Parliament.

The election of 1979 is a long way behind us now. We have had the longest break between the election call and the opening of Parliament in the last 44 years. I think that the Prime Minister (Mr. Clark) indicated that this time was necessary. It is worthwhile to look at some of the things which have happened during this period while the House was not sitting. Certainly there have been some very harmful and very negative occurrences in my constituency.

Specifically, I refer to the decision made in early July to locate the new uranium refinery for the province of Ontario in Port Hope, just on the doorstep of metropolitan Toronto. This was a terrible blow to the economy, planning and hopes of all the municipalities along the north shore of Lake Huron. We believed that this Crown corporation would be located at Blind River on the north shore of Lake Huron. This move represents the loss of some $100 million in capital investment and 235 new jobs in an area which has one of the highest employment rates of any area in the province.

I believe that it is the policy of this government to locate the refining of uranium and other mineral resources from northern Ontario on the doorstep of metropolitan Toronto. With such a policy it will be a long time before we in the north achieve those economic and social goals which we look for. As if to add insult to injury, we learned last week via the news media that the Minister of Energy, Mines and Resources (Mr. Hnatyshyn) and Eldorado Nuclear had announced that the nuclear waste of that refinery will be disposed of in Algoma.

It seems to me as though this government has no conscience, no heart and no soul. How could any reasonable person or government suggest that the resources will be mined and milled in the north, then refined in southern Ontario, which means that that area receives the benefit of the capital invested and the jobs available, and then after refining the uranium the nuclear waste will be sent back to the north? It is totally unacceptable. I hope that the Minister of Energy, Mines and Resources will reverse this decision and locate the new uranium refinery in the north where it should have been in the first place.

The Minister of Employment and Immigration (Mr. Atkey) this summer decided to cancel the Canada Works program. This will have a disastrous effect on many of the communities in the Algoma-Manitoulin area which has depended on this program for some 400 to 500 seasonal jobs each year. This program has meant the spending of $1.5 million to $2 million on municipal and community projects, mainly through the municipal councils and Indian bands. There are approximately 4,000 to 5,000 status Indians living in the Algoma-Manitoulin area on 12 different Indian reserves. This program, which had created employment and benefited many of the communities, will now be replaced by unemployment insurance or welfare payments. Such a move was a cruel blow and most unfortunate for our community. A few weeks ago we had a seminar on employment programs for young people. We found that this Canada Works program, which we normally think of in terms of seasonal employment during the winter and spring months, was in fact utilized by young people to the extent of 45 per cent.

The new government came to power promising a great deal of economic activity and a chance for the private sector. On reading the *Toronto Star* yesterday, a headline suggested that the government was planning to impose a 23-cent excise tax on gasoline; this on top of a $4 increase in the price of a barrel of crude oil. If this report is accurate, then surely we are in for very, very hard economic times.

● (1530)

Yesterday in the House, the Minister of Finance (Mr. Crosbie) told hon. members that he wanted to get that oil price increase behind him and get on with the building of the economy. I can see why he wants to get on with the building of the economy and get the oil price increase behind him, but if that oil price increase is to be 30 cents or 40 cents, as has been rumoured in press reports, we will not be getting on with the building of the economy very rapidly this year. It seems to me that if we are facing a 40-cent increase in gasoline prices, this will have a disastrous effect on the economy. An impact like that on the economy would be the equivalent of striking a weakened man with a baseball bat. As a result, the consumer price index will probably get pushed up 4 per cent to 5 per cent, giving us double digit inflation and a weakening economy.

The premier of Ontario has talked about the loss of 20,000 jobs in the province. His emissary, Mr. Miller, has come to Ottawa today to try to persuade the government not to move in such a drastic and harmful way. Mr. Blakeney, Premier of Saskatchewan, along with premiers from the Atlantic provinces, has expressed concern and denounced the move. All the sweetness and light of federal-provincial co-operation that we were told about during the election campaign seems to have gone down the drain over the last 24 hours.

I want to turn now to the report delivered by the task force on Monday. It seems to me that the proposals for the national petroleum corporation, Petro-Canada, require a review before being adopted by this government. In my opinion, the most devastating effect would be that of the government having to pay off approximately $1.5 billion and then having to turn around and give the shares away. Surely if we are talking about cutting back government expenditures, putting an item of $1.5 billion in the supplementary estimates next spring will require a lot of fund raising from one source or the other. I do not know if this report that about 23 cents excise tax will be loaded on gasoline prices is true or not. Perhaps that is the way the Minister of Finance will raise the $1.5 billion that would have to be paid off if the task force report is implemented.

Instinctively I feel there will be harmful effects if the government pursue this action. If we are in a tight financial situation, why deliberately assume an obligation of that size just to give something away? If we were to follow the procedure outlined by the task force report and at the same time the minister were to impose a 23-cent excise tax on each gallon of gasoline, we would have a situation whereby the Prime Minister by his own handiwork would be handing out a few shares of Petro-Canada worth maybe $100 and there would be an imposition of $150 in excise tax in order to get the money back. In a situation like that, no one gains. And, the real hooker is that we continue to pay the excise tax year after year, whereas the $100 worth of Petro-Canada shares, as proposed in the task force report, would be a one-time thing.

This report proposes an agency to take on all the risky ventures. All the things Petro-Canada is doing would be put into a company called Petro-Canada Exploration, which would be given away to the Canadian people. The risky things, such as the high Arctic exploration and the activities offshore on the east coast where this year the drilling of one well cost $25 million, would be assumed by this agency. Each year this agency would have to come back to Parliament to get approval for money required for exploration, for research into and development of tar sands technology, and so on.

At the present time Petro-Canada, because of its activities in the conventional western basin, is generating revenues in the order of $350 million in cash flow this year. That figure is projected to be $550 million next year from its investments in Pacific Petroleums, Atlantic Richfield and others. I am told it is generating enough revenue that it will not be necessary to approach Parliament for two or three years for exploration funds. If we adopt that task force report, we have to pay off the $1.5 billion and then give it away. The agency taking the place of Petro-Canada would be coming to Parliament each year for funds for exploration and development.

There are other disadvantages as well. For example, there is a penalty involved. If the federal government were to pay off all the preferred shares owed to the banks in the Petro-Canada Corporation, a $20 million penalty is required to be paid by it. As one reads through the report, it will be seen they have tried deliberately to break up the activities of the national petroleum corporation—such as Panarctic, the Polar Gas project, and the Arctic pilot program—into projects that make money and ones that do not. We find that these shares are broken down. Obviously, it is a very difficult exercise, and I would hope that the government would not jump into that

proposal lightly. In my opinion, there are some natural disadvantages, the main ones being the financial cost to the government and the lack of direction which will result because it is paying most of its concern to generating profits and to paying a dividend to shareholders.

I think PetroCan has shown that it can give impetus and encouragement to the private sector and involve little investors and small exploration companies in its activities, but at the same time it is always working in co-operation with the private sector. It does no individual exploration. Those items should be carefully considered by the government before moving to implement the report. In my opinion it would be harmful and would not allow the national petroleum corporation to continue with what it is achieving now.

When members of this House went to work in 1975 to establish this corporation, I do not believe many of us thought that it would achieve as much as it has in the first three or four years it has been in place. I am surprised that the government is persisting with its plan to dismantle Petro-Canada.

A Gallup poll that was taken shows that 48 per cent of the people polled want Petro-Canada maintained, while 22 per cent said they did not. A more recent Gallup poll I believe has been more supportive than that. It is only three or four years since the bill establishing this corporation was passed, yet we have a major Canadian company owned by the Government of Canada and therefore by all Canadians. This company is big enough to stand up to the big foreign-owned multinational corporations that it deals with every day. It also has an influence on the whole industry. Petro-Canada is the sixth largest petroleum producer in Canada today. It is in the same league as the multinationals, and many of the other state owned oil companies which most countries have around the world.

Petro-Canada has taken an active role in exploration in the Arctic Islands. In 1978, 16 of the 26 wells drilled in the most remote frontier areas had PetroCan participation. PetroCan has the largest land possession in the eastcoast offshore, giving Canadians a real chance at the tremendous activity and development expected to take place there. In the Hybernia well, where there was an oil discovery this summer, the only Canadian player in the game was PetroCan. It has a 25 per cent involvement.

● (1540)

Let us look at state trading which was a role of PetroCan and is not in limbo. Before this government was elected, Canada was in a position through PetroCan to make a deal with Venezuela and Mexico for some 100,000 barrels a day so that we would not be dependent on the multinationals such as Imperial which last year proposed to cut back some 25,000 barrels a day of oil. That was during the Iranian revolution.

In the negotiations signed by the former minister of energy, mines and resources, Mr. Gillespie, we had a $5 billion agreement whereby we would be buying their non-renewable resources and they would be buying our manufactured goods, items of high technology like the Candu reactor. That agreement has been in limbo since the election. I understand the French have moved in and have taken the position for 100,000 barrels which would have been ours, and prospects of deliveries by Pemex, the Mexican national petroleum corporation, have been sharply reduced.

These negotiations with Venezuela and Mexico are now in limbo. No activity is taking place. In a recent delegation that went to Mexico, there was only one PetroCan official as an observer. We see as well that the Japanese have taken our place in line. They are not negotiating for 100,000 barrels a day but for 200,000 to 300,000 barrels a day. They are talking about a pipeline across Mexico and a port on the west coast.

Countries like Mexico and Venezuela have indicated they want to trade on a state basis in the future. They find it incomprehensible that this government is considering dismantling our national petroleum corporation. When the Prime Minister was in Japan in June, he indicated that our net petroleum requirements of offshore crude oil by 1985 would go from 200,000 today to 600,000 barrels a day. He promised to cut it from 660,000 to 600,000 barrels a day. It has more recently been suggested that by 1990 it might be 800,000 barrels a day.

When Sheik Yamani, the minister of energy for Saudi Arabia, was here, he suggested the real crunch would take place by 1985. At this time a year ago, there was some surplus in crude oil supplies in the world, but by 1985 the demand will far exceed the supplies. Of course, the real crunch will come then.

State to state negotiations will become more and more important in the future. The government has indicated it will leave state to state trading with the proposed agency or Crown corporation, but they have left it in limbo. Instead of hiking their way down to Mexico or Venezuela to complete negotiations, they have been in limbo since then.

PetroCan has taken an active role in the Syncrude project and other projects in the west such as the tar sands, the Lloydminster heavy oils project and the Cold Lake project of Esso Resources. This is fitting. It is certainly our most important ace in the hole. There is no certainty that future oil supplies will be discovered in the western basin, the east coast offshore or in the high Arctic. We know the tar sands are there. It is a case of finding capital investment and of overcoming environmental concerns to bring it onstream. PetroCan has been and should continue to be active in that.

Negotiations with Lloydminster and Esso Resources have been in limbo for the past six months. In the last three or four years of its existence, PetroCan has been a real catapult in exploration in the Arctic. If we look at the Whitefish discovery in the Arctic Islands last spring where three trillion feet of gas was discovered, we see that the initiative for that Arctic Island exploration group came from PetroCan. However, it did not invest all the money; there was something like an 18 per cent investment. Much of the rest came from multinational corporations which launched on a five-year program that will cost $80 million. It has already discovered significant reserves of natural gas.

In my opinion, we will not get that kind of initiative with the type of company proposed in the task force report on Petro-Canada. We will lose that. It will be a self-perpetuating management more concerned about paying dividends to its shareholders, which it should be, than taking risks and bringing onstream four or five years earlier the oil and natural gas resources that we need.

The same is true of the Sable Island discovery last summer. When PetroCan first went in there all other exploration had ceased in that area. They spent between $40 million and $50 million on exploration and made a really important discovery there. Although they had been ridiculed by the industry, the industry followed along and went in and now they are only a minority shareholder. If that well of last summer is proven, there will be adequate gas for almost three times the needs of the maritime provinces. It will change the whole energy pattern in those provinces.

In the Newfoundland-Labrador shelf, nine of the 11 wells drilled off Newfoundland this summer have had PetroCan investment, including the Hybernia well where oil was discovered. PetroCan was the only Canadian participant in that project. PetroCan's initiative on the east coast has stimulated a great deal of exploration and development there.

It is interesting to note that the Premier of Newfoundland, Mr. Peckford, is one of the most lively and enthusiastic of PetroCan's supporters. It is a pity the Prime Minister does not listen to his counterpart in Newfoundland.

To put that kind of activity that is taking place on the east coast offshore into perspective, some $600 million has been spent during the last 12 years on exploration and development there. This year it will be $300 million. That shows the kind of enthusiastic activity that is taking place this year while a few years ago activity was very low. If oil is discovered there in quantities large enough to be produced, it will be in the right place because it is on the east coast that we import most of our oil.

PetroCan has been intimately involved in the Arctic pilot project, which is a liquefied natural gas proposal. It is designed to use tankers and a gasification scow to liquefy natural gas in the Arctic Islands and ship it by tanker to east coast ports. The capital investment involved is much smaller than would be required for a pipeline. It gives us flexibility in the movement of natural gas in liquefied form to all the east coast ports.

● (1550)

Even more important is the ship technology which would be involved. There would be important spin-offs for delivering minerals and ores from the Arctic Islands. We are building up significant gas reserves in the Arctic Islands and this is the most favourable project at this stage, certainly from a financial point of view, because, as I say, not so much capital is needed as would be needed for the building of a pipeline. Using two ice-breaker tankers under that scheme we could process some 250 million cubic feet of gas per day, the equivalent of 40,000 barrels of oil a day, for the east coast. With the acquisition of Pacific Petroleums, PetroCan was placed in a much more favourable revenue position and I hope that before the government destroys or dismantles the national petroleum company it will listen to members of Parliament on this side, to members on its own back benches, to the provincial premiers and, most of all, to the wishes of the Canadian people. They want the corporation to remain in force to ensure our supplies of petroleum in the future.

[*Translation*]

Mr. Eudore Allard (Rimouski): Mr. Speaker, I am pleased to take part in this debate. As usual at the beginning of a new Parliament, I would like to extend customary congratulations first to the Governor General who admirably discharges his duties and shows a thorough knowledge of Canada. I am also pleased to see you back in the chair, Mr. Speaker, because you have discharged your duties with much dignity and fairness during the last Parliament. I would also like to congratulate sincerely the mover and seconder of the Address in Reply to the Speech from the Throne. There is no doubt that they are destined to a fine career and I heartily wish them the best.

I cannot refrain from mentioning the changes which have occurred in the House; thus, the former leader of the opposition (Mr. Clark) has become Prime Minister. We wish him the best of luck in carrying out that difficult task given to him by the electors. I am convinced that the former prime minister (Mr. Trudeau) who is now Leader of the Official Opposition will lead his troops with as much ability as in the past.

I also extend my good wishes to the hon. member for Oshawa (Mr. Broadbent) for his skill in speaking French. I should not forget either the leader of my party, the hon. member for Beauce (Mr. Roy) who brings on the federal scene his invaluable experience.

My best wishes are directed to all new hon. members who make their debut; I wish them as much success as possible. The hon. member for Nunatsiaq (Mr. Ittinuar) stated yesterday that he had been welcomed by all hon. members, except those of the Social Credit Party. I dare hope that he did not mean what he said; so, my best wishes to him, and I wanted to say "Tungasugit" to him, which means "welcome" in his language.

Mr. Speaker, as you can see my colleagues and I are getting closer to power, but what I fear most on this side of the House is to be asked questions by my Liberal colleagues. I hope they will recognize that we share the floor of the House with the Progressive Conservatives, but we do not necessarily share their policies.

It is customary at the beginning of the first speech to praise the beauties of one's constituency, which I hasten to do. I have had the honour of representing the constituency of Rimouski for seven years. This year, the area of Témiscouata was added to the area of Rimouski to form the new constituency of Rimouski, which will be called Rimouski-Témiscouata eventually, as I put forward a bill to that effect. I should like to thank

all my electors who enabled me to sail across the "Red Sea", and I repeat what I have always said: Once elected an hon. member is at the service of the population. Whatever the political barriers may be, above all else human beings must be taken care of. I can assure my fellow citizens of the riding of Rimouski that I shall be available and devoted to them.

Mr. Speaker, the Speech from the Throne is the first opportunity the government has given us of evaluating the situation in our country and the solutions it intends to bring as the elected government. The government party made many promises during the last election campaign. To what extent it will live up to those promises remains a mystery. But one thing is sure, and that is that Canadians want a drastic change in the direction given the management of our country. They want a sound and stable economy, favourable to the young. I rejoice when I hear the government state that it will stress co-operation with the provinces. I was one of those who, in the past, opposed systematically the prevailing atmosphere of confrontation. And so, we were offered a plateful of good intentions that had been so reduced that the hungriest could not eat their fill. Here is the problem, Mr. Speaker. We have never really had a truly economic policy. Preceding governments merely implemented measures without too much concern about their repercussions, going ahead somewhat blindly.

When we draw a picture of the future, we cannot help doing it in the darkest colours. Our young people are not sure that jobs will be available for them when they leave school. The rate of unemployment remains at a level which is unacceptable to a society worthy of the name. The rate of unemployment in Quebec is 9 per cent. In my region of eastern Quebec, the level is intolerable. Early last summer, it reached 22 per cent. It is a fact that this level was reduced somewhat during the summer months, but because of seasonal factors only. Faced with such a situation, talents are wasted, lives are jeopardized, and our young people are powerless to deal with an uncertain future.

While on this subject, I should like to remind the Minister of Employment and Immigration (Mr. Atkey) that a new policy affecting the distribution of control regions for the computation of unemployment insurance entitlement came into force in November, 1978. It was claimed that this policy would take the economic realities of the various regions into account. This is certainly not the case in my own riding. It is made up of two separate areas, one which is attached to the Lower St. Lawrence-Gaspé region, and the other to the Quebec City region where the criteria are clearly less advantageous, while the rate of unemployment is about the same in both areas of my riding. The rate of unemployment in the Lower St. Lawrence-Gaspé region is about the same as in the Quebec City region.

Mr. Speaker, unemployment is a real problem, we must not hide the truth and be afraid to say so, especially when it is as high as it is today. Not only does unemployment completely upset the economy by generating a slow paralysis of all activities, but it jeopardizes the capitalist system itself. Either the system will find a way to make it disappear or unemployment will some day make what is left of the system disappear.

The real solution to unemployment and inflation is not to create jobs at all cost but to change our present social system and allow all citizens, no matter what their status, to enjoy our country's wealth, even if they have no job, since as consumers they are integral parts of our Canadian economy. The solution we have been advocating for many years is to bring the retirement age from 65 down to 60 or less, according to the rising rate of unemployment. Then we would strike the necessary balance in the equation between industrialization and consumption. During the first six months of this year, Mr. Speaker, the unemployment rate in the Lower St. Lawrence area has shown such variations as 17.9, 22.8, 23.7, 19.8 and 17.9 per cent.

• (1600)

In the Quebec City area, it reached 9.4 per cent, 10.7 per cent, 11 per cent, 9.1 per cent and 7.3 per cent. It is therefore obvious that these rates have nothing in common. This is why I ask the minister to review the boundaries of this area so that the region of Grand Portage may be included in the Lower St. Lawrence-Gaspé area to determine benefit entitlements.

[*English*]

Mr. Speaker, may I also take this opportunity to review quickly the state of our economy. Unemployment is a great concern, but the unemployed are not the only ones left out by our economic system. Farmers are not particularly privileged in our system. They are faced with much red tape and many regulations. Quota allocations are constantly reviewed, so that farmers cannot plan on a long-term basis.

People 65 and over also have to fight to obtain minimum living support. My friends in the government used to listen when I debated this question during the last Parliament, but now that they are on this side of the House I wonder if they will be receptive.

[*Translation*]

In the last few years, I have suggested an optional retirement pension plan at 60 which could be established progressively. It would ensure better distribution of government funds. In this way, the jobs liberated by these people would go to the unemployed and we could save considerable amounts in unemployment insurance and reduce the financial burden of the old age security system. As I was saying, my colleagues in the government were very receptive to this idea. Will they still be as receptive now that they are on the other side of the House?

What about the poverty which still exists in spite of all the social legislation passed by Parliament? Last year, the Senate estimated that 43 per cent of the people living on their own were below the poverty level. These are mostly older people, which supports the suggestion that I made earlier. There are also 22 per cent of Canadian families in this situation. Poverty,

inflation, unemployment, those are all important challenges which threaten all Canadians. In view of all this, the Speech from the Throne does not contain much hope. It refers to a few isolated measures, but does not mention any real medium or long-term economic policy. The government has adopted an attitude of laissez-faire in the hope that the situation will improve by itself. The previous administrations gave the impression that they left everything to luck. When Canadians protested against incredible inflation rates, a commission was created. Five were established during the last few Parliaments to study, control or review prices and especially wages, and they were then abolished. I was quite happy when the present government abolished the latest of these Liberal inventions.

Concrete problems require concrete solutions. Since 1971, the cost of living has increased by 90 per cent. The dollar has gone down 20 per cent compared with the American dollar. And since we are talking about statistics, I shall give a few more. In 1978, the government had a deficit of $12 billion, or 20 times more than in 1974. The deficit will be even higher this year. My colleague from St. John's West, who is now Minister of Finance, was the first to be shocked by this situation in past years. If he wants to take strict action, now is the time to do it. Our debt continues to increase at an alarming rate.

Last year, we had accumulated a $40.5 billion debt and we paid over $5 billion in interest, $240 per capita. Over the last five years, bankruptcies more than doubled in Canada, and rising interest rates are pushing credit out of reach, which implies that investments will slow down and people intending to buy a home will prefer to wait until conditions get better, rather than paying rates of up to 14¼ per cent.

Such is the situation confronting members elected to this new Parliament. We should concentrate on this and see to it that this government discharges its duties as soon as possible. The people today expect and are entitled to a minimum of sincerity and honesty from politicians. Last year, while corporations increased their profits by 25 per cent, our unemployed, our farmers, our old aged pensioners and all those asking for a fairer share of this country's riches felt no improvement.

I have given many statistics, enough maybe to make us forget the human consequences of our economic difficulties. Our party always favoured throughout its history a human approach to our society's various problems. We believe in giving first place to the human being. We have consistently proposed reforms to that end. We believe among other things that each citizen must enjoy a minimum of physical and social security. We therefore propose a system of guaranteed annual income. The first duty of any government is to guarantee that every individual and family has sufficient income to be reasonably well off.

Mr. Speaker, economical justice also means fairer distribution of development across the nation. If certain economic areas continue to be favoured at the expense of others, national unity will be left without much support. In conclusion, Mr. Speaker, I would like to suggest that the government consider an economic recovery plan for remote regions, for example by implementing a transport policy beneficial to these regions so that they can also have their rightful place under the sun.

The Minister of Fisheries and Oceans (Mr. McGrath) no doubt remembers when it was announced that allowable cod catches in the Gulf of St. Lawrence would be increased. In this regard, also, the people of the Gaspé peninsula are at a loss since 10 per cent of these additional quotas will be for vessels of 100 feet or more which are harboured in the gulf or elsewhere. The problem lies in the fact that fishermen from the Gaspé peninsula do not have large vessels and those vessels of 100 feet or more will come mostly from other areas. I would therefore ask the minister to reconsider his decision which discriminates against the Gaspé peninsula fishermen.

Mr. Speaker, as a duly elected political group in this House, we could, according to the rules of procedures, introduce a motion condemning the government, but since the government must have the opportunity to prove its good will, we will allow it to do so. That is why we voted the way we did last Monday on the motion put by the Leader of the Opposition, but we can always change our mind.

[*English*]

I sincerely hope that this session will be the occasion to draw all the dynamic forces of this country together. Canada is at the crossroads of her history. Many decisions are facing us, and they will not always be easy to take. Quebeckers are about to make a decision which will affect all of us, whatever the result. I hope that the government will show an attitude of change and co-operation with all provinces so that Canada may be a better land for our children.

● (1610)

Mr. John Thomson (Calgary South): Mr. Speaker, I too would like to wish you well in the fulfilment of your responsibilities. Also, I should like to compliment the hon. member for Rimouski (Mr. Allard). I hope that in the next few years my French will be as good as his English was this afternoon.

Some hon. Members: Hear, hear!

Mr. Thomson: First I would like to assure hon. members that as I make my remarks this afternoon I am completely free of conflict of interest. I say that because I was involved in the oil industry for 20 years. However, prior to my nomination as Conservative candidate for Calgary South, I divested myself completely of any interests in the oil industry. I hold no management position nor do I serve on any board of directors or any committee.

The subject which I wish to address to the House this afternoon is on the issue of Petro-Canada. In my opinion, it is unfortunate that the issue of Petro-Canada has been blown so much out of proportion by the media and by the opposition parties in this House, particularly in relation to future energy supplies for Canada. It seems to me that this controversy is

relatively unimportant compared to the more serious problems facing Canada today.

Just to put the issue of Petro-Canada in some perspective, let me say that the company had total assets of $3.3 billion as of December 31, 1978. At the rate at which we are importing crude oil into Canada, this amount is equal to the cost of six months' crude oil imports. In other words, in the short period of six months, Canadians have consumed crude oil equal to the assets of Petro-Canada. It is in light of this that I believe the matter of Petro-Canada has assumed far greater proportions than is warranted.

At the same time, it is important for Canadians to understand what Petro-Canada is as it stands today and what can be achieved by individual Canadians owning shares of that company. The opposition would have Canadians believe that the solution to the energy crisis lies in the choice between Exxon and Petro-Canada; that is, multinational ownership or state ownership.

In the last five years, a revolution has been going on in western Canada and in the oil industry generally. The number of companies owned by Canadians has been increasing at a significant rate. Today, there are over 700 companies finding and developing new oil and gas reserves. Most of these companies are Canadian owned. They are responsible for 75 per cent of the wells drilled in western Canada, and there are numerous stories involving Canadians who have become important factors in the oil and gas picture.

I am absolutely confident that the oil industry will find the oil and gas reserves we need for self-sufficiency, given the economic opportunity to do so.

There is no question that the people of Canada distrust the giant oil companies. I think this distrust is largely unfounded. Consumers, not only in Canada but in all industrial nations, have been the great beneficiaries of cheap oil supplies for many years. Surely it would be foolish to cast aside the benefits that Canada receives from the large multinational oil companies simply on the basis that they are very large, with huge budgets, and that they are the object of the popular suspicion that bigness brings. The multinational oil companies have had great success in finding oil, some of it in hostile environments. They have enormous reservoirs of extra expertise. It would be irresponsible to do anything but encourage them to search as aggressively as they possibly can in Canada.

I simply cannot understand how economic nationalists can say that the repatriation of the Canadian oil industry from the United States investor is in the best interests of Canadians. In the next ten years, Canada will need about $200 billion just to develop our energy resources. Canada cannot provide this money by itself; it needs foreign investment. But how can we possibly encourage foreign investors when they do not know if their investment is going to be nationalized? Certainly much of the oil is foreign controlled. Why is that? It is because the former Liberal government would not offer Canadians the incentive to invest in their own country.

Some hon. Members: Hear, hear!

Mr. Thomson: I can speak from personal experience. I have spent many years trying to raise money in Canada for oil exploration, with little success.

Our government favours a strong private sector energy industry, managed by Canadians and owned by Canadians. We believe in Canadian citizenship ownership rather than Canadian state ownership.

Some hon. Members: Hear, hear!

Mr. Thomson: Our government believes that a Petro-Canada owned directly by Canadian citizens will be more effective and efficient, and will contribute more to Canada's objective of energy self-sufficiency.

Some hon. Members: Hear, hear!

Mr. Thomson: The private sector, the Government of Canada, and the provincial governments must all be deeply committed to the performance of their roles which are, respectively, petroleum operations and the design of a public policy framework. Both public and private participants must contribute to the accomplishment of clearly desirable national objectives.

Let me return for a moment to the fall of 1973 and 1974. Because of the Middle East war there were fears of shortages of oil in Canada. It was largely on the strength of the realization that Canada could not rely on cheap foreign oil to supply our needs that the former Liberal government came to the conclusion that one of the vehicles to be used to improve Canada's security of supply would be a national oil comany. Ostensibly this was the main reason for the establishment of Petro-Canada. But the Liberal government was so concerned about extending government control to the private sector that it lost sight of the basic energy needs of the Canadian people. Since that time, Petro-Canada has been put forward not only as a national saviour in terms of security of supply but also as a "window on the industry" and as a necessity for state to state oil trading.

The original mandate of Petro-Canada was to explore for and develop new sources of oil and gas supply for the country in areas where the conventional producers were not prepared to gamble. But what did Petro-Canada do? It purchased Atlantic Richfield and Pacific Petroleums. Did these acquisitions add any new reserves of oil and gas to our Canadian inventory? No, not a drop. Virtually all these reserves were acquired by the purchase of Atlantic Richfield and Pacific Petroleums. These reserves were in the ground in Canada and were completely secure for the people of Canada. Atlantic Richfield and Pacific Petroleums could not export any reserves without federal government approval.

It is interesting to note also that in 1977 Petro-Canada had 151 million barrels of oil reserves. At the end of 1978, these reserves had declined to 143 million barrels, a net loss of 8 million barrels for the year.

Security of supply is achieved when new oil reserves are found or new technology is developed to enhance production

from existing reserves. New oil is found by long and diligent work and expertise. It is not found by acquisitions, by buying companies that already have it. In fact, much of the expertise acquired through the acquisition of Atlantic Richfield and Pacific Petroleums has since left Petro-Canada.

● (1620)

Pacific Petroleums was a well-managed, successful and aggressive company. It was doing all the things any oil company could be expected to do and it was not costing Canadians one cent. It was finding new reserves; it was helping to create security of supply. Let us also remember that the purchase of the various assets Petro-Canada now owns did not contribute to the creation of any new jobs which otherwise would not have been created by the acquired companies if they had been left on their own.

It is simply untrue that the acquisition of Pacific Petroleums will provide Petro-Canada with a cash flow from existing oil and gas production to help finance the search for new oil and gas supplies in the development of heavy oil fields. The cash flow from Pacific Petroleums will not even service the interest on the debt incurred to purchase the company.

Also I should like to point out that it is not true there is any need for a government-owned oil company to make investments which otherwise would not be made. The recent example of exploration success in the Beaufort Sea demonstrates that if the ground rules with respect to taxes and pricing are satisfactory, shareholder owned companies will become involved of their own accord in all the risk taking which Canada needs in this or any other industry.

In his motion of non-confidence, the leader of the New Democratic Party sought to secure for Petro-Canada a monopoly on all imports of oil into Canada at a time when our supply is uncertain and insecure and when the international oil companies still have much of the foreign oil under their control through contracts. Surely common sense would suggest that a course opposite to that of the New Democrats should be undertaken. We should seek as many channels through which essential oil can flow as possible, not restrict the means to import oil. We should take full advantage of the worldwide oil network provided by the big companies, the so-called Seven Sisters, and if there are any useful ways of adding to this, we should do that as well.

One of the criticisms over the proposed sale of Petro-Canada to Canadians is that it is necessary for the federal government to keep a window on the industry through ownership of a large oil company. This is sheer nonsense. I should like to point out that in the blue book of estimates for 1979-1980 the Department of Energy, Mines and Resources is staffed with no less than 12,180 man-years of bureaucracy to keep a window on the industry at a cost of $200 million. In addition, the Petroleum Corporations Monitoring Act provides volumes of information to the government. The oil industry is monitored from every standpoint and is likely the most highly regulated industry in our country. The necessity of having a window on the industry is nonsense.

[Mr. Thomson.]

There has been much discussion about the advisability of having a Crown owned corporation to effect purchases of foreign oil from foreign government-owned companies, and if necessary Petro-Canada should be utilized for this purpose. A better method would be to negotiate an international trade agreement with the particular country which is to supply oil, and then have commercial agreements negotiated within the terms of that treaty by private companies in Canada that would use the oil. This would serve the dual purpose of giving the Canadian government better control over the acquisition of foreign oil, while leaving commercial terms to private industry. Our government recognizes that it has a responsibility to fulfil with respect to state to state oil supplies. However, it is not necessary for Petro-Canada to carry out this function. Our government intends to do everything possible to ensure adequate supplies of a vital commodity which we will have to import in increasing volumes during the 1980s.

Where does Petro-Canada stand today? Let us remember that the original purchase of Petro-Canada was made by placing an additional tax burden on Canadians. The taxpayers of this country put up $800 million in equity to fund Petro-Canada, which is the equivalent of over $300 for every man, woman and child in Canada. This money came out of the pockets of Canadians in taxes which they otherwise would not have had to pay. The taxpayer also has ultimate liability for $2.5 billion worth of debt Petro-Canada has incurred. The financial structure of Petro-Canada as it now exists is overburdened with debt in relation to equity. Its debt is three times its equity, compared to a ratio in the private sector of the oil industry of about one-third debt to equity. In other words, Petro-Canada has nine times the amount of debt in relation to the equity of the private sector.

In 1978 it earned $13.3 million on an investment of $3.3 billion. This rate of return is less than half of 1 per cent and is an appalling mismanagement of taxpayers' money. We must remember that the government is borrowing money at the rate of 10 per cent, while PetroCan makes less than one half of 1 per cent. Shareholders of any public company would not tolerate such a disgraceful profit performance from its board of directors and its management. In the first six months of 1979 Petro-Canada lost $7.6 million. The reason for this loss is that the company cannot generate sufficient income to pay for the interest costs on the debt incurred to purchase Pacific Petroleums.

Petro-Canada is attempting to carry out the impossible, the dual roles of a commercial company and an agent of federal government policy. It is an impossible position of conflicting interest. The conflict between political goals of a government and the goals of a commercial corporation is at the root of what is wrong with Petro-Canada. When a Crown corporation such as Petro-Canada is charged with the frequently conflicting responsibility of serving broad national objectives and showing an appropriate profit from the use of resources under its control, such conflicts place the senior technical personnel and officers in an inherent state of uncertainty. They must make difficult decisions as to which objectives should take

precedence, frequently with incomplete knowledge of the urgency of national priorities. I say that without intending to malign the management of Petro-Canada.

Resources are not efficiently used when the objectives of a company are not clearly stated. There is an old saying in business: "If you don't know where you are going, any road will get you there". Those who control the company have an uncertain accountability. Profits may be attributed to good business judgment, while losses may be attributed to the fulfilling of national objectives. Who is to know? Certainly not the Canadian public with the set-up we have at the moment. Crown corporations are never free from political interference. It has been amply demonstrated by numerous Crown corporations that in every instance of direct government involvement in business they have problems running commercial operations without special breaks and subsidies. What our government is seeking to do is to maximize the benefit from the use of taxpayers' dollars. Maximum benefit results when government limits its role to public interest activities which are not commercial.

It is imperative that individual Canadians understand our serious oil deficiency. If the individual Canadian is directly involved in Canada's energy future, he will have a better opportunity to understand the energy problem. Certainly government must be responsible for public interest activities designed to assure secure supplies of energy for all Canadians. However, government need not engage in activities which are more effectively and efficiently served directly by its citizens, whether citizens invest as individuals or are organized in business.

I support the recommendation by the task force that Petro-Canada, as it presently exists, be divided into two parts, one which will be a private sector company and one which will continue to be an agent of the government and have direct responsibilities for activities which appropriately lie with the government.

• (1630)

The task force has recommended, and I agree, that the public sector responsibility would be transferred to a new government agency with the following functions: the negotiation of any necessary state to state oil supply contracts; the promotion of increased frontier exploration; and the promotion of oil sands and heavy oil research and development.

The private sector company, a new Petro-Canada, must be given a firm mandate to conduct its affairs on the basis of commercial viability. It must be absolutely clear that Petro-Canada will not be an instrument for the achievement of the government's public policy objectives.

I support the concept that individual citizens will be better served by having their energy investment reside directly with the private sector company. In this way shareholders will have the democratic right to influence policy through the decisions of the annual meeting or through the board of directors.

The new Petro-Canada as described by the task force can be the largest Canadian-owned petroleum company and its board of directors must be free to develop corporate policies which will permit the achievement of commercial objectives in a responsible way. Because Petro-Canada will have to compete, it will constantly be accountable to its shareholders, the citizens of Canada, for the efficient use of its resources and the resulting profits. Mismanagement will quickly become evident.

Canadian citizens, through their direct participation in Canada's new petroleum company, will be involved in the rewards and the responsibilities of ownership, and at the same time the new company will have the responsibility of encouraging citizen involvement and will recognize its direct accountability to its citizen shareholders.

The task force has again recommended that only eligible Canadian individuals should be entitled to receive shares in Petro-Canada, and only eligible Canadians should be permitted to acquire shares in the after market. I completely agree with this. A new Petro-Canada is assured of being a wholly Canadian-owned company. Individual investors should be limited to 1 per cent of the common shares outstanding. Every citizen in this country would be eligible to receive shares.

Under the proposed reorganization Petro-Canada would have the potential of becoming not just the largest Canadian controlled company but perhaps the largest company in the energy field in this country. The performance of management and the board of directors will be measured by the profitability of the resources it has under its control. Direct ownership by Canadians is preferable to assigning responsibility to government officials, with only the electoral process as a periodic control mechanism.

There is no issue that I feel more strongly about than our freedom which exists under the free enterprise system. Our liberty is directly linked to free enterprise. If free enterprise is destroyed we lose our political freedom. If we believe in the freedom of the individual from state domination, we must not allow any government to dominate our economy through government ownership.

Our government intends to give individual initiative the opportunity to flourish once again, and to stimulate the enthusiasm of all Canadians to take a stake and to share in the risks of building a better Canada. It is the creative drive in people, the energy of individual Canadians operating in a free economy where there are opportunities and where government is an assistance, not a hindrance, it is individuals, not bureaucracy, not government, that make a nation great.

I for one will be delighted to own the shares of the new Petro-Canada. If run properly as a commercial operation it will be one of the best investments any Canadian could hold. This is an opportunity for our children and for their children to participate in the immense economic wealth of their country.

In closing, I put the following question to this House. Do you prefer that Canadians own Petro-Canada through their federal government, as they own Air Canada and the post office, or do you prefer that Canadians pay lower taxes and have the opportunity to make their own choice of investment?

Some hon. Members: Hear, hear!

PROCEEDINGS ON ADJOURNMENT MOTION

[*Translation*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

Mr. Deputy Speaker: Before recognizing the hon. member for Jonquière (Mr. Marceau), I would like, pursuant to Standing Order 40, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Châteauguay (Mr. Watson): Northern Affairs—Provincial status for the Yukon; the hon. member for Thunder Bay-Atikokan (Mr. McRae): Energy—Purchase of oil from Mexico; the hon. member for Sault Ste. Marie (Mr. Symes): Energy—Supply of gasoline and heating oil this winter.

The hon. member for Jonquière has the floor.

* * *

[*Translation*]

SPEECH FROM THE THRONE

CONTINUATION OF DEBATE ON ADDRESS IN REPLY

The House resumed consideration of the motion of Mr. Fretz for an address to his Excellency the Governor General in reply to his speech at the opening of the session.

Mr. Gilles Marceau (Jonquière): Mr. Speaker, as I take the floor to speak in the debate on the Speech from the Throne, I recall an extremely pleasant moment I experienced in 1969 when at the request of the then prime minister I had the privilege of seconding a motion for an Address in Reply to the Speech from the Throne. Being aware of the importance of the role we have to assume I take great pleasure in congratulating the movers of the motion for an Address in Reply to the Speech from the Throne. Also I would like to extend my congratulations to the Speaker for his re-election, to assure him of my collaboration and to remind him that probably all members appreciate his competence and his devotion.

First, Mr. Speaker, I would like to say that the Speech from the Throne must not necessarily contain the detailed list of what the government proposes to do during the session. What is generally expected is a general statement on the direction the government intends to take for a given period, bearing in mind the problems that confront the country. We know that, in this day and age, Speeches from the Throne are often long, that they are made up of general considerations on the state of the nation, the problems it faces and an enumeration of the bills to be submitted to the legislators. In that regard, the Speech from the Throne of October 9 by the new Governor General is more in the old tradition than in the new. It is rather short, possibly even laconic, compared with some speeches of the preceding government.

A Speech from the Throne, whether long or short, specific or vague, always says something by which one can judge to some extent whether the government has the upper hand or not, whether it knows where the country is going, whether it has policies and ideas to offer as solutions to current problems. Now, what is one to think of the first Speech from the Throne of the new government? Its concision betrays at once great wariness and a lack of confidence in itself on the part of this party that accedes to power for the first time in 16 years. This speech confirms what was suspected from the start, that this inexperienced team is still somewhat haunted by the scope of the difficult problems Canada faces at the present time. But, from a government that spent the last few years criticizing the former government mainly for its economic, energy and constitutional policies, the Speech from the Throne clearly indicates that it has yet to make its bed, that it did not make it in those three fields of endeavour.

● (1640)

In the economic sector it announced a series of measures which are certainly warranted to a certain extent, if not entirely original. But we do not have the feeling that the government has an exact idea of the remedy which our condition requires. I see a clear indication of this in the fact that it is counting a lot on the upcoming federal-provincial conference which is to set the economic targets of Canada for the next decade and determine together with the provinces the best means to achieve them.

We should certainly not look down on this concern which proceeds from the best federalist spirit, to involve the provinces in the planning of long-term economic policies. But a government bent on demonstrating leadership must have its own outlook on matters and express it. In any event, it must act and indicate how it intends to act if it wants to inspire the trust which is so necessary for the expected recovery.

Yet, it is in the economic sector that the new government apparently wanted to impress the public most by announcing rather pompously a five-phase strategy. One is undeniable and it concerns once again the control of government activities: expense cutback procedures already announced in Jasper at the end of the summer, staff cuts in the public services, sunset legislation allowing for the termination of government activities which are no longer justified.

Mr. Speaker, I would like to draw particular attention to a project which means a great deal to the Lac Saint-Jean region and for which its representatives have fought for over three years. When the government speaks of budget cuts, it creates confusion, in my view, maybe not willfully so, but it does create confusion in the minds of the people. For three years, Mr. Speaker, and after heated debate, we have been authorized to build a taxation data center in Jonquière, and this project might create, in the short or longer term, 1,000 temporary or permanent jobs. In an area where the unemployment

rate ranks among the highest in Canada, this project is of crucial and vital importance. I urge the government not to take action to stop this project, however short the deadline may be.

The federal government has already directly invested $2 million in this project. The foundations of the building are already built. A contract for construction of the structure has been awarded to the lowest bidder; moreover, and it is important that this be recalled, the city of Jonquière, at the request of the federal government, has modified its plans for future development in order that the site be rearranged according to the requirements of the federal government and located in the middle of the three former communities of Jonquière, Kénogami and Arvida, which are now amalgamated under the name of Jonquière, a building symbolizing the federalism we are advocating on all sides of the House. I must commend most particularly my colleague who is here in the House right now. He was the minister for our area, the minister of regional economic expansion, and he worked hard both within cabinet and in other places so we would have in our region that building which is the most concrete proof to separatists that federalism is not only discussion and dialogue but really jobs we need in an area highly troubled by unemployment reaching alarming proportions which are close to the highest in Canada.

So I would like to say beyond any political partisanship that it is not Gilles Marceau, federal member of Parliament, who is speaking, but the spokesman for a remote area of this great country of ours who is imploring this government—and they will get the credit for continuing that building; I will make sure of it—but I ask them, I beg them nearly on my knees not to delay that construction because there are thousands of people waiting for jobs, trying honourably to earn a living, who are often blamed for being unemployed although it is not always their fault. I recall that this government has received a petition from ladies in my riding containing 22,000 signatures. Only women can do interesting and persuading things like that. They went around homes, gathered 22,000 signatures and sent them here to Ottawa. The Jonquière city council prepared a long brief indicating the investments of over $5 million which have now been made by the city of Jonquière and the provincial government for the road network, and the federal government has committed $2 million.

The estimates of the Department of Public Works included an amount of $3,500,000 earmarked for the continuation of the work because, as I said, the foundations are there, the plans are practically completed, only the structure is needed and the lowest bidder submitted his price and was accepted. I am not suggesting the government did not have the right to stop that project. I think it is normal for a government to examine each and every project before investing. I admit it is their responsibility to see whether the project really meets a need.

I listened to the Prime Minister (Mr. Clark) during the question period when he said, "we are going to examine which projects create jobs, which projects are the most effective". Well, I want to urge him, and I know that he can accept our representations, I urge him and I urge the President of the Treasury Board (Mr. Stevens), the Minister of Public Works (Mr. Nielsen) and the Minister of National Revenue (Mr. Baker) to carry on that project. It is not a party which will benefit from that project, it is the people in that area who want it, who require it, and I believe that it is one of their fundamental rights to ask that federalism be advantageous not only for big cities, big centres, but that it be good as well for people who live in remote areas and who are also going to vote in the Quebec referendum. Until the government takes a decision on that matter, I think that we are in no position to convince people that federalism is good for them; the project is temporarily stopped and people are beginning to wonder. Still I would not want to voice a definite opinion about this.

• (1650)

I know the government will take into consideration that request I make on behalf of the population, on behalf of the 22,000 people who signed the petition, on behalf of the city of Jonquière which has presented the petition, as well as on my behalf since I presented a memorandum and on behalf of the President of the Treasury Board who has met with those people to discuss this with them.

In addition to those few general remarks on the budget, Mr. Speaker, it seems to me that major problems like energy, inflation and unemployment are mostly dealt with in a futile phraseology. The Progressive Conservatives are in turn experiencing the advantages and disadvantages of our status as a U.S. subsidiary, forced to counter the blows as well as we can. The increase in the bank interest rate just struck a hard blow on our economy and thus cancelled the benefits which were to be derived from the mortgage interest deduction program the government should eventually introduce. On constitutional matters, nothing in the throne speech shows a vision of Canada in the future, of the role the federal government should be playing in a country threatened by centrifugal forces. It is noteworthy that it says a lot about diversity in Canada but nothing about the unity to be preserved or restored.

The same thing is true of the energy problem, which is very serious in itself and which moreover threatens to accelerate the political disintegration of our country. Since major Canadian problems have a more or less direct relationship with the main problem of our unity crisis, the government will be unable to implement a coherent and credible energy policy if it does not first define its purpose in constitutional matters. The jewel of the Speech from the Throne should have been the energy policy at which the Minister of Energy, Mines and Resources (Mr. Hnatyshyn) has worked all summer long and about which he had given us a lot of hope, but there is now a deadlock between Ontario and Alberta concerning the pricing of Canadian oil, and the evasiveness of the Governor General

shows the reluctance of the government to use its arbitration powers since this could damage its general purpose theory of non-confrontation federalism.

Since the price of gas may go up in the near future to $1.30 a gallon and in view of the tragic effects of this increase on those who not only drive their cars but must also heat their homes with oil, since major increases of this importance are foreseen, both sides of the House must concentrate their efforts to try to make a decision at the federal level which will be equitable for everyone and go beyond the individual or collective interests of the provincial governments.

The term "non-confrontation federalism" is an electoral cliché which seems increasingly on the way to becoming a constitutional principle even though it does not exist in practical government. It is useful when provincial interests coincide, for instance in the case of lotteries and provincial offshore resource rights, but it is not sufficient in a case of a conflict of interest. We have only to think about the conference of communications ministers, where the premiers requested yesterday jurisdiction over cable distribution, to which the federal government rightly objected. The provinces have already started to show some impatience and dissatisfaction and they will continue to ask for more as long as the government gives them everything they want. However, I believe they can be responsible enough to realize, when the government refuses their requests, that this disintegration of the central power must come to an end since it has already gone too far in one direction, which does not mean that we should go in the other direction.

The speech outlines a number of legislative measures that appear to be so much less objectionable that their brevity leaves no room for criticism. But one thing above all is lacking in that document—a thrust, a vision, a certain image of tomorrow's Canada that would instil courage and call to action.

Mr. Speaker, I would now like to say a few words on the dismantling of Petro-Canada. I know that members opposite have different views from ours. But as far as I am concerned, the point can be made that the hydrocarbons market, especially the oil market is controlled by foreign multinational corporations, and those corporations in the conduct of their business do not give due priority to Canada's national interests. In a period of 40 years, no private Canadian corporation succeeded in achieving a major role in the oil industry. Petro-Canada, a Crown corporation owned by all Canadians, has become in a matter of years Canada's biggest oil company. As I see it, Petro-Canada gave the Canadian government for the first time the expertise vitally needed to really know what is happening in that sector. Like a number of other nations, Canada now has in Petro-Canada an important instrument to better protect our national interests in that industry. I therefore urge the government to consider the situation in depth, to look at the survey showing that 75 per cent of Canadians generally approve of Petro-Canada. It seems to me that we should keep Petro-Canada as the property of all Canadians and a major instrument of Canadian policy in energy matters.

In conclusion, Mr. Speaker, I would once more ask the government, outside of any partisan politics, to decide on a work re-start on the fiscal data centre in Jonquière. In so doing they will prove to the people in my area that they are a sensible government, and the thousand jobs they will be creating will deserve them praise as they will the previous government who started the project. And for once a genuine link will have been provided between past and present.

[*English*]

Mr. Speaker: Order, please. There was an indication earlier that the House would be seeking consent at this time to revert to routine proceedings, particularly to statements by ministers, to permit the right hon. Prime Minister (Mr. Clark) to make a statement and for others to respond to that statement. I see the Prime Minister is in the House now. Is it agreed that the House revert to statements by ministers at this time?

Some hon. Members: Agreed.

* * *

WOMEN

FIFTIETH ANNIVERSARY OF "PERSONS CASE"—PROPOSED MEASURES TO IMPROVE STATUS

Right Hon. Joe Clark (Prime Minister): Mr. Speaker, as the House will know, today marks the fiftieth anniversary of the "Persons case", that historic decision by the Privy Council of Great Britain which declared that women were in fact "persons" and were thus eligible under the British North America Act to "be summoned to and become members of the Senate of Canada". This decision was the result of the tireless efforts of five Alberta women: Emily Murphy, Nellie McClung, Henrietta Muir Edwards, Louise McKinney, and Irene Parlby. It is fitting that the House pay tribute today to the efforts of those five Alberta women, and to the efforts of countless others in the 50 years since the Persons case who have worked to reduce the obstacles to equality for women in Canada.

● (1700)

Seven such women were honoured last evening by His Excellency the Governor General, and the House would want to join in recognition of the rank of Dr. Elizabeth Bagshaw of Hamilton, Ontario; the honourable Thérèse Casgrain of Montreal; Marion Royce of Toronto, Dr. Grace MacInnis of Vancouver, Eileen Tallman-Sufrin of White Rock, British

Columbia; Mary Two Axe Early of Caughnawaga, Quebec; and Sophia Dixon of Saskatchewan.

Some hon. Members: Hear, hear!

Mr. Clark: The stark fact, on this fiftieth anniversary of a landmark decision, is that women have not achieved equality—economically, politically, socially.

[*Translation*]

Economically speaking, women are second class citizens. Despite a sharp increase in the number of women in the labour force, and considering that it continues to grow, there is always a marked gap between their conditions of employment and those of men, particularly as regards the number of jobs available, the nature of work, the salary, working hours and opportunities for promotion. In the area of employment, women are pushed back in ghettos or in positions characterized by low pay and limited mobility. The gap between the income of men and women is enormous and it widens continually. In fact, Mr. Speaker, the average income of women represents only 53 per cent of the average income of men. And women are most affected by unemployment—9.1 per cent compared to 6.9 per cent for men.

Among senior citizens, women are often alone with a small pension or often with no pension at all. Even with the old age security pension, among single women, widows, divorced women or women over 65, three out of five live under the poverty line.

[*English*]

Politically, women have not achieved equality. One look around this chamber is enough to show that. Socially, a second class status persists, reinforced by the fact that many women—because of their economic dependence—are often powerless to change their situation. Clearly, the situation of women in this country 50 years after the Persons case is not one of which we can be proud. It is a priority of my government that this situation must change. I have spoken many times in the House as leader of the opposition on the failures of government policy in relation to women. Now, as head of a new government, I intend to try to rectify some of those failures and to develop policies that are sensitive to the needs and aspirations of Canadian women.

Some hon. Members: Hear, hear!

[*Translation*]

Mr. Clark: We have to remedy the economic situation which follows from the second class status we reserve for women. One of the most important findings of the latest report on women and poverty prepared by the National Welfare Council is the one which says that in most cases women are poor because poverty is the natural consequence of the role society gives them.

Our economic structures leave no room for equal status. To remedy this situation, an important step would be to recognize the influence of the jobs traditionally reserved for women which leads them to poverty and to find solutions to the problem. We are currently preparing an employment strategy which will deal precisely with this problem.

False solutions intended to bring down the unemployment rate among women by creating short-term jobs will not really improve the employment situation for women. We have to recognize that segregation in employment, lower salaries, limitation of promotion opportunities and care of children are all realities and that we, in the House, have a duty to find solutions to these problems because, in the final analysis, not only women will benefit from them, but the whole society.

[*English*]

An employment strategy for women must be based on two fundamental premises; first, women are in the labour force to stay; second, women have the right to participate in economic activity on the same terms and conditions as men.

The objectives of that employment strategy will include lowering the female unemployment rate through permanent full and part-time jobs, reducing job segregation and developing measures to work toward its eventual elimination, and lowering the wage gap between men and women.

The employment strategy that is presently being drawn up by Status of Women Canada, in conjunction with other departments, will contain measures dealing with women in the public service as well. We will be developing an enhanced equal opportunity policy to advance women in the public service, and developing measures to ensure that the proportion of women in the public service is maintained, and even improved, during the period of attrition.

Once women achieve equality in the work force, they will be able to achieve equality in retirement. But until that goal is reached we must do something to alleviate the extreme poverty among elderly women.

Some hon. Members: Hear, hear!

Mr. Clark: We have announced a committee inquiry into pension and retirement questions. That committee will consider the pension situation for women. I hope it will make recommendations to the government upon which we can act with some speed.

In the meantime, one of my government's commitments is to cease the practice of cutting off the spouse's allowance upon the death of the pensioner spouse. This is only a first step, but a necessary one, and it is the bill with which we will begin this new Parliament of Canada on Monday next.

In the social realm, the abuse of women both inside and outside the family is something that must be rectified. In this regard we intend to do our part by rationalizing the sexual assault offences and by calling on the provinces to do their part in relation to the administration of justice in the matter of violence against women. In addition, the interdepartmental committee on family violence is working towards a national consultation to find solutions to the problem of family violence, of whom the chief victims are women. This committee was begun under the former government, and I consider its work to be a priority in coming to grips with the problem of violence against women.

Finally, in order to end the discrimination in the Indian Act against women who marry non-Indians, we will be bringing in an amendment to amend the discriminatory sections of that act.

Some hon. Members: Hear, hear!

Mr. Clark: Mr. Speaker, it is my earnest hope that the women of Canada do not have to wait another 50 years to achieve equality of status with men and to be true persons in our society. We should not have needed the courts to declare in 1929 that women were persons. Nor should we need to be reminded of the fact in 1979.

The hard truth, however, is that women are still not considered full and equal persons, that every inch towards equality has been won only by a hard fight against public opinion, and that a lot of attitudes must change before the goal of true equality is reached.

I hope that the commemoration of Persons Day throughout the country today will mark a beginning in a drastically needed change of attitude, and that in the future such commemorations will be reminders of injustices of the past—and not of the present.

Some hon. Members: Hear, hear!

• (1710)

Hon. John C. Munro (Hamilton East): Mr. Speaker, we on this side welcome many of the Prime Minister's (Mr. Clark) statements today. I join with him in paying tribute to the distinguished women he mentioned at the beginning of his remarks. I noted that he talked about Alberta women, and women from across Canada. I am happy in terms of my parochial interest to thank him for recognizing Dr. Elizabeth Bagshaw. I might say that I too should like to pay tribute to an Alberta woman, a woman I met about 20 minutes ago, a totally charming and disarming woman, and a very friendly one indeed. She happens to be the Prime Minister's mother.

Some hon. Members: Hear, hear!

Mr. Munro (Hamilton East): I must say that having met her I feel totally unable to make any unkind remarks, which pretty well necessitates obliterating about three quarters of my speech.

I do wish to pay tribute to the women of Canada on this the fiftieth anniversary of the Persons case. I pay special tribute to those brave Alberta women who led the battle some 50 years ago, but I honour as well all those women who followed them in their determination to create a society where women have an equal place. Since that momentous decision in 1929, which in very narrow terms allowed women to be appointed to the Senate, many changes have taken place in the lives of Canadian women. Many doors have opened, but there is still a long way to go. There are still people in our society who do not enjoy all the benefits of full citizenship, and a great many of them are women.

The problems of our country—inflation, a faltering economy, a high rate of unemployment, and reduced social services—all rest heavily on the shoulders of women. Despite the increasing awareness and more general recognition of women's rights, there are still areas of discrimination and, as society becomes ever more complex, new issues concerning women arise. We must continue as elected representatives to be responsive to the needs of women so ably expressed by women.

The Prime Minister referred to the government's employment strategy. Many of his comments with respect to that were most welcome, but might I point out two principal concerns if any employment strategy is to have a real chance of implementation. One is the key area of day care centres across Canada. Recent statistics indicate that day care centres are on the decrease. Success cannot be attained in terms of equal opportunity for women in the work place if day care centres are inadequate. Lacking such centres, many women cannot take advantage of the opportunities for employment so many of them wish to obtain in order to alleviate the very poverty of which the Prime Minister spoke. I think this is an area in which the Prime Minister would have particular influence with his colleagues in the provinces, many of whom are premiers, and I would hope he would undertake to place that subject on his agenda at the earliest possible opportunity.

The other key to considerably alleviating inequality with respect to women lies in the area of private pensions. A lot could be done there in terms of survivors benefits, early vesting, and indexing. Again in terms of the realization of the objectives the Prime Minister so eloquently spoke of, this topic should be placed high on his priority list for discussion with the provinces as so much of this area falls within provincial jurisdiction. Certainly under the Canada Assistance Plan the federal government can, in co-operation with the provinces, attain a great deal.

The celebrations around the country today reflect the joy and pride we feel on this important anniversary, but the day should also serve to remind us that the work toward a truly equal society, a society where all citizens are full citizens, must continue with renewed force.

I should like to take this opportunity to commend women's organizations both of yesterday and today for their sense of purpose and for their work toward a just Canada. Their record is already an impressive one. May they go on from strength to strength. Many of my hon. friends within this party and on this side feel very strongly on this whole question. I refer to the hon. member for Trinity (Miss Nicholson), the hon. member for York South-Weston (Mrs. Appolloni), the hon. member for Saint Léonard-Anjou (Miss Bégin). I hope they will have some appropriate comments to make during this discussion.

Mr. Edward Broadbent (Oshawa): Mr. Speaker, it was with a great deal of pleasure that I listened to the Prime Minister (Mr. Clark) make his statement today commemorating the very important fiftieth anniversary of the Persons case.

As someone who believes strongly in equality for women I compliment the government most heartily on this important

public gesture. I would also add in this context that I was pleased to see the recognition given to pioneer Canadian women who contributed to advancing the status of women, in the form of medals presented last night by the Governor General of Canada. I know the government is directly involved in those activities as well and it deserves commendation for that action, too.

In this context, and I do not mean it in any partisan sense, I was pleased to note that four of the seven women were very active in the cause in which I deeply personally believe. I say this given the history of my own party and its forerunner. That, too, is not only a commendation of the women but of the impartiality of the government on this occasion. I should like to say in this context that the party I lead in the House of Commons has a long tradition of being concerned with the equality of women, as was recognized last night in those awards. But it is also a continuing battle, and I should like to take the opportunity briefly to praise in particular the continuing efforts of my hon. friend from Winnipeg North Centre (Mr. Knowles) who has fought long and hard for the cause of women throughout the country.

Some hon. Members: Hear, hear!

Mr. Broadbent: Having made these points, I want to go on to make some observations of a rather different nature both in tone and substance. The economic leadership which Canadian citizens were promised by the Prime Minister during the recent election campaign has been, in the main, I regret to say, lacking in all areas, including that of the equality of women. The government has already had five months in which to initiate measures to respond to the grave economic crisis which literally thousands of Canadian women face today disproportionately—unemployment and lay-offs, cutbacks in vital support services, and an alarming state of poverty clearly documented by the National Council of Welfare. This is the reality after five months of the present government. I regret to say that the Conservative response to this embarrassing situation has chiefly been the recycling of election promises, a few regressive proposals and a few token gestures, in addition to the positive things the Prime Minister mentioned today.

● (1720)

In the main the statement of the Prime Minister which we just heard could have been a carbon copy of the election promises which were outlined in his speech on May 6. At that time he stated:

> We believe the most effective role for the federal government in promoting the status of women is to set an example.

I use that quotation to raise and answer the question: has that example really been set in the five months the Prime Minister has had since assuming his important office?

Some hon. Members: Yes!

Mr. Broadbent: I will offer my view now to hon. members opposite. If this is leadership by example, in my view we will have to wait another 50 years before full equality of women can be realized!

Let me mention just a few examples of the government's inability to provide serious leadership up to this point, not discounting some of the changes which were announced and which have been long over due. During his presentation to the Canadian Advisory Council on the Status of Women yesterday, the Minister of Employment and Immigration (Mr. Atkey) reaffirmed the Conservatives' election promise to give women a higher priority in Outreach by reinstating some $3 million to the program. That sounds good, but what the minister failed to say yesterday was that he has already admitted that the total budget for women's Outreach projects for this year will amount only to somewhere between $300,000 and $400,000. This paltry sum—and paltry it is for such an important task—will be allocated to only the few women's Outreach programs which survived the Liberal's cutback campaigns of last year.

The point is that the government has simply refused to reinstate worth-while women's projects which were forced to close because of lack of funds, and there are many of them across the country and many which the party in power itself was critical of when it was in opposition, such as Saskatoon's Women in Society Today. Many projects were cut off. They have not been reinstated, and no commitments have been made to any women's Outreach programs for the 1980-81 fiscal year. Surely this is a serious point.

When the government referred to women in the public service, during the election campaign, its members promised that the reduction in the federal public service would have no disproportionate effect on women. Despite this commitment women have continued to be laid off in numbers greater than their labour force participation would indicate, in every single branch of the public service.

Guidelines to ensure that there is no decrease in the number of women working in the public service are simply nowhere to be seen, as was made evident in responses to questions asked by members of my party in the past few days.

Still another election promise was a commitment to:

> . . .monitor and recommend changes in public service remuneration scales so that the principle of "equal pay for work of equal value" is effectively applied within the federal service of Canada.

Not only have such recommendations not been forthcoming but, even worse, the government has totally shirked its responsibility in this area. Instead of setting an example for the private sector, the government, as the largest single employer of women workers in the country, is refusing to bargain in good faith with employees in negotiations on the issue of equal pay for work of equal value. If the government is committed to the equal pay principle, why are increasing numbers of female public service employees being forced to take their complaints to the Human Rights Commission? The numbers are increasing daily. I refer the Prime Minister specifically to government librarians, psychiatric nurses, home economists, physiotherapists and occupational therapists, all of whom have had complaints on this principle.

Persons Case

At a September meeting the Minister of Employment and Immigration publicly pledged that, and I quote, "No new legislation would discriminate against women". In the next breath the same minister admitted that proposed amendments to the unemployment insurance program might include tougher eligibility requirements for voluntary quitters, many of whom will be women who will quit their jobs—and I do not exaggerate—because of sexual harassment. Surely that is a legitimate reason for quitting, and a woman ought not to be punished for that if she has contributed to the unemployment insurance scheme. Many will have to quit because their husbands will change the locations of their jobs and move elsewhere. Surely a woman ought not to be penalized under the unemployment insurance system for that.

I understand also that serious consideration is being given to a two-tiered benefit structure which would directly affect and tie benefits to family composition. This would deprive many women of the benefits to which they are entitled. It is deeply disturbing to me that the Conservative government is even thinking—let alone acting—about introducing a family-based insurance scheme which would virtually cut off benefits to thousands of married women.

I could go on to a number of matters which ought to be pursued by a government which wants to make constructive change beyond matters of tidying up, to which the Prime Minister referred, but I will conclude at this point by saying that this party is deeply and profoundly, both historically and at present, committed to the idea of equality between men and women, and I urge the Prime Minister, if he undertakes one commitment in the life of this Parliament—and I mean in the life of this Parliament—to do everything he can within the framework of federal law to bring the goal of full equality between men and women into being in this Parliament.

[*Translation*]

Mr. Speaker: I see that the hon. member for Bellechasse would like to have the floor now. Without prejudice to a previous decision concerning the status of the Social Credit Party of Canada, I am going to recognize the hon. member for Bellechasse. He can start the question period.

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, first I want to associate myself with the Prime Minister to extend congratulations to Canadian women on the fiftieth anniversary of the recognition of their rights, which gave them the opportunity to participate, as well as men, in all the political activities of our country. I would like to thank and commend all the women who have been decorated last night by the Governor General of Canada and who deserve our congratulations.

It is my pleasure to take this opportunity to declare in this chamber that women have a special role in our country and our society and I look forward to the day when the contribution of housewives will be taken into account in the gross national product. In my opinion, this would be a recognition of an essential contribution on their part.

[Mr. Broadbent.]

I should like to ask the right hon. Prime Minister whether the government intends to introduce, in the course of the current session, a bill to take a first step towards setting up a guaranteed minimum income plan. Does the government intend to start with housewives, and will that bill be studied in the first part of the session?

Mr. Clark: Mr. Speaker, the government has no intention of introducing such a bill, but I am aware that the hon. member has often brought in bills to that effect. We do intend to recommend that changes be made in proceedings on private bills and I can say to the hon. member that if he wants to introduce the same bill again, it will be considered seriously by hon. members of the Progressive Conservative Party.

Mr. Speaker: The hon. member for Saint-Léonard-Anjou.

Hon. Monique Bégin (Saint-Léonard-Anjou): Mr. Speaker, like my colleagues, I should like to add my good wishes and congratulations to the right hon. Prime Minister (Mr. Clark) for having underscored, in that fashion, the fiftieth anniversary of the so-called "persons" affair. I followed his speech closely and, as he insisted on an employment strategy for women, I should like to ask him whether he is willing to consider a rather serious problem, which is not mentioned in his speech and of which women on both sides of the House, I believe, still dream naively, that is, that of a women's caucus to help overcome the barriers put up by some bureaucrats and ministers of the right hon. Prime Minister, and to make right the Income Tax Act on the following point: would the Prime Minister agree to sponsor personally, so that it can be included in the coming budget, an amendment to the Income Tax Act providing that women who share the work with their husbands in small and medium businesses—usually rural projects, farms, corner stores, smoke shops, grocery stores, etc.—will be eligible for all privileges with regard to salaries, benefits, whether it be pensions or income tax deductions, as full-fledged employees or partners, as the case may be, of their husbands.

I presume that an amendment to the Unemployment Insurance Act would also be necessary. I take the liberty of stating in the House that I would have much more confidence in the Prime Minister than in his colleagues responsible for national revenue and finance.

Mr. Clark: Mr. Speaker, I can say to the hon. member who is, I believe, a former minister of national revenue, that I am prepared to discuss this with my two colleagues to see exactly what are the problems related to the implementation of such an amendment.

It may be something which has already been proposed by some male members, particularly the hon. member for Medicine Hat (Mr. Hargrave). It is something that we would consider when preparing a budget. I know that the hon.

member recognizes the fact that I cannot foresee at present what will be the contents of the budget.

● (1730)

[*English*]

Mrs. Ursula Appolloni (York South-Weston): Mr. Speaker, I should like to congratulate the right hon. member (Mr. Clark) on some of his statements this afternoon which were most encouraging. In all sincerity, I hope that the Prime Minister's good and sincere views will not be obscured by some of the other talk which we hear from other members of his party. For instance, when the Prime Minister spoke about employment strategies for women, I am sure he was aware that one of the major obstacles to women's entrance into the labour force and to their long-time attachment to the labour force is lack of adequate child support.

As I said two days ago in the House when I brought in a motion under Standing Order 43, the Law Reform Commission itself estimated that as many as 75 per cent of maintenance orders are just not paid. On the one hand, the Prime Minister said he will give more freedon to private members and to committees to do more work in the House, but that particular motion under Standing Order 43 was denied by a member of his party.

Would the Prime Minister agree to look into a possible amendment of the divorce act so that maintenance orders can be enforced across Canada and thereby women helped in the support of their children, which is quite legitimate, by the way?

Mr. Clark: I can certainly give the undertaking that the government will look into the possibility of an amendment of that kind.

Mrs. Margaret Mitchell (Vancouver East): Mr. Speaker, I also join other hon. members in commending the Prime Minister (Mr. Clark) for his statements, however limited they were today.

I have a question for him, but first I would just like to mention that after 50 years there continue to be major changes to be made before women gain equality. Although we are now officially persons, we are still very much second class citizens. Statistics show that the wage gap between men and women continues to widen. Women earn 56 per cent less than men.

I should like to ask the Prime Minister to commemorate this anniversary, and in particular to honour an outstanding former member of Parliament, Grace MacInnis, who helped poor people to found the National Anti-Poverty Organization. This is an organization of poor persons, most of them women, and I might say that the branch in British Columbia, the Federated Anti-Poverty Group, cannot even afford to have a telephone or money for postage stamps for their organization. Will the Prime Minister instruct the Department of National Health and Welfare to provide adequate ongoing grants for affiliates of the National Anti-Poverty Organization to enable them to maintain offices, to organize and to develop self-help programs?

Some hon. Members: Hear, hear!

Mr. Clark: Let me preface my answer by welcoming the hon. member, who will obviously carry on the distinguished tradition of her predecessor who was honoured last night by the Governor General.

As the hon. member knows, we have indicated our intention to establish a select committee of the House of Commons to look into the question of the voluntary sector generally and ways in which the policies of the Government of Canada can be changed to encourage various voluntary organizations. I would hope that there would be an opportunity for that committee to take a look at the particular case she has raised. In the meantime, I will take a look at that particular case. I want it understood that I am not giving an undertaking at this stage to do anything more than look into the matter, but we will certainly do that to see if it would be possible, within our present priorities and flexibility, to extend the kind of aid for which the hon. member asks.

Miss Aideen Nicholson (Trinity): Mr. Speaker, in his remarks the Prime Minister (Mr. Clark) correctly identified older women as often finding themselves with no or very low pensions. I should like to ask him whether he plans to discuss again with the Ontario government the question of allowing women who are temporarily out of the labour force because they are caring for young children to drop those years of no or low earnings from the final computation of the Canada Pension Plan? This has often been suggested as a solution to the problem of women who have interrupted their careers. During the last Parliament, Ontario was the only one of the provinces which would not agree to this solution.

Mr. Clark: Mr. Speaker, I would want to refresh my memory on the exact position taken by the Canadian and Ontario governments. I will give an undertaking to the hon. member that I will do that. I would draw to her attention the fact that we intend to have a committee, or a subcommittee of one of the standing committees of the House, look into the entire pension question or the retirement income question. While I expect that much of the consideration in those hearings would focus upon matters directly within the federal jurisdiction, there may well be the opportunity to flag areas in which initiatives could be taken by the provinces. If those initiatives are real and substantial, I would certainly be prepared to discuss them, or to have them discussed, with the provincial counterparts.

Mr. Speaker: Order, please. Quick consultation with the rules will remind hon. members that it is within the discretion of the Speaker with regard to these sorts of statements to decide whether or not to allow a brief question period. We have had one and I would not want to stop it now. Questions have been brief and to the point, and so have the answers, but there is an increasing number of members who wish to participate and I wonder, having regard to the nature of the statement, how long that should be allowed to continue.

Persons Case

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I have two brief questions. I am sure the Prime Minister will welcome the first one, but I hope he will welcome the second one as well. The first question I should like to ask the Prime Minister is whether he does not feel that the name of Agnes Macphail should be mentioned today. She was the first woman elected to the House of Commons and, in doing so, she blazed a very significant trail.

My second question relates to the Prime Minister's reference to a committee study of the pension situation of women. May I ask if he will join me in making sure that that study includes a look at the very unfair provision in most pension plans, both public and private, which results in the situation that, if the wife dies first, the husband's pension is 100 per cent but, if the husband dies first, the wife's pension is only 50 per cent? I hope it is not going to take 50 years to correct that.

Some hon. Members: Hear, hear!

Mr. Clark: The hon. member asks if that would be within the powers of inquiry of the committee. I can give him the assurance that it will be, at least in so far as it relates to public pension plans. As regards Agnes Macphail, certainly it is appropriate not only for her contribution to be mentioned but for her contribution to be mentioned by the hon. member. I must relate to the House the note passed to me by my colleague, the hon. Secretary of State for External Affairs (Miss MacDonald), which points out that there have been only 28 women here since that time.

● (1740)

Mr. John Rodriguez (Nickel Belt): Mr. Speaker, my question is directed to the Prime Minister. His party had a secret paper, which became public, regarding changes to the Unemployment Insurance Act that would affect voluntary quits, as my leader has pointed out, mostly women, maternity benefits, and the two-tier system. There is much concern in the public about this among women's groups and trade union groups from coast to coast. Can the Prime Minister give an unequivocal commitment to the House that any changes to the Unemployment Insurance Act, which are brought down in the future, will not affect any of these particular aspects of the unemployment insurance program, which obviously would discriminate against women?

Mr. Clark: Mr. Speaker, I cannot and will not give an unequivocal commitment that none of the proposals brought forward will not be subject to that criticism. I wonder if the hon. member can give me an unequivocal indication as to how so many of these private reports become public.

Mr. Speaker: Earlier I saw two other members on their feet. I think we should conclude the questioning with the hon. member for Vancouver-Kingsway (Mr. Waddell), and the hon. member for Churchill (Mr. Murphy).

Mr. Ian Waddell (Vancouver-Kingsway): Mr. Speaker, my riding of Vancouver-Kingsway was represented, as Your Honour knows, from 1965 to 1974 by Grace MacInnis, and I am very proud to have succeeded her. I hope I can live up to the work which she did in the House.

[Mr. Speaker.]

An hon. Member: What about Simma Holt?

Mr. Waddell: The least said the better. If Grace MacInnis were here she would say to the Prime Minister (Mr. Clark), "Thank you for the rhetoric, but let us get down to brass tacks". I have a question for the Secretary of State (Mr. MacDonald) who, I believe, is responsible—

Mr. Speaker: Order, please.

Mr. Waddell: Then I will direct my question to the Prime Minister with reference to this matter. The Prime Minister's mother was mentioned, so perhaps I might draw the question from something my mother told me. As a widow and a pensioner, she receives just in excess of $3,000 a year from the government, whereas the *Vancouver Sun* indicates that the president of MacMillan-Bloedel receives something in excess of $360,000 a year when one counts the salary, the benefits, the shares and stocks. Is the Prime Minister prepared to look into the matter of income distribution between elderly women and other people in the community like the president of MacMillan-Bloedel?

Mr. Clark: Mr. Speaker, I think a fair amount of ideology was smuggled into that question. Certainly we are not proposing to adopt what I take to be the hon. member's views on income distribution.

Mr. Rod Murphy (Churchill): Mr. Speaker, on a number of occasions, including this afternoon, the Prime Minister has expressed his intention to amend the Indian Act to allow native women who are presently excluded from official Indian status to be included, in the future. Does he plan to make that retroactive and, if so, what provisions is he willing to make to ensure that the 300,000 people who presently enjoy, if I can use that term, official Indian status, will not be overwhelmed and will not suffer by the addition of 800,000 more people with that status over night?

Mr. Clark: Mr. Speaker, the hon. member and the House will know that the question of this amendment has been one of great contention between governments of both parties and the Indian community in the country. For some time there has been the hope, on the part of the predecessor government and ourselves, that the National Indian Brotherhood would come forward with a formula for amendment. I have indicated to the National Indian Brotherhood that the Government of Canada cannot continue to wait for their proposals. However, we are engaged in very extensive consultation with them as to the form of the amendment, in the hope that we can have an amendment which will be satisfactory to Indians whether male or female. Naturally one of the questions considered in that consultation is the effect upon exisiting reserves and existing status Indians of the amendment we introduce. I cannot answer the hon. member specifically today, except to say that is a matter on which we are seeking advice from the Indian community as well as elsewhere.

Mr. Speaker: I know there are other hon. members who certainly could put questions if the time were extended, but in deference to the rather brief question period referred to, I think the questioning has been adequate.

* * *

SPEECH FROM THE THRONE

CONTINUATION OF DEBATE ON ADDRESS IN REPLY

The House resumed consideration of the motion of Mr. Fretz for an address to His Excellency the Governor General in reply to his speech at the opening of the session.

Mr. Howard Crosby (Halifax West): Mr. Speaker, like others I welcome the opportunity to participate in the debate on the Address in Reply to the Speech from the Throne. I add my congratulations to those previously extended to the mover and the seconder of the Address in Reply to the Speech from the Throne, the hon. member for Erie (Mr. Fretz), and the hon. member for Cardigan (Mr. MacDonald). Following as I am upon the heels of the remarks of the Prime Minister (Mr. Clark) and other speakers respecting the event which has now become known as Persons Day, and which honours the great decision of the Privy Council on the matter of women's rights, may I add to the roster of women who have distinguished themselves in this chamber in the past the name of Coline Campbell. She was the first woman elected to the House of Commons from Nova Scotia and represented the constituency of South Western Nova.

Some hon. Members: Hear, hear!

Mr. Crosby: It is in the spirit which pervades this day of non-partisanship that I mention that, and I apologize to the current hon. member for South West Nova (Mr. Haliburton) who so successfully succeeded her.

Also I want to record my best wishes to Mr. Speaker on his re-election. The House will continue to depend upon Your Honour's sage counsel to guide its proceedings. I should like to make special reference to the work of the Deputy Chairman of Committees of the Whole House, the hon. member for Carleton-Charlotte (Mr. McCain). since he is from the neighbouring province of New Brunswick and, that recommends him to my favour. Also he happens to be one of the foremost debaters on the floor of the House. Even though he will not be participating further in our debates, his knowledge of the forensic arts will guide those of us who have lesser abilities, and his presence will grace the chair.

The Prime Minister and the Leader of the Official Opposition (Mr. Trudeau) spoke eloquently of the death of the right hon. member for Prince Albert. I echo the sentiments of the Leader of the Official Opposition—he departed this chamber but his spirit lingers on. I am proud to have served with him in the House. Equally I am proud to have served with the former hon. member for Halifax, Mr. Robert Stanfield. While no longer a member of the House he continues to serve the people of Canada.

It is a tradition to express good wishes to His Excellency the Governor General of Canada and his lady, but I want to do more than that. I ask Mr. Speaker to convey to Their Excellencies the best wishes of the people of Halifax West, as well as my own compliments. Very recently we in Nova Scotia were honoured by a visit from the Governor General and Mrs. Schreyer. I am happy to say that they were royally received by Nova Scotians, and they responded to that welcome with regal grace. I utilize these royal words to underline the fact that the Governor General is the representative of the Queen of Canada, Her Majesty Queen Elizabeth II. We in Nova Scotia are not ashamed to express the esteem we hold for the Queen and the Royal Family. We are equally proud of the British tradition which allows the Queen to have her special representatives in Canada and in Nova Scotia, and we accord proper honour to them.

In the same tradition we honour the duly elected representatives of the Canadian people. I want to record my congratulations to the right hon. Prime Minister and the members of his ministry, particularly my fellow Nova Scotian, the hon. member for Central Nova (Mr. MacKay), now the Minister of Regional Economic Expansion. I will speak more about the necessity of expanding the role of his department in the Atlantic region.

● (1750)

My reference to the Atlantic region reminds me that this area is not always understood by the citizens of other parts of Canada. Often we are regarded by Canadians as a drain on the national economy. But it must be recognized that today many parts of the maritimes, and particularly Nova Scotia, rival the best areas of Canada. The city of Halifax and its surroundings now comprise one of the finest urban areas in North America.

We have in Halifax West two of the most progressive and developing areas in Nova Scotia, Bedford and Sackville; in fact, Bedford will become Nova Scotia's newest town in 1980. Halifax West with its 100,000 residents and 65,000 electors is the largest constituency on the east coast; it has the lowest unemployment rate, the highest per capita income, and the highest percentage of home ownership in eastern Canada. We are not looking for handouts, but we do require incentives and sensible assistance as we seek to develop our physical and human resources. It is in that light that we examine the Speech from the Throne.

Let me say very quickly that we appreciate the substantive matters and the possibility of new directions for Canada indicated in the speech, and I will comment more specifically on these matters. There is, however, a real omission from the throne speech that is of vital concern to me; I have in mind the plight of the Canadian Armed Forces and the public service of Canada.

In the case of the Canadian Armed Forces, their voting record over the years tells the tale. I will dispense with a review of the statistics and simply say that the support they recently accorded members on this side of the House from the

Halifax area was overwhelming. While my colleagues, like the hon. member for Dartmouth-Halifax East (Mr. Forrestall), have been diligent in their support of the armed forces, we must recognize that we made commitments that now must be fulfilled.

In summary, we undertook to increase the complement of the armed forces from 79,000 to approximately 85,000. We undertook to improve equipment so that our forces could comply with NATO standards. And we must select a new fighter plane and implement a fighter plane acquisition program so that our air element is not embarrassed internationally.

Not the least important of the concerns of the members of the armed forces is their rate of pay. We demand their loyalty and their devotion to duty, but we must recognize that they live in society and must pay for the goods and services in the same way as other citizens. If servicemen and women are to retain their pride in their uniform and in themselves, they must receive adequate compensation.

I am heartened by the statement of the Minister of National Defence and the Minister of Veterans Affairs (Mr. McKinnon) that the armed forces would receive a pay increase effective October 1. I hope it will be a reasonable one and will not be frittered away by increased rentals and other internal expenses. In the words of our Prime Minister, "There is no higher calling than service to one's country. But the country must support the people who have decided to serve."

Let me also record some remarks in support of the public service of Canada. In the last Parliament members of government engaged in what became known as "public service bashing". After 16 years, during which the government allowed civil service standards to decline and structures to decay, the government turned on its employees and blamed them for the evils of government. Instead of working with representatives of government employees to remove the cancers that had grown within the public service, the former ministers attempted to manipulate the surgeon's knife and they spread havoc among their employees. The cutbacks resulted in the loss of the fisheries laboratory and other productive activities.

It never ceases to amaze me that intelligent men can expect to govern Canada without the assistance of public servants, employees who must be dedicated, capable, and willing to perform their duties. We can only expect a proper return from our public servants if we allow them to bargain collectively for their vital employment terms and if we refrain from abusing our legislative power over them. In this connection I hope and trust our government will not make the same mistake as its predecessor, and that it will not introduce legislation affecting public servants and their employment without consulting their representatives.

I must mention this, Mr. Speaker. We propose to reduce the size of the federal public service. Many public servants recognize there is waste and over-staffing and that the situation must be remedied. I ask the President of the Treasury Board (Mr. Stevens) to remember that these employees have rights, and that he should deal with them fairly and with respect for their rights.

I said the Speech from the Throne contained the promise of a new direction of government in Canada. Nowhere can that new direction be better demonstrated than in the matter of regional development and in the field of energy.

With regard to regional economic development, we were told that the mandate of the Department of Regional Economic Expansion would be strengthened by legislation. I will watch for the introduction of this legislation with great interest, and I am sure that interest will be shared by a great many people in Atlantic Canada.

The concept of a department of government to review and rectify regional disparity is valid and viable, but that department must be at the heart of the central government. It must be properly financed, and unfettered by statutory restrictions. I believe the current function of DREE is too narrow in scope and is unnecessarily confined by law and legal definition. There must be federal-provincial co-operation, but the requirement for pre-agreement tends to delay the dawn of real economic progress. We must place more faith in the people involved and rely less on their written words. In short, we want expansion and development, not legalistic arguments; action, not words.

I said DREE must be at the heart of government, and that may necessitate the promotion of the minister to the inner cabinet. I am in favour of that for several reasons.

The hon. member for Cape Breton Highlands-Canso (Mr. MacEachen) reminded his fellow Nova Scotians that he was part of the inner circle of the late Liberal government. He scolded the Prime Minister for not according our Nova Scotia minister the same status. It is true that the hon. member sat by the throne of the former prime minister, but Nova Scotians paid a price for his status. He was singled out for his unselfish ways, for keeping his eye on the national interest; Sydney Steel crumbled, the Donkin coal mines lay undeveloped, the Halifax shipyards were idle and oil supplies were diverted from the east coast, but the procedures of this House were handled with great care and attention. If that is what having the ear of the prime minister does for Nova Scotia, then I suggest our minister stay in the outer cabinet and demand dollars for us instead of dinner parties.

I see that the clock is approaching six, Mr. Speaker. If it pleases Your Honour, I would call it six o'clock.

The Acting Speaker (Mr. McCain): If the House agrees, it is now six o'clock. It being six o'clock, I do now leave the chair until eight o'clock this evening.

At six o'clock the House took recess.

● (2000)

AFTER RECESS

The House resumed at 8 p.m.

Mr. Crosby: Mr. Speaker, the evening recess permitted an opportunity to reflect upon my remarks concerning the former member for South West Nova who, as you will recall, I said was the first woman elected from the province of Nova Scotia to this chamber. I did not want to imply, nor would I want anybody to infer, that we were not perfectly satisfied with the new member for South West Nova, who also served in this House, I believe, between 1972 and 1974. In no way did I wish to imply that the people of Nova Scotia should consider returning that woman to this House. While she served well, once was enough.

Mr. Knowles: You were right the first time.

Mr. Crosby: I said earlier that the Speech from the Throne contained the promise for new direction of government in Canada, and I reviewed the possibility of that direction in the field of regional disparity. I would like to continue my comments on the throne speech and its contents.

We on the Atlantic coast realize that many of our hopes for the future rest with the rapid development of the fishing industry, and we await anxiously the white paper mentioned in the throne speech. We also welcome new developments in agriculture. There is no finer person in this House than the man who now heads that ministry. I know that he will be warmly welcomed in Atlantic Canada. We are also pleased that shipbuilding and the merchant marine will receive special attention from the government.

The Speech from the Throne mentioned the goal of self-sufficiency in energy by 1990 and recognized the role of the provinces in achieving this end. For me, this is a vital challenge for both the national and our provincial governments. If we cannot achieve energy self-sufficiency and acceptable cost burdens, all other economic measures are doomed to failure, and we will lose our quest for improved social and living conditions for all Canadians. Energy self-sufficiency means more than an adequate and secure supply of fuels and generation.

Equally important as the availability of supply is the price we must pay for energy. Energy self-sufficiency will not be achieved in Canada if one part of the nation pays twice the price for gas or petroleum products as another part. Self-sufficiency will be meaningless if Nova Scotians pay twice the price for gas or electricity as other Canadians.

In the late 1950s the national government decided that all Canadians should have medical care and that that care should conform to a national standard. Medicare became a reality. I believe a wise national government would recognize a similar national standard for energy and say that no Canadian should have to pay more than the national average price for the energy he or she consumes. The Nova Scotia government and most Nova Scotians believe our goal should not be limited to energy self-sufficiency on the supply side, but should also extend and include a national average price limitation on the cost side.

The Nova Scotian government under Premier John Buchanan is working to resolve the energy problem in my province, and I believe the problem can be resolved with diligence and intelligence, but federal government assistance is required. Premier Buchanan recently announced his energy policy for Nova Scotia. His course of action combines intelligence, common sense and resourcefulness. He has designed an energy system for Nova Scotia that incorporates diversity and flexibility. At the same time it minimizes environmental risk and maximizes social and economic benefits.

Nova Scotia's previous energy policies left the province dependent on foreign crude oil for almost 85 per cent of its energy requirements. The remaining requirements are met by coal and hydro. Taking Canada as a whole, only 44 per cent of the total energy requirement is met by crude oil, and much of that crude oil is provided domestically. Middle East and other world-wide developments have left Nova Scotia with a high cost source of energy and an uncertain one.

The picture becomes clear in relation to domestic and industrial electricity: 65 per cent of electricity is generated with petroleum derived from imported crude. The solution to the problem is equally clear: Nova Scotia must displace foreign crude with Canadian energy sources. To that end Nova Scotia seeks to develop its coal resources. Estimates indicate a coal resource of 3.5 billion tons in various coal fields. In areas ready for immediate development such as Donkin, Cape Breton, there is said to be 2.6 billion tons, with 800 million tons recoverable using current technology. But federal assistance is required.

● (2010)

While coal production is the major thrust in displacing foreign crude, exploration for oil and gas is a major concern and a real hope for the future. Discoveries in the Sable Island area are being assessed, and the tempo of development and exploration in that area must be accelerated.

The activity in Sable Island and other oil exploration prompts me to mention Petro-Canada. The operations of this agency are complex and not easily understood. I endorse the concept of "privatization". Years in government and public service convince me that government must respect those activities that properly belong to the private sector. Nonetheless, the research activities formerly sponsored by PetroCan must be continued. If they are not, all Canadians will suffer but, in the east, we will suffer more. The report of the task force on PetroCan has indicated this vital work of exploration will continue.

In this connection, Nova Scotians applaud the turnover of offshore mineral rights to the provinces. This does not mean the federal authority cannot play a role in exploration and development. It does give the coastal eastern provinces a chance to achieve a new financial economic status.

At present, utilization of Canadian oil and gas resources involves a serious transportation problem for east coast provinces. Marine transport of Arctic gas is being considered, and a proposal for an east coast pipeline is now before the National Energy Board. These developments are being carefully monitored by the Nova Scotia government.

More imaginative solutions to energy problems include the development of Fundy tidal power and research activity in coal gasification. The economics of processing coal to liquid fuel is being vigorously pursued. These ventures require immediate federal attention and aid. The hon. member for South Shore (Mr. Crouse), in his usual thoughtful way, described in detail the possibility of employing peat and other natural fuels to displace expensive foreign crude. His suggestion deserves attention. We would like to see the Annapolis River tidal project implemented immediately.

The challenge in the Speech from the Throne and the challenge for Canada and Nova Scotia is clear: we must solve the energy problem. I am confident that Premier Buchanan and the Nova Scotia government are on the right road to meet that challenge. I am equally confident the Prime Minister will assist us to deal with the energy problem. He has spoken in this House and elsewhere about the necessity of rectifying the economic imbalance in Canada. He understands federal-provincial relations. He recognizes the special needs of Atlantic Canada.

Changing the direction of government in Canada means providing the kind of assistance that leads to self-reliance and self-sufficiency. That is what we want in Nova Scotia, and with this new direction that is what we can achieve.

Mr. Robert Daudlin (Essex-Kent): Mr. Speaker, I hear some of my friends on the left indicating that this is perhaps my maiden speech. I suspect those friends were here during the last Parliament but they must have absented themselves from the House for a long, long time, otherwise they would have heard me speak from time to time.

An hon. Member: Stanley never hangs in.

Mr. Knowles: You look so young.

Mr. Daudlin: It is because I look so young, and it is out of envy that they say that, I think.

It is a distinct honour to be able to participate in this first debate of this Parliament. Like those before me, I would like to congratulate Mr. Speaker on having been chosen once more by this chamber to represent us. As a member who now finds himself on this side of the Speaker's chair, albeit temporarily I am sure, your presence in the chair will afford me an even greater opportunity to benefit from the keen wit and wise judgment referred to earlier by members of this House. I intend to avail myself of those qualities often.

I join with other members who have participated in this debate in extending my compliments to the hon. member for Erie (Mr. Fretz) and the hon. member for Cardigan (Mr. MacDonald) for their contributions in moving and seconding the Address in Reply to the Speech from the Throne.

I should as well, by way of preamble to my comments this evening, express my appreciation to the electors of Essex-Kent for their reaffirmation and confidence in my ability to serve their interests in this Parliament. I believe I share with other members of this House the combined pride and humility that follow from being chosen one of the relatively few spokesmen for the entire population of Canada.

Following the redistribution which took effect on the dissolution of the last House, the constituency which I now represent lost the community of Chatham in the northeast, and with it the substantial urban population which had brought the balance of an urban oriented citizenry to an essentially agricultural riding. With the loss of Chatham the riding has gained an almost totally agricultural area by acquiring two townships, Harwich and Colchester South, together with the larger communities of Blenheim and Harrow. I would be remiss if I did not welcome those new areas to the riding.

As I have indicated, the riding of Essex-Kent is now predominantly rural, with abundant agricultural activity, which included most recently the hosting of the International Plowing Match. This was officially opened by the Minister of Agriculture (Mr. Wise). Because of the agricultural nature of the riding one might expect, and I would go further and suggest my constituents would have cause to be disappointed if I did not examine closely the Throne Speech to find how it proposes to deal with so important and vital a part of our economy as agriculture and the production of food.

I listened attentively to the Speech from the Throne when we were in the other place. I examined and re-examined the written copy of the Speech from the Throne, bearing in mind that the present government had taken great pains to put itself on record during the last election as stating that it was the direct and continuing responsibility of a federal government to support the agricultural industry aggressively. Yet, Mr. Speaker, notwithstanding meticulous examination of the throne speech and the avowed commitment of that government during the most recent campaign, what I find is that essentially there has been an omission to mention agriculture in the throne speech. One would have to look elsewhere to find any statement of continuing commitment on the part of the Prime Minister or his cabinet to producers of food in this nation.

I cannot overlook either the fact that when the Prime Minister, in putting together his new cabinet, thought so little of his party's commitment, oft repeated during the campaign, of high profile and high importance to the agricultural sector, he opted while selecting those of the inner and those of the outer cabinet to decide that in fact the Minister of Agriculture should be relegated to a position of secondary importance, which neither the Minister of Agriculture nor the people of this nation, and particularly the agricultural producers should be prepared to accept.

The Prime Minister, Mr. Speaker, has said that it is time to quit fighting the last election and to move on. But I believe it is important, if we are to determine where this government may be wanting to go, given that it has failed to provide us with a blueprint or plan of action for agriculture in the throne speech, that we look at what that party, through its representatives, was heard to say in the campaign.

The promises were many, Mr. Speaker. They promised they would bring in new ideas and new initiatives to the federal agricultural policy. In fact the Minister of Agriculture, when

he was critic of that portfolio, put himself on record in this House as stating, for instance on milk policy, that the import quota on cheese in this country should be reduced by some 10 million pounds at the very least. And yet in his first actions in dealing with that very dairy policy, the minister and his government has not included any such action in any announcements that I am able to find. But he has indicated in some talks that he had privately with some producers elsewhere in the nation that it would perhaps still be a good idea to reduce those imports. And yet when one discusses this with officials, one determines no such action is planned. It leads one to the conclusion that, having assumed the reins of power, they may have now decided that, in fact, the previous administration was correct in the levels which had been set and that no reduction should take place, or alternatively they are unprepared to accept the consequences of reducing the quotas to a level to which they claim to be philosophically committed.

● (2020)

At another time, Mr. Speaker, the representatives of the government suggested that they would be working toward reduction of the escalating costs of farm inputs, including machinery, fertilizer, interest rates and so on, in order to lower the cost of production. Those were the promises, but what have been the actions? Machinery prices have not gone down; they have gone up, and will go up further if, in fact, the energy cost increases proposed by this government are allowed to take place. The cost of fertilizer has not gone down; it has gone up and, indeed, the level of future prices can only be speculated upon if one is to assume that natural gas will be linked to the relative costs of other oil-based energy. One can only cringe at the thought of the possible cost of a bag of nitrate in the spring of 1980.

Then, of course, there is the matter of interest rates, Mr. Speaker. If it were not so serious it would almost be funny. I can recall sitting on the other side of the House and listening to the present Minister of Finance (Mr. Crosbie), then critic, arguing long and hard—one thought then without much real commitment to the idea, but with a healthy dose of partisanship—that increase after increase was wrong, that it would lead to inflation, that it would have a detrimental impact on the lives of the people of Canada, that it should be fully discussed by Parliament before being allowed to take place, that the minister should not slavishly follow the dictates of the governor of the Bank of Canada, and indeed, the movements of the industry in the United States.

Now what has happened, Mr. Speaker? Conversion, a seeing of the light! Perhaps they have accepted that it was the right thing to do. Now they seem to argue that it was wrong then and right now. In any event, they seem to have a renewed faith in the Bank of Canada and a sudden inspirational understanding of what has happened for the last three years. It is almost enough to shake one's confidence. But as bad as those things are, they do not hold a candle to something else. And indeed, maybe all that we are going to have left for light in this country is candles if, in fact, this government is allowed to continue to do what it proposes to do by way of PetroCan and the petrochemical industry.

It would now appear that they have reached a decision to move immediately, precipitously and, in my view, unthinkingly towards world prices, regardless of the cost of replacement, regardless of the cost necessary to assure exploration, and regardless of the cost of production. Perhaps I could stand by and I could argue against it, and perhaps I could almost argue detachedly were it not for the fact that I am so completely convinced of the incredible impact, yes, the incredible, detrimental impact that this will have on the food production industry in this nation.

The previous administration, in an attempt to assure continued supply and continuity of supply, in an attempt to move prices upward, while buffering and cushioning the Canadian public from the adverse effects of abrupt changes upward in oil pricing that had been experienced throughout the world as a result of OPEC decisions, saw input costs in the agricultural sector increase dramatically, and I have heard, and members of this House have heard the reasons for those increases.

Many have accepted them and others have argued that it was wrong. But they were accepted, they were imposed, they were lived with, and the farmers of this nation were put into a cost squeeze that has reached crisis proportions. The agricultural industry is one industry that cannot conveniently pass on its input costs to the consuming public. If and when it does, the impact on the consumer of increased prices for food results in CPI figures like were announced today, showing this nation once again moving toward and shortly into double digit inflation.

Only a few short years ago one of the least concerning input costs in agriculture may have been energy. I suggest, as I attempted only last week to point out in my questions to the Minister of Energy, Mines and Resources (Mr. Hnatyshyn) and the Minister of Agriculture, that the time has now arrived when the agricultural producers of this country must be given absolutely clear and unequivocal assurances by this government that they are wanted, that they are needed, that, in fact, this government is going to give the assistance necessary to assure their continued existence and is going to provide mechanisms that will protect them against the rising costs of energy as it relates to the cost of the production of food.

So that there can be no confusion, and so that members of this House may understand that I am not spreading alarm unduly, that I am not creating a false crisis, let me offer some examples. In 1971 in Canada the farming community spent $264,708,000 on petroleum, diesel oil, and lubricants for machinery. By 1978 for the same products the price had risen to $519,600,000. Another important statistic to remember is that primary agriculture alone accounts for about 3 per cent of all the energy consumed in this country.

Getting a little closer to home, let me point to the greenhouse industry, one of the most energy intensive industries in this country, an industry worth in Essex county alone some $20 million per year in gross production on a direct basis, without taking into account the salaries involved in packing, in

transportation, in sales—an industry that has been threatened by the moves that are taking place. Some 62 per cent of the input costs for the production of food in these greenhouses goes to heat them.

There are growers in that constituency, in that industry, who in 1973 were paying 15 cents per gallon for light oil. Two days ago those same growers were paying 59.78 cents per gallon, an increase of almost 400 per cent. At the same time you must recognize that the actual return to the producer for those same crops in gross terms has not yet even doubled. One can immediately comprehend the nature and the extent of the problem. I do not think I overstate the case by suggesting that if in fact the kind of price increases that this government is now contemplating are allowed to take place, they would destroy the greenhouse industry. That $20 million industry in the county of Essex, and the extension of that industry is found in Kent county, in Lambton county, and indeed in the riding of the President of the Treasury Board (Mr. Stevens) as well as in the Niagara peninsula, will find itself hard pressed, and in fact impossible to continue.

It was for that reason I raised the question last week. In fact I have had meetings with the Minister of Agriculture since that time. I do not propose merely to point at the problem. I do not propose to suggest that in fact it is a terrible thing and somebody has to do something about it. I have suggested to the ministers, both in the House and privately, that there is a solution to this difficulty that this industry is in the throes of experiencing. I would almost say I have implored those ministers to consider the possibility that if in fact they are going to proceed as a government with the kind of price increases they are talking about, that the agricultural industry as a whole, and the greenhouse industry specifically, should be exempted from those increases.

How that could and should be done would be to fix the cost of energy as an input cost in food production at the level which it was in the spring of 1979, by way of returns, after application and indication by the growers that they were in fact true food input costs. This would be much the way in which we now deal with the situation for taxation on gasoline for farm vehicles. In the same manner the growers should be allowed to make application to the Department of National Revenue for rebates that would sustain the level of their energy input costs for the production of their food at the levels they were at in 1979, which I think most members will agree are already high enough to make it very difficult for even a good grower. I suggest that some consideration be given by the Minister of Finance, the Minister of Energy, Mines and Resources and the Minister of Agriculture to a mechanism such as that, or to some other mechanism which would accomplish the same end.

● (2030)

The only way in which we shall be able to maintain the agricultural industry in general and the greenhouse industry in particular, which in the past has had to sustain too great an impact in terms of energy policy, would be through the adoption of a proposal of this kind. The impact of rising prices for diesel fuel, nitrates used for the production of fertilizer, and natural gas used for heating, including, particularly, the heating of greenhouses, will be such that producers will not be able to pass it on to consumers because, if they were to do so, the cost of the basic food basket which goes to make up the CPI would send us into a frightening inflationary spiral. I am sure none of us in this House wish to see either producers or consumers placed in a position where they are unable to protect themselves.

In the early production years of the Alberta oil fields the greenhouse industry in Essex County was made to pay higher prices for oil than it would otherwise have been obliged to pay if there had been access to the offshore oil then available to areas of Quebec through the Port of Montreal. In the early fifties the consumers of Ontario, and particularly agricultural consumers, were paying prices for oil higher than world prices so that sufficient moneys could be diverted to the Alberta oil industry to enable that industry to be sustained and developed. The producers in my riding are now saying: "Isn't it odd that we should have been made to pay those prices and sustain those costs for the benefit of Albertans in the fifties and now, when we are seeing greenhouses going up for sale and lacking buyers, the oil producers are calling for more and more and more?"

Mr. Speaker, I do not only plead with this government which appears bent upon a policy of increasing those prices. I look beyond this government to the premiers of the provinces which are producing this energy, and ask them to remember and consider what consumers did for them some years ago. I believe I must go beyond this government because it seems to be bent on bargaining with the price of energy in order to obtain the consensus it hopes to achieve. It appears, though, if reports are to be believed, that such a consensus will be elusive indeed.

I would not want, by reason of the emphasis I have placed on the energy matter, to leave this House with the impression I feel the only agriculturally oriented policy which should have been touched upon by the government in the Speech from the Throne should be concerned with energy and its impact on the cost of production of food. There are other areas that the government should, in my view, have addressed in the Speech from the Throne if it was anxious to provide assurances to the food producers of the nation that there continues to be, and will continue to be, a place for them in the economic fabric of Canada.

The minister said much outside the House in the course of pronouncements during the campaign about the Farm Credit Corporation. In various statements while he was opposition critic he was most supportive of that corporation. Indeed, he has spoken in quite favourable terms of the need to provide new funding sources. But he appears to have taken little or no action since the government came to office to turn his commitment into actions. Perhaps this would not be so bad, in the circumstances, were it not for the fact that there continues to be difficulty in funding farm credit.

Right at this time of the year young farmers, attempting to get loans to purchase new farms which they can ill-afford to buy at the present bank rate, find the Farm Credit Corporation saying, "We would love to take your application, but of course you must realize that it will be taken purely upon the basis of our being able to fund it next year when we hope to have more money." It alarms me to read in a newspaper, *The Ottawa Journal* of October 12, that this corporation, one which persons like myself which represent agricultural areas have always wanted and always been willing to support, should be suggesting it wishes to move into the direction of privatization, as seems to be the aim of the government, and in so doing to remove the competitive advantage which was given it to ensure that it does, in fact, make money available to young farmers in Canada who are trying to buy land at prices that are spiralling out of sight, leaving them in a position where they could not reasonably expect to get that other 200 acres of land, or 300, or 500 or what-have-you.

It is indeed alarming to find that the Farm Credit Corporation, through its chairman, should feel that its competitive advantage over the banks should be reduced, leaving the corporation and the banks on roughly the same ground. This seems to me to go directly against the fundamental principles upon which the FCC was instituted in the first place and it scares me, frankly, when I think of those young farmers in my riding who are finding it ever more difficult to buy land at $6,000 or $7,000 an acre.

In my view it is essential that the Farm Credit Corporation should be given legislation which would allow it to go for funding to sources other than the Treasury Board. It has always lacked that capacity and I, for one, would be prepared to support the Minister of Agriculture as far as possible from this side of the House to ensure that action is taken quickly along those lines in order that farmers should have access to those funds so as to get into the production of food.

If it seems I am being overly persistent in these matters it is only because I have seen no indication by the new government of its stand on any of these vital questions. I might refer to the area of research and development in the agricultural sector. It is of the utmost importance that a country with such bountiful land, land capable of being even more productive, should develop it to the fullest extent, to the benefit not only of ourselves but of the world where far too many people are dying of malnutrition and starvation. It is imperative that there be a strong endorsement and encouragement of research and development in all areas of food production and distribution. The realization of Canada's future agricultural potential must be achieved by advances in skill, techniques, and expertise.

● (2040)

I would be remiss if I did not express the sentiments of the majority of the members of this House—yes, even hon. members opposite—that the hon. member who previously occupied the post of minister of agriculture was viewed very warmly by members of this House and by the producing communities across this nation who, for the most part, were satisfied that great achievements were made in agriculture through the efforts of that man. Regardless of what achievements were made, valuable time has been lost since the election, and such absence of progress in changing times is regression.

The previous administration fought hard to achieve negotiated settlements of bilateral trade agreements on horticultural products for the fruit and vegetable crop producers of this nation. I can but hope and urge very sincerely that substantial priority be given by the government to re-introducing and bringing forward appropriate legislation which would allow the implementation of the bilateral negotiations and assure for producers the guarantees and advantages achieved by those negotiations.

I am particularly worried about the rumours we hear that certain segments of a bilateral agreement are being bartered away and that we may now be seeing certain interest groups in the country suggesting to the government that tariffs on tomato paste, for instance, should be removed because there is not currently a tomato paste industry. We negotiated and fought for seven years.

We tried to obtain for the producers of this nation the kind of tariff protection which now exists in that bilateral agreement and which would have created a milieu in this country which would induce new industry and bring to Canada its own tomato paste industry for consumers of that product in Canada. It also would have put Canada on the map in terms of international production of tomato paste. I think all of us knew that that would not happen and could not come about unless and until we had in place the kind of guarantees which would assure companies the opportunity to come, to start off well, and to be able to stay. Having achieved that, we now hear that there are those who would have the government remove those tariffs because the industry is not yet here. I argue as strongly as I can that the alternative to that is not to remove but to allow a remission until such time as the new industry is here.

Because there is no Canadian industry, in my view to remit is fair. To remove entirely what has been so hard fought for by producers would be throw our hands up and say we never want to see a Canadian tomato paste industry. I think this has to be dealt with quickly. The uncertainty which now surrounds this matter has to be removed, and we have to indicate that the government is committed to the introduction of such a new industry to Canada.

I would like to suggest to the Minister of Agriculture and the Minister of Finance that it might be appropriate on the fiftieth anniversary of the "persons" decision, under which women were considered persons within the definition of the BNA Act for purposes of their selection and entry to the Senate, that those ministers consider the plight today of women involved in agriculture and small business who, by reason of lack of incorporation, find themselves in the position of being integral parts of the farm or small business unit, putting in untold hours of labour on tractors and combines, or perhaps behind the counters of small businesses, and unable to draw salaries which would otherwise be paid to non-spouses or

non-family and, alternatively, if salaries are drawn, receiving money which cannot validly be deducted as expenses.

I believe it is time that this inequity was removed. Fifty years should have been long enough to afford us the opportunity to work out mechanisms which would allow such inequities to be removed from our taxation legislation so that all persons involved in agriculture and small business could receive and have deducted fair compensation for the valuable work they do.

I see that my time has about expired. I thank the House for its patience. Through its action I ask the government to demonstrate—in spite of the absence of this in the Throne Speech—that it has a continuing, vital interest in agriculture and that in fact it is prepared to say to the farmers of this nation, "We still want you; we will do what is necessary to support you".

Mr. Gordon Taylor (Bow River): Mr. Speaker, I count it an honour, a privilege, and a challenge to have been elected to this House by the people of the constituency of Bow River, and I am very happy to take part in this debate.

At the outset I wish to congratulate the mover and the seconder on the splendid addresses they both delivered. Their material was excellent, and their presentations were clear and eloquent.

The Bow River riding is a new constituency. It is made up roughly of 30 per cent of three former constituencies, Palliser, Rocky Mountain, and Crowfoot, with the balance coming from the Lethbridge constituency. The Bow River constituency has virtually everything. It has one of the seven wonders of the world, Lake Louise, and some of the most talked about tourist items in Canada, including the townsite of Banff, nestled in the majestic mountains, and the city of Drumheller, located in the Canyon of the Red Deer where there are the dolomites which have been photographed probably more than most other geological formations in the world.

The three areas, Lake Louise, the Banff townsite and Banff National Park, and the Drumheller areas, are tourist areas extraordinary and draw people from all over the world. The Drumheller valley contains the famous Badlands where the dinosaurs used to roam.

An hon. Member: Still do.

Mr. Taylor (Bow River): They are not quite as fossilized as some of the members of the NDP.

The rock and soil formations attract geologists from all over the world and form the northeast part of the riding. The constituency completely encircles the city of Calgary. There are cattle, horse and sheep ranches, grain farms, poultry farms, oil wells and gas wells. There are scores of small businesses, and there are coal mines. Some businesses are large, some medium, and some small. Bow River is an agricultural, industrial and commercial centre in the thriving province of Alberta.

[Mr. Daudlin.]

However, the best thing about the constituency is its wonderful people who come from all countries of the world. They have brought with them their cultures and are making their cultures part of the great Canadian mosaic. The cultures of our native people are found on the three reserves within the riding, the Blackfoot Reserve, the Stony Reserve, and the Sarcee Reserve. All together these people contribute to making Canada a better place in which to live.

On top of all that we have the town of High River, the birthplace of our innovative and energetic Prime Minister (Mr. Clark).

Some hon. Members: Hear, hear!

Mr. Taylor (Bow River): His parents still live there, and they are wonderful people. Everyone in Bow River and, indeed, in Alberta, is proud of the fact that a native son has become the Prime Minister of this great country, and under his leadership our country will become united and strong. I am proud to have the opportunity to represent such wonderful people and such a wonderful constituency.

One of the thrilling paragraphs in the Speech from the Throne reads as follows:

> My ministers were given a mandate to change the direction of the Government of Canada, as we enter the 1980s. The basic purposes of that change will be to enhance the rights, freedoms and opportunities of individual Canadians, and re-establish the spirit of partnership and renewal which are fundamental to our federation.

"To change the direction of the Government of Canada" that is the reason the Progressive Conservative Party is on this side of the House. Why did the people of this nation want a change of direction? Well, let us look at just a few items. For ten or more years free enterprise values which made Canada a healthy, inventive and prosperous country have been discredited. There has been a mulligan stew of collectivism and statism. Government ownership permeated legislation, and then the administration crippled free enterprise by regulating and controlling the economy. The government told the people what was good for them, leaning more and more to the left, and with the help of the NDP they tried to kill free enterprise altogether.

• (2050)

An hon. Member: Now they are getting closer and closer.

Mr. Taylor (Bow River): Yes, they are getting closer together every day. As a result, people became afraid to invest money in their own country and they invested elsewhere. More than $2 billion left Canada since 1974. Besides torturing the productive system of this country, they went on a wild spending spree spending money they did not have to the tune of billions of dollars. In 1973 Canada had a small surplus on current account in its international trade and payments account. By late 1974 and every year thereafter our current account deficit was around $4 billion or more. It was an extremely poor performance. The Canadian dollar declined from $1.03 in 1976 to about 83 cents in terms of the U.S. dollar, a fall of nearly 20 per cent by 1979. Depreciation of our

dollar against currency such as the Japanese yen, the West German mark and the Swiss franc was almost 40 per cent, but even this was not enough to make any substantial improvement in the trade balance.

To add to the dilemma, this resulted in almost one million people becoming unemployed, fewer goods were produced, the gross national product was below that of the United States, below that of Japan and below that of France. As a result inflation became rampant. The government of the day continued to spend more than it had, and the government deficit grew to as much as $13 billion. The deficit in the balance of payments grew to over $5 billion. But deficits had to be paid, and so the government went outside the country to borrow money, leaving a legacy of debt that generations yet unborn will have to pay because of this economic mess that was created.

No wonder the interest rate rose seven times in a few months during the last weeks of their administration, and now the Liberals have the audacity to ask why the interest rate is increasing. They know that the deficit must be covered by an equal amount of capital coming into the country. So long as this economic mess continues, it will be chaotic to have the flow of capital going out of Canada until we are at least able to get production up to a point where there will not be too many dollars chasing too few goods. Yes, the economic mess was created by the Liberals and we are still living with it. It cannot be cured over night. Instead of playing politics, I would think the Liberals today would assume responsibility for the mess in which they left this country, the mess that our present government is trying to clean up.

In 1968 the debt of this country was some $32 billion, and for this we paid annually more than $1 billion in interest. That was bad enough, but within the next ten years of the Liberal administration under its present leadership, the debt grew to $80 billion—more than double. The people of Canada were paying almost $7 billion in interest every year.

The former minister of agriculture said the other day that he left Canada in a good state. A good state? A messy state, if I know anything. In addition to that, there was a flight of more than $2 billion out of this country to build industry and to provide jobs in other countries, while our own people were unemployed. The gross national product was not growing. Trade deficits were continuing to grow larger each year. It is fortunate indeed that Canada has not gone into complete bankruptcy. As a matter of fact many people said to me, as I knocked on their doors in Bow River, "If that administration is returned, the whole country will be bankrupt." Look at the facts. They had something on which to base their fears. Does anyone believe that the direction should not be changed? Surely it does not take anyone with more than a grade three education to see that something had to be done to clean up this mess into which we were getting deeper and deeper.

Certainly the Prime Minister and the Minister of Finance (Mr. Crosbie) cannot press a button and find that, presto, everything turns rosy. Remember that the country is close to a crisis financially and economically. Even though faced with this economic mess, the Progressive Conservative government is determined to turn the crisis into an opportunity to give free enterprise a chance to work, to create a climate where people will be glad to invest their money in their country, not send it elsewhere, and a chance to free our industries and our people from the regulatory bondage in which they have been placed.

Some hon. Members: Hear, hear!

Mr. Taylor (Bow River): Wealth comes not from government offices or politicians' edicts but from that portion of the market place which is free. Collectivism, centralized planning, regulation after regulation, frustrate people to the point where they will not even bother investing their money. One man said to me, "It is so hard to invest $100,000 in this country. I am going down to Florida where I can invest the money and where people are glad to have the investment." That man can come back to Alberta and to Canada because there is not going to be this red tape that tries to keep people from investing in their own country.

The multinational companies have their place. They provide employment, and as good corporate citizens they should pay their share of running this country and give our workers a fair return for their labour. Along with the multinationals we need hundreds of thousands of individuals in partnerships, small businesses working for profit in a free market. What will the result be? The result will be interacting individual decisions with no conscious direction from the government, no single purpose for each goal. Each individual has his own purpose and goal and seeks to secure the greatest reward to avoid or to cut his losses or to make a contribution. There are literally thousands of purposes, millions of decisions and millions of adjustments every day as inventors, entrepreneurs, middle men, employers, workers, buyers and sellers pursue their own prospective interests for themselves and their families, the sum total of which builds a nation.

Our wonderful neighbours to the south built a nation on the principles of free enterprise and individual freedom. Today they could be energy sufficient had their administration in the last few years not shackled free enterprise. Exploration for coal, oil, uranium, natural gas, came almost to a standstill in that great nation to the south. The administration was tying it up with red tape. The administrations thought they could regulate and control and that free enterprise would still work. The Congress of the United States has been told repeatedly that there is no shortage of fuel as such but that it takes money to find it. Individuals and companies need motivation to invest their money, and a reasonable return is essential. There are vast deposits of coal, oil and gas today in the United States, and I say they would have been self-sufficient had they not allowed the left wing of their party to dictate their policies.

Some hon. Members: Hear, hear!

Mr. Taylor (Bow River): Similarly the Liberals emphasized the left wing of their party. I know there are some free enterprisers in the Liberal party and there are some also in the

NDP. Why do they want to shackle free enterprise? Let them come over to this group which breeds free enterprise.

Some hon. Members: Hear, hear!

Mr. Taylor (Bow River): Yes, we plan to change the direction in this country.

Now, let us look at another item, namely, tourism. I mention tourism because it can become a great industry in this country. This year, in calculating the amount of money spent by Canadians in other countries, compared to what those who came to Canada spent in Canada, we find a $2 billion deficit. Canada has all its wonders, majestic mountains in Banff and Jasper. There is the wonder of the world in Lake Louise, Hoodoos and dolomites near Drumheller in the badlands of the canyon of the Red Deer River, just to mention a few attractions in my own constituency and to say nothing about the wonders found in the maritimes, Ontario and Quebec. There are wonderful falls in the Northwest Territories. Canada has wonder after wonder, yet we have a $2 billion deficit. Did the former administration ever ask why? I am very happy that the new minister in this government responsible for tourism is taking a look at new directions. We want our people to travel across the country. We must make it attractive for them to do so, in order to keep our money in our country. But that is not the only point. We can do something else as well.

● (2100)

There is a tremendous market for international tourists who would like to come and enjoy the beautiful scenery and wonderful hospitality of Canada. Major tour wholesalers in the United States, Australia and the Pacific rim countries are sending hundreds of people who want to come to Canada to other places, because we have become so bound with red tape in parts of this country that we have not provided accommodation.

How would one like to go to the Banff National Park or Lake Louise and find when one got there that there was no place to sleep, and then have to drive 100 miles or more into British Columbia or back to Calgary to find a room? People who have had to do that say they will never come back. Private enterprise today can and would provide accommodation in Banff and Lake Louise, and protect the environment, if given an opportunity to do so. But because of the bureaucracy built up by the previous government, along with the rules and regulations, they cannot do it. They cannot build new motels. They cannot tear down old ones and build modern cabins. The bureaucracy in Parks Canada has become God. They know best what the people want.

A man wanted to start a medical practice in Lake Louise when the Liberals were in power, but they would not let him. People can get sick. In this case the doctor finally became frustrated and left. Bureaucracy has taken hold. The people in the offices think they know what is best. They will not even license a man who wants to work in that particular area. They say that there is some rule or regulation passed by the former administration which makes it impossible for them to do it; they do not want to break the law.

We want more and more people to come and enjoy the beauty of our mountains, the beauty of the maritimes, the beauty of every province in the country, each one with its unique attractions. Let us encourage entrepreneurs to build accommodation and at the same time protect the environment in our national parks. We should encourage thousands of these internationals, people from other countries, to come and enjoy our scenery. Such a policy will bring in new dollars and help our balance of trade, as well as provide jobs for people. Also it will enable entrepreneurs to provide a different type of traffic which will help the environment. They could provide a bus which would take 60 people instead of 30 cars taking the same number of people, to beautiful Lake Louise. The same thing could apply to other parks across the country.

I speak about Banff National Park because that is part of my constituency. It illustrates what is going on in other parts of the country. There is no end to what can be done to change the direction and turn the travel deficit into a surplus. Capital is waiting to be used if we turn out the red light and turn on the green.

Some hon. Members: Hear, hear!

Mr. Taylor (Bow River): I want to say a word or two about agriculture. Certainly agriculture needed some changing, with all due respect to the former minister. To put it in a nutshell, we found a dismal record. There were 2,000 boxcars which were unserviced, 4,000 new hopper cars were required, and 5,000 boxcars needed refurbishing. There was loss of markets. There were approximately 16 ships waiting in Vancouver to be loaded. Western farmers were paying fines of up to $5,000 a day which came out of the pockets of the producers, because the ships had to sit and wait and wait. The nation had a 35-million bushel backlog in exports. It was an all-time high. Producers saw their markets disappearing and going to other countries. They wanted a change of direction. Already we can see the change of direction. There is a changed attitude toward hopper cars entirely. Also I hope we can give the producers of this country a fair return for their products. It has been too long. Every other industry receives its costs plus a reasonable profit. Farmers work for the good of the country. They are entitled to a fair return plus the cost of their labour and a reasonable profit. I hope to see a change in that area during the life of this Parliament.

I should like to deal with another area in which we want to change the direction, and that is the supplying of energy in the country by way of coal. For many years our coal mines remained virtually idle while we bought coal from other countries. Canada has a tremendous tonnage waiting to be mined, yet Canada is a net importer. Year after year the Alberta legislature passed resolutions urging the federal government to assist us in getting markets for our coal. But what happened? In the Drumheller Valley 20 mines disappeared. Only one mine remains. Their market has disappeared. At the same time Canada is bringing in millions of tons of coal from

another country. Our own miners are being dislocated and are required to find work after being in the pits and the bosom of the earth for 30, 40 or 50 years. The same thing happened in the province of Nova Scotia. Many of its miners came west and are still working in mines that are operating. But what about the thousands of people who could not find work?

In 1978 15 million tons of coal valued at $750 million were exported; 18.5 million tons valued at $200 million were used in Canada; and 15.5 million tons valued at $660 million were imported into Canada. That was in 1978 when our unemployment level was growing close to the million mark. I was raised in a coal mining community and worked in the mines. My father and my brothers were coal miners. I know what it means to be hungry when the mines had no work. I remember many times coming out of the mines and just yearning to see the light come on in the tipple indicating that there would be work the next day. Around the tables in the homes in the mining area of Newcastle people would say, "If we could only get just a little bit of that Ontario market". Think of the jobs this would have provided, think of the effect this would have had on our balance of trade, think what this would have done toward attaining energy efficiency and sufficiency.

The producers of coal in Canada are the provinces of Nova Scotia, New Brunswick, Saskatchewan, Alberta and British Columbia. There may be coal in other provinces as well. Now there are about ten mines operating in these five provinces, plus two dozen corporations, mostly oil and gas companies, which have sizeable coal rights and are planning to produce coal for conventional uses. Our coal mines should operate for additional domestic and foreign markets. In the province of Ontario we need more than the 3.7 million tons of thermal coal a year to which it is presently committed. I thank the Ontario government for at least giving us a bite of its market. With some help from the federal government, I am sure the people of Ontario will give us more business.

By 1980 the demand for domestic coal is expected to increase greatly. To enable coal to play a meaningful part in our energy requirements, as we work toward self-sufficiency, we need to do certain things. We need additional transportation and terminal capacities. We need to do something about transportation costs.

• (2110)

Research should also play a part as coal can be used in many ways. There are literally a thousand items that can be made from coal. There is a tremendous opportunity in the liquefaction of coal to produce a large range of liquid and gaseous hydrocarbons, and in the gasification of coal to produce low, medium and high Btu gases for combustion; process energy to congeneration of electricity, petrochemical feed stocks, and the manufacture of synthetic fertilizers. There is opportunity for the use of coal as an energy source to recover large amounts of synthetic, heavy oils and bitumens. I have said for years, and I said when I was part of the government of Alberta, that we should not be using our oil and our gas, particularly our gas, in our industries. Why do they not use coal and save the clean fuel for the heating of our homes? Gradually people are coming around to believing that that is right. There is a large range of uses for coal.

Again we should protect the environment, but let us not stop coal mining because a few extreme environmentalists say it is going to hurt the environment. Yes, we should change the direction and produce our own coal when we have such abundant supplies.

There is another item that has been mentioned to me many times as I knocked on doors in the Bow River constituency, and that is the direction in which we are going with the metric system. It was brought into this country in a questionable way by the Liberal administration. This is another example of the former government telling the people what was good for them without the people having an opportunity to have their day in court.

This government believes in reflecting the thinking of the people to the greatest possible degree. Because metric was brought in the way it was, because it is ahead of its time, because the United States is reluctant to go ahead with metric, and because the United States is our greatest trading partner especially in regard to agricultural products, let us keep our systems parallel. There will be utter confusion and loss of markets if we move to metric ahead of the U.S.A., particularly in agricultural matters.

Let us teach metric in our schools. Let us prepare for it rather than suddenly thrusting it on the people. I hope we can change the direction of the metric system by slowing it down to a stop. In that way there will be some freedom of choice in whether people use it or not.

One hon. member mentioned the case earlier today about a storekeeper in his riding for whom it was going to cost a large sum of money to change his scales. At least five of the storekeepers in the Bow Valley constituency told me during my recent mainstreeting in 42 centres that the change in their stores will bankrupt them. One said his scales alone would cost him $8,000, and another said it would cost him $2,000. He said he could not afford to pay $2,000 for scales just to weigh the few items that required weighing in his store. Let us give some thought to this thing and what it is doing to our country. We do not want to be an island when the world turns metric, but let us not penalize our people, hurt our markets, and destroy the faith of our people by pushing this on them before its time.

We hope to change the direction of legislation, not by bureaucracy or by cabinet orders, but by free debates in this House before passing any laws in respect of which the people should have some input, and before anything is thrust upon them. Some of the cardinal principles of the Progressive Conservative Party are freedom of thought, freedom of choice, and freedom of enterprise.

I believe it was Woodrow Wilson who said:

> Liberty has never come from the government. The history of liberty is the history of the limitation of governmental power, not the increase of it.

My own Prime Minister has said several times—

The Acting Speaker (Mr. McCain): Order, please. I regret to interrupt the hon. member but his time has expired. He may continue with the unanimous consent of the House.

Some hon. Members: Agreed.

Mr. Taylor (Bow River): Thank you, Mr. Speaker, and I thank hon. members. I will not abuse your kindness.

In September, 1978, British Prime Minister James Callaghan in a speech to the labour conference declared, and I plead with NDP members to listen carefully because I have heard some funny things coming from that corner this afternoon:

> We used to think that you could just spend your way out of a recession and increase employment by cutting taxes and boosting government spending. I tell you in all candour, that that option no longer exists, that in so far as it ever did exist, it only worked by injecting a big dose of inflation into the economy followed by a higher level of unemployment.

Instead of asking the government to roll back prices, which is going to throw people out of work, why do you not ask the government to roll back bureaucracy and, create jobs, as this will do some good for the country? Free enterprise can bring prosperity back to Canada, bring unemployment to a minimum, and increase our national product. We plan to unshackle free enterprise and give it a chance to work. It can work again and make this country once more one of the greatest in the world, prosperous, highly productive, with the retention of individual liberty, and that is important.

I close with a quotation from the Speech from the Throne:

> My ministers were given a mandate to change the direction of the Government of Canada—

That is exactly what we are going to do.

Some hon. Members: Hear, hear!

[*Translation*]

Mr. Bernard Loiselle (Verchères): Mr. Speaker, it is an honour for me to be speaking today early in this session of the Thirty-first Parliament. If I may be permitted, Mr. Speaker, I would like to welcome all our new colleagues sitting in the House of Commons for the first time and wish them well in the exercise of the heavy responsibilities they will have to discharge in the coming months.

Mr. Speaker, in my capacity as the spokesman for my party on tourist matters, I would like first of all to give the House an analysis of the tourist situation in Canada and, second, elaborate briefly on the highlights of a new approach on the tourist issue.

The tourist industry ranks high in the economy of this country. I only have to quote a few figures: $10 billion in tourist revenues which represent 5 per cent of our gross national revenue, with the result that the tourist industry holds fifth place in the economy of this country. Tourism in this country creates 900,000 jobs, 500,000 of which are permanent. The needs for facilities and services created by tourism in Canada require public and private investments of $1.5 billion.

Tourist revenues at all levels of government exceed $4 billion. Also, every dollar spent in the tourist industry has a multiplier factor of $2.40. Finally, the private sector of the tourist industry is made up of 80,000 small competitive businesses, 2,000 travel agencies, 350 carriers and 43,000 restaurants, plus 15,000 hotels. The tourist industry is becoming increasingly important from our social point of view. The Canadian society is becoming increasingly involved in the leisure age, a good part of which is spent on travelling. According to Statistics Canada, the average spending on travelling, tourist activities and recreation accounts for 10 to 15 per cent of the family budget, which is more than substantial.

The tourist industry is also very important in terms of Canadian unity. Travelling Canadians can discover the various areas of this country, discuss with their fellow citizens and get acquainted with the different ethnic and cultural groups that make up the Canadian mosaic. In spite of the figures we just quoted, in spite of the fact, as the hon. member who spoke before me suggested, that the tourist industry is probably the one which is being left the most in the hands and only in the hands of private enterprise, it does not mean that everything is well in the industry. On the contrary, Mr. Speaker, the tourism industry in Canada is very sick and it is high time that we find a cure. Let me simply mention that the deficit which was $727 million in 1975 went up to $1.7 billion in 1978 and that, if this trend keeps up, it is estimated that the tourism deficit will reach $10 billion by 1985. This situation is unacceptable and we must react as swiftly as possible. One of the fundamental causes of our deficit is the fact that a large number of Canadians spend their vacation abroad and that we are unable to attract to this country an influx of foreign visitors. For instance, in 1977, 31.8 million Americans came to Canada while 39.4 million Canadians travelled abroad, including 37.9 million to the United States.

● (2120)

Yet, the population of Canada represents only 10 per cent of that of the United States. That same year, more than two million Canadians, of which 31 per cent came from Quebec, spent more than $1 billion in Florida. The devaluation of our dollar in 1978 did nothing to change the situation. Indeed, in spite of a devaluation of 15 per cent compared with American currency and 25 to 50 per cent compared with European currencies, we have kept the same record deficit as in 1977. Moreover, the number of Canadians willing in 1978 to pay 15 to 50 per cent more to travel abroad remained exactly the same as in 1977, which certainly did not help reduce our deficit.

Mr. Speaker, it is important to note that services in the tourist industry cost 20 per cent more in Canada than in the United States. Tourism in Canada is therefore a luxury that 80 per cent of the population cannot afford. The travel price index in Canada rose from 100 in 1971 to 160 in 1976 compared with an increase of 100 to 141 for the same period

in the United States. Even though our dollar was devalued by more than 15 per cent, it still cost less to travel to most places outside Canada. For instance, Mr. Speaker, the air fare of $160 from Montreal to Miami is less than the air fare of $192 plus the 8 per cent tax from Montreal to the Magdalen Islands. Yet, the distance is shorter by half. In this regard the government should consider seriously and in depth offering Canadians a greater choice of charter flights to allow lower costs and a greater number of trips within the country.

Let me now go on to another aspect of the tourist industry, namely, the role of travel agencies. We do not object either to the existence or the role of travel agencies since they have their place in tourist planning in Canada, but we would like to underline the matter of the free services offered by these agencies. Even though they claim that their services are free, it is certainly false since the 2,000 Canadian travel agents in 1977 raked in $2 billion of which only 20 per cent remained in Canada. The companies involved in tourism pay commissions of 7 to 15 per cent to travel agencies, 7 to 8 per cent on airplane tickets, 10 to 12 per cent on organized trips, 10 per cent on charter flights, 10 to 15 per cent on car rentals and 8 to 10 per cent on hotel costs.

Travellers cannot therefore save on those commissions by purchasing directly from companies. Those who drive their own cars and arrive directly at the hotel indirectly pay to hotelkeepers commissions to agents they did not use. That should be corrected. We would consider reducing those companies' rates by the amount paid as commissions to travel agencies, and force the latter to charge their commissions directly to their clients.

Quite apart from that, we regret that travel agencies do not advertise enough to convince people to travel in Canada. Go to any agency, you will find that more than 80 per cent of packages offered for sale have foreign destinations. We also feel on this side of the House that the issue of wages and salaries in the tourist industry is of the outmost importance. It is vital that a wage policy be developed as soon as possible for the tourist industry. Mr. Speaker, I would like to deal briefly with another aspect of a more geographic nature, namely, our climate. Many people argue that our Canadian climate and especially our Canadian winter is not good for tourism. We believe, Mr. Speaker, it is high time we take a more positive approach.

We are fortunate in having four seasons quite distinct, each with its charms and beauty. This is an asset of which we should take advantage of. To those who decry winter, I would say that it lends itself to a variety of inside and outside activities. We never exploited our winter season enough to promote tourism. I am sure that with well designed publicity campaigns we could attract large number of tourists from the warmer countries, to whom snow and winter are novelties. The same advertisements could also make Canadians aware of the beauties and opportunities of our Canadian winter.

Mr. Speaker, I have referred to advertising. Over the last few years, tourist publicity in every form has increased considerably. We should examine seriously the quality of that publicity. Obviously, our publicity does not really attempt to put the accent on the particular attractions of Canada. In fact, 80 to 90 per cent of the tourist publicity in Canadian mass media by airlines and travel agencies encourages Canadians to visit foreign countries and particularly the United States. It is true that it is much more profitable for a travel agency to sell a complete package to Miami than a return flight to Vancouver. We can realize the seriousness of the situation every day in our newspapers, periodicals and magazines.

The publicity budget of the Canadian Office of Tourism for 1979-80 is roughly $10 million. Of that amount, $5.9 million is for the United States, $2.6 million for the rest of the world and only $1.5 million for Canada. We complain about our deficit and the small number of Canadians who are visiting our country. It is not with only 15 per cent of our publicity budget spent in Canada that we shall convince Canadians to visit their own country. Mr. Speaker, we simply must increase the amounts spent on publicity in Canada. First we should promote tourism in our country rather than abroad.

The government expressed its concern about government spending. We suggest that it should study carefully the publicity budget of the Canadian Office of Tourism and particularly the $5.9 million spent for the United States to check if the return on those spendings justify the cost and, if not, to allocate those amounts to publicity in Canada.

To illustrate the seriousness of the whole situation, Mr. Speaker, I wish to quote some brief statistics concerning some periodicals, for instance *Evasion*. This publication that calls itself the only great French monthly periodical about travel, holidays and recreation in Canada has been published since November, 1975. In 27 issues which appeared since that date until October, 1978, this periodical published articles about Canada in 12 editions, about Quebec in 19 and about Florida in 25. Those figures do not need any comment and are unacceptable. Furthermore, Canada is certainly one of the countries which publish the largest number of tourist information. But that avalanche of publications with a profusion of superlatives does not allow a foreigner any more than a Canadian to prepare his travel in advance. Often it does not even encourage him to do it. Canada is very little known as our pamphlets and folders are like very short range rifles, they do not cross the Canadian borders or even the provincial borders.

Still, Canada does offer many tourist attractions capable of motivating a transatlantic trip, but they are not always publicized adequately, in that those which we praise most here are not necessarily those that are the most eagerly sought after by people outside North America. Our tourist concepts do not necessarily correspond with the tastes of the Spanish or the Germans. The European, for instance, generally attaches much greater importance to history, art and folklore. Nature

pleases him more than do the great American tourist attractions. Old Montreal and Mount Royal would therefore be far more appreciated than the buildings of Place Ville-Marie.

Mr. Speaker, I am not exaggerating when I say that here, in Canada, there is no truly organized tourist industry. For years now, governments, federal and provincial, private enterprise, have been going ahead with their promotions, according to their own whims and small concerns. There is no real tourist policy in Canada. There is a free-for-all. Mr. Speaker, that situation cannot last any longer. We must plan, even now, our tourist development for the 1980s. That is a priority we must set for ourselves.

Mr. Speaker, I should like to elaborate on a few suggestions I discussed with a citizen whom I have learned to admire greatly because of his thorough knowledge of tourism. I am speaking here of a citizen who really thinks in terms of the interest of his country, namely, Mr. Jean-Marie Guay of Gatineau. I was also deeply interested in the proposal of the Minister of Tourism with regard to developing an over-all strategy for tourism in Canada. Mr. Speaker, we too feel that our tourist deficit is of prime concern. In that regard, with the co-operation of Mr. Guay, I looked into certain measures designed to reduce our deficit, and as an example we took the case of Quebec.

● (2130)

Statistics indicate that 52 per cent of Quebeckers do not travel. If half of these 52 per cent of Quebeckers had spent $180 travelling in 1976, that is the average spent by those Quebeckers who do travel, this average of $365, Quebec's $200 million deficit would have been replaced by a $50 million surplus. If the duration of the trips made by Quebeckers in Quebec had been extended by 10 per cent, $70 million could have been recovered from the 1976 deficit. If the number of Quebeckers travelling outside Quebec had been reduced from 24 to 20 per cent, and if these Quebeckers had spent in Quebec half of the average of $365, the deficit could have been reduced by $45 million. A 30 per cent increase in non-American foreign tourists would have brought in an additional $30 million. A 15 per cent increase in Canadian tourists from other provinces would have brought in $15 million in additional revenues. A 10 per cent increase in American tourists would bring $15 million more.

Mr. Speaker, these measures could be applied to Canada as a whole without much difficulty. Contrary to what occurs in other areas, there is probably in Canada and elsewhere in the world no organization, eitheir public or private, which is involved in serious research in tourist leisure and the implementation of its findings. Many people have some experience in the tourism industry, but as far as I know there is no real graduate in that field. First of all, Mr. Speaker, it seems important to me to consider the creation of an independent tourism research and development institute. This institute would be financed by both public funds and private funds coming from associations involved in tourist matters. Once set up, the institute would, as a first step, evaluate the Canadian tourist product as well as current and potential, customers for that product.

The Canadian tourist product is more than just natural beauties or historic sites. A full evaluation of the tourist product would also look at the whole service sector—the carriers, hotels, restaurants and tourist circuits. That step seems to me of prime importance. How could one expect, Mr. Speaker, to develop any tourist strategy if one has not beforehand made an inventory of what are the country's tourist attractions, development potential, and customers to develop it?

The institute being an independent agency, its evaluation of the product would be most objective since it would not have to yield to parochial interests. So the end result of this evaluation would take into account only those tourist attractions and services which are most worth while and eliminate a great many others which have very little interest.

There is no intention on my part to favour one region at the expense of another but one must understand that not everything is worth seeing in Canada and that we must first develop what is most profitable. The evaluation of our tourist product would enable us to establish uniform classification criteria for the services available. For instance, the traveller would know that a three-maple-leaf hotel or restaurant has the same meaning in Vancouver as it does in St. John's, Newfoundland, which would quite often spare him very unpleasant surprises and would largely contribute to the elimination of a great many exploiters who make a living out of the false representation of the services rendered.

The identification of the clientele would allow for better planning of our tourist development in accordance with the varying tastes of travellers. It is as important to provide the culture minded type of visitor with a product that will capture his interest as it is in the case of the sports fan or the travelling gourmet. The proposed institute could play a leading role in the preparation of training programs for tourist agents who, once defined, could become precious instruments for the provincial departments of education. The institute could also raise the interest of young people for tourism. Students and youngsters are the future of our country. The institute could develop certain instruments such as, for instance, tourist educational games which could be integrated as complements to the social sciences courses provided in the schools. The institute could also carry out marketing studies in the field of tourism and try to improve on the Canadian product.

We believe, Mr. Speaker, that this institute should have an independent status. This must not be construed as a refusal to co-operate with the various levels of government and private enterprise engaged in the development of tourism. The institute could also make governments and the private sector

involved in tourism benefit from the results of its research by recommending initiatives to be taken in the area of tourist infrastructure and the development of their tourist strategy. The creation of a tourist research and development institute would not have to compete with government and private agents already working in this area. It would be an additional tool to promote tourism in Canada.

We also consider, Mr. Speaker, that the work already being done by the various levels of government must continue. We recognize that the federal government has a major role to play in the promotion of tourism in Canada. It should be involved in the establishment of tourism development policies, in publicity and also in the area of tax incentives provided to private business in the tourism sector. We urge the government to inform us as soon as possible of its response to the Powell report recommendations concerning taxation in the tourist sector.

We must also reconsider the approach and the objectives of the federal government when negotiating federal-provincial agreements concerning the tourist industry, to avoid certain waste of public money, and, to be very clear, to avoid repeating the exercise experienced in Quebec where we have spent over $75 million sprinkling grants all across the province instead of developing one, two or three regions, instead of concentrating our efforts in these regions to attract specific customers.

We must also—and a Progressive Conservative government, I hope, should convince banks—facilitate the access of the private sector to risk capital, because the tourist industry needs large investments which are practically unobtainable because of the unreliability of this supply in public funds.

Also, Mr. Speaker, we will have to review the functions of national parks within a global tourist strategy in Canada. Allow me now to sum up our position. As I have said, our tourist industry is in bad shape and we will have to find a remedy as soon as possible. We believe that the Canadian tourist industry must be included in a large industrial strategy so that it could enjoy the same advantages that other industries already have.

We think that the development of a national tourist strategy must be made in direct consultation with all levels of government and private entreprises operating in that field. In this regard, we hope that the next federal-provincial conference of tourism ministers which will take place later this month will result in better planning and co-ordination of policies and investment.

We also believe that the creation of a tourism research and development institute is a very important move for the development of tourism in Canada. Mr. Speaker, tourism and its development are important resources for all Canadians. The time has come now to develop those resources not only for us but specially for future generations.

[*English*]

Mr. Mel Gass (Malpeque): I wish to begin by adding my sincere congratulations to the many already expressed to you, Mr. Speaker and to the Deputy Speaker on your reappointments. May you continue to preside over the affairs of the House in the same efficient and non-partisan manner, and with the same degree of fairness you demonstrated in the previous Parliament.

Before going any further I would like to comment on the speech made by the hon. member on the other side. I am glad to know the party opposite is finally showing interest in tourism, which is something it neglected to do over the last 11 years. We support most of what the hon. gentleman has just said.

• (2140)

As well, I congratulate the mover and seconder of the Address in Reply to the Speech from the Throne, the hon. member for Erie (Mr. Fretz) and the hon. member for Cardigan (Mr. MacDonald). I should especially like to express my delight with the speech given by my friend and fellow islander, the hon. member for Cardigan, as his rural constituency is not unlike the one which I have been chosen to represent. I am indeed honoured to be here in the House of Commons delivering my maiden speech. I hope I can serve the constituents of Malpeque as well as they were served for 25 years by my PC predecessor and now premier of Prince Edward Island, the Hon. Angus MacLean.

An hon. Member: Hear, hear!

Mr. Gass: May I also express my gratitude to the good people of Malpeque for placing me here and assure my constituents that it is my intention to serve them to the best of my ability, whether I am here in Ottawa or at home in my riding.

It could be said that the constituency of Malpeque which I represent is the incarnation of what everyone who is not an islander believes Prince Edward Island to be. The Micmac Indians knew Prince Edward Island as Abegweit, meaning cradled on the waves, and the island has often been referred to as the million acre farm, or Canada's garden province.

We in Malpeque are blessed with fertile rolling farmland, bountiful waters, and beautiful sandy beaches. Thus agriculture, fisheries, and tourism are the three major industries that keep the majority of the people of Malpeque happy, healthy, and employed. The three industries are like a three-legged stool, each leg or industry supporting and complementing the other two.

Every year the land produces an abundance of potatoes, a quality potato which is shipped throughout the world and for which Prince Edward Island has become famous. But we do not grow only potatoes. The spud may be king, but there are other crops and produce such as grain, dairy cattle, beef cattle, and hogs, that are of significant importance to the Malpeque farmers. Prince Edward Island in known as the Kentucky of Canada because of the quality harness racing and the standardbred horses that are raised on the island. However, no

matter what the product, we on Prince Edward Island are proud of what we produce, and equally proud of the hard working people who produce it.

Much of the same thing could be said of the fisheries industry in Malpeque as has been said of the agricultural industry. Malpeque is well known for its lobster and its lobster suppers, its oysters, and for its giant blue fin tuna.

Some hon. Members: M-m-m-m-m-m-m!

Mr. Gass: During the often too short fishing seasons, men and women work long and hard to bring in the products of the sea for which Prince Edward Island is famous. It was especially encouraging for me to see that the future development of our fisheries resources was considered in the Speech from the Throne. Such development is necessary if those who live off the sea are to continue to live as they have, and to further improve their lot. Canada needs its fisheries industry, and only through expansion and improvement of the industry will our country be able to maintain its position as one of the major fishing and fish exporting nations of the world.

I have already had occasion to mention how proud we are in Prince Edward Island of our products which possess such high quality. This quality has been the result of a collective effort on the part of the people, the result of good, honest, hard work. For the people who live from the land and the sea, work is not a four-letter word. They are proud of what they do and proud of the effort they put into doing it. I am sorry to say that the general attitude toward work has changed over the past half century as science and technology became more advanced. At one time work was a source of pride and joy for all men and women. It is our duty not only to stimulate the economy by providing more jobs, but we must also seek the means to create a greater desire in the populace to be employed.

Work is not a burden to be endured or avoided but should be looked on as a source of pride, a sense of accomplishment and achievement for a job well done. As a member of the PC caucus committee on tourism, one of the highlights of the Speech from the Throne for me was the fact that mention was made of the tourism industry, and I quote: "In co-operation with the provinces and industry, a national tourism strategy will be developed."

In Prince Edward Island tourism, along with agriculture and fisheries, is one of the three major industries and sources of revenue and one of the fastest growing industries on the island. As I have already had occasion to note, we in the constituency of Malpeque are blessed with beautiful, sandy beaches. Malpeque is the home of Prince Edward Island's only national park, which stretches for approximately 21 miles along the island's north shore and which is perhaps Prince Edward Island's most famous landmark and tourist haven. My riding is also recognized worldwide as the home of Anne of Green Gables, the fictitious little island girl made famous by island born authoress, Lucy Maude Montgomery. Lucy Maude, well known for her "Anne" stories, has also immortalized the beauty of and her love for the island, in her poetry. "The Island Hymn," written by Miss Montgomery, expresses her feelings as well as those of many islanders. With Your Honour's permission, I will quote it:

Fair island of the sea,
We raise our song to thee,
The bright and blest;
Loyally now we stand
As brothers, hand in hand,
And sing God save the land
We love the best.
Upon our princely isle
May kindest fortune smile
In coming years;
Peace and prosperity
In all her borders be,
From every evil free,
and weakling fears.
Prince Edward Isle, to thee
Our hearts shall faithful be,
Where'er we dwell;
Forever may we stand
As brothers, hand in hand,
And sing God save the land
We love so well.

People who "come in from away" to Prince Edward Island are not disappointed, for islanders put their heart and soul into making their province a place where visitors can relax and enjoy themselves, and learn what good, simple living is all about. During the summer months our tourism industry not only employs thousands of our students, but provides an income for many families, one which they live on year round. Thus tourism is of the utmost importance to Malpeque, Prince Edward Island, and Canada as a whole.

The fact is that tourism in Canada is an $11 billion business accounting for 5 per cent of the gross national product, and employing one person in every ten. Eighty per cent of the tourist businesses are classified as small business. For too many years this important sector of the economy was virtually overlooked by previous administrations, and this must be changed. The government must also endeavour to develop a program of awareness for the public of Canada. Canadians all across the country should be made aware of the importance of the tourist industry to the economy and to the country. If tourism is to succeed and flourish as a major industry in Canada, it is of the greatest importance that the Canadian people understand its great and valued impact on the country.

Transportation is another major concern of mine, Mr. Speaker, for in order to serve our basic industries in Prince Edward Island we need adequate transportation systems; better ferries, better roads, and improved rail and air services to and on the island. In order for our agriculture and fisheries industries to remain viable, an upgrading of the systems that transport their products to markets must take place. Such upgrading in reference to Prince Edward Island would include better roads, better port facilities, and improved ferry and rail service, and an overhaul of air service. The tourism industry also depends heavily on how efficiently the transportation

system to and on Prince Edward Island is operating. We are, however, in the process of acquiring new airport facilities, a step in the right direction, I might add. What improvements that are being made to our transportation systems to and on Prince Edward Island are slow in coming, and few and far between. I hope that in the near future attention will be given to this matter of such great importance to Prince Edward Island and its industries.

• (2150)

As a member concerned about the plight of the farmer, the fisherman, and the small businessman of my constituency, it upsets me to see interest rates continuously increasing. Such increases are a disincentive to the expansion of small business and industry and one must sympathize with a person who is already in business and who has a loan with a floating interest rate—always up, it seems. This government will have to do everything within its power to bring interest rates down to a reasonable level.

I have spent the last few moments speaking of matters and issues which are of major concern to Malpeque and Prince Edward Island. Now I would like to continue for just a few moments addressing you on a subject which has always been and always will be of the utmost importance to me, that is, the role of the youth in Malpeque, in Prince Edward Island, and in Canada. The youth of this country are of special interest to me. I have a very deep and abiding concern for our young people. They have so much to contribute; it is a shame to see a great deal of this energy and potential going to waste. What do you tell a youngster about the kind of job he can expect to have when he leaves school, Mr. Speaker? It saddens me to see the disillusionment of our young people because they are not able to find meaningful work.

Bitterness and frustration are evident among many of our young Canadians who finish school and are unable to find jobs. We spend millions of dollars educating our youth and the only opportunity many of them get to utilize their skills is in completing UIC forms. It is time we re-arranged our priorities. We must start spending more assisting private enterprise and small business, thus creating an environment where more jobs are available.

It pleased me to see that the Speech from the Throne proposed the passing of legislation which would encourage small business and private enterprise, as well as the creation of a youth employment secretariat. It is important that the youth of Canada have faith in the political and parliamentary process of our country. It is important we continue to endeavour to provide a favourable climate in which our youth can live and work, for only then will we be able to keep our young people at home, only then will we be able to participate in the continuing development of Canada. In the past, Prince Edward Island has had problems keeping its youth at home after they finish their formal schooling. In the words of the Speech from the Throne we need to assist all individual Canadians, but especially our youth, in "building a stake in our country".

I should like to make mention of an issue which concerns the whole of the Canadian populace, in particular the youth. Because of my long involvement with young people and my deep and abiding concern for their welfare, I feel it is incumbent on governments, both federal and provincial, to establish an educational program advising Canadians on the more recent information about marijuana and other drugs and their adverse effects. I feel the lack of education is the crux of the whole drug problem, and that such an educational program, once established, will go a long way in helping our young people to understand the problems that can arise from the adverse usage of drugs.

I should like to go on for just a moment to deal with another matter which, in an indirect fashion, concerns young Canadians. If we are to expect our youth to have faith in our country's political and parliamentary process, if we are to expect our young people to have respect for those in positions such as we hold as members of Parliament, we are, first of all, going to have to show a little more respect for each other as we sit here in the House of Commons debating and making decisions on matters that concern our country.

It appalls me, Mr. Speaker, to witness the lack of respect that is present as individual members address the House. It may be difficult for some members to refrain from showing ignorance and lack of manners, but I do wish they would begin to show some politeness. Now that these sessions are being broadcast across the country for all to see, Canadians are able to view what they could only read about before—the thumping and pounding, the catcalls and the rude remarks. Is this how we endeavour to see that our youth respect the institutions we represent? As this first session of the Thirty-first Parliament continues I sincerely hope many of you will take a good, long look at yourselves and your actions here in the House, not only for the sake of the youth in the country but for your own sakes as well.

As many before me have stated, ours is a new Parliament facing an enormous challenge. Let us endeavour to live up to the expectations that Canadians have for us. And, Mr. Speaker, may we not disappoint them.

[*Translation*]

Mr. Yanakis: Mr. Speaker, I seek the indulgence of the House as I have only three or four minutes left. Could I call it ten o'clock and make my speech tomorrow afternoon?

Mr. Deputy Speaker: Does the House agree?

Some hon. Members: Agreed.

Mr. Deputy Speaker: The House agrees.

[*English*]

Does the House agree to my calling it ten o'clock? The hon. member will begin his speech tomorrow.

Some hon. Members: Agreed.

Adjournment Debate

PROCEEDINGS ON ADJOURNMENT MOTION

[*Translation*]

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

NORTHERN AFFAIRS—PROVINCIAL STATUS FOR THE YUKON

Mr. Ian Watson (Châteauguay): Mr. Speaker, before coming to the subject, I should like to congratulate you on your appointment as Deputy Speaker of the House. As a neighbour in the constituency of Châteauguay, I can tell you that it is an honour for the whole area of the valley of Châteauguay.

[*English*]

Last week, Mr. Speaker, I alleged in a question to the Prime Minister (Mr. Clark) that the effect of recent instructions issued by the Minister of Indian Affairs and Northern Development (Mr. Epp), specifically the removal of the commissioner of the executive committee in the Yukon, is to grant *de facto* provincial status to that territory without the consent either of Parliament or of the Yukon electorate, not to mention the other provinces in confederation. Surely this contention is not in any doubt.

I quote from the letter of instruction which was issued to the commissioner by the minister, which led to her resignation: the commissioner was instructed to request the territorial government leader that he constitute and appoint a body known as the cabinet to replace the executive committee. She was then told in that same letter, "You will not be a member of the cabinet or of the executive committee and will not participate on a day to day basis in the affairs of the cabinet." Then, to make the meaning absolutely clear, the commissioner was informed that she had to remove herself physically from the legislative building. If there is any doubt anywhere that the intention of the minister was to create *de facto* provincehood by his instruction I need only refer to the authorization contained in the minister's press release—I presume it was also included in the letter—to the effect that the chairman of the executive council could call himself premier.

When I asked the Prime Minister the question last week he replied that he was surprised that the spokesman for our party was not enthusiastic about an extension of democracy in our country. Let us just consider the question of responsible government. Does the Yukon have it now? What measure of responsible government does it have? Until this last event the commissioner had been instructed by the previous government, to accept the advice of the majority leader as to the number of members of the executive, and following the last territorial election the commissioner was also instructed to accept the advice of the majority leader on the appointment of elected members to the executive committee. In addition, this executive committee had control over matters of local importance and matters of concern to provincial governments such as health, roads, education, and the administration of justice.

● (2200)

These matters were all being looked after by this executive committee long before this recent initiative of the minister. Although he may have obtained some advice from his advisers, and they in turn may have received some advice from the Department of Justice, I certainly have very serious doubts as to the legality of at least part of what the minister has initiated in this instance.

The commissioner resigned. The commissioner did not resign in a tiff. She was not a bureaucrat who was insulted by these actions of the minister. If any white has a right to call herself a native Yukoner, she has. Her roots go back two or three generations in the Yukon. Without question she was and is one of the most esteemed personages in the north.

At the time of her selection last January she was the unanimous choice of all Yukoners. Suddenly in October she had to resign, and she resigned because she felt it her duty to resign, presumably in the interests of the Yukon and Yukoners.

It seems to me that the minister has placed himself in an unfortunate situation. I was happy to see him elevated to minister. I felt he was sympathetic toward native people. I felt he was open and frank and would be an excellent minister. He has been, to use the phrase of the Minister of Labour (Mr. Alexander), bamboozled here by his colleague from Yukon, the Minister of Public Works (Mr. Nielsen), who is a very astute individual and who realized perhaps—this may be one of the reasons, at least—that the Drury report will be forthcoming within the next few weeks. Certainly if any of Mr. Drury's statements so far find their way into his report, we can expect some recommendations about local government in the Northwest Territories.

The report does not address itself to the Yukon, but presumably there is some fear in some quarters that there may be some interesting stuff in that Drury report, and people of the Yukon may perhaps be interested in making use of some of that material. Those who are not interested in seeing that happen want, in effect, to pre-empt that danger. In fact by pre-empting that danger they are pre-judging the referendum the Yukon has been promised on the whole question of provincial status. They are pre-judging the electorate and, in effect, pre-empting their right to decide in one way or another.

The referendum will have to deal not just with a "yes" and a "no" question, but it appears it will not even reach that point if the minister, taking advice from his colleague in the cabinet, the Minister of Public Works, has his way. The die will have been cast, and that is what has happened in this situation. We now have *de facto* provincial status in the Yukon without reference to Parliament, without reference to the electorate of the Yukon, and without reference, as the Prime Minister has promised, to the premiers of the provinces.

There are a number of questions we can ask. The financial implications for Yukoners themselves are serious. The Yukon

is presently receiving from the federal government about $23 million a year for operating expenses, another $15 million for capital expenses, plus the $13 million or so which is being raised by its taxpayers and which, presumably, in the next year or so will be the subject of an income tax system within the Yukon itself.

● (2205)

I would like to terminate by requesting the minister to reconsider his position to allow, first, a consideration of this change by a parliamentary committee and, second, to reconsider the change in the commissioner's role. It is certainly not a change which is in the interest of the people of the Yukon or of the people of Canada.

Hon. Jake Epp (Minister of Indian Affairs and Northern Development): Mr. Speaker, I would like to thank the hon. member for his question. I know he is sincere about his views, but I must say to him that my views are diametrically opposed to his, which have been stated by the former government, that colonial status must remain north of 60. That is a position that this government does not accept.

The point should be mentioned also that he talks about the fact of provincial status. I do not know what the fact of provincial status is because we have never had that in our Canadian experience, but I want to say to him, first, that the Yukon does not have control over land; second, it does not have control over resources; third, it does not have control over fiscal responsibility. In fact I said in the letter of instructions to the former commissioner that the budget was to be looked at by the elected people and only then submitted to her and passed on to Ottawa. So when the hon. member speaks about provincial status, whatever definition he might have, it does not square with the facts.

What the government has done through the letter of instructions to the commissioner of the Yukon has been to provide the Yukon with responsible government as far as the Yukon Act allows. The Yukon Act provides that the commissioner receive instructions from time to time from the minister with respect to the ways in which the government of the day wishes the commissioner to carry out his or her duties. In fact the former minister said very similar things, and I quote from his letter of instructions. It reads:

> In response to territorial requests for further transfers of delegation of responsibilities to the Yukon, the federal government wishes to be as forthcoming and as flexible as possible. Our aim is to achieve full, responsible government in the Yukon while ensuring that the interest and participation of the Yukon Indians are fully guaranteed.

They are almost exactly the same words as I used in my own letter, which reads:

> It is clear to me that prior to the introduction of legislative changes in the Yukon Act it will be necessary for me to ensure that measures are developed which will protect the interests of native people in the Yukon and ensure their full and effective participation in government.

On the matter of consultation, I was in the Yukon, I met with the Yukon territorial government and I met with the Council of Yukon Indians while I was there. In fact on Friday, the weekend before the letter was sent, I telephoned Mr. Harry Allen indicating the letter of instructions.

I want to tell the hon. member that meetings have been established on the consultative process, as I have indicated earlier. I will be meeting with the Council of Yukon Indians next week on Tuesday; I will be meeting with the government of the Yukon Territory on Tuesday of next week, with a view to having the first tripartite meeting of the three groups next Thursday. I want to indicate to the hon. member that full consultation is in place. What the government has done—

Mr. Watson: After the fact.

Mr. Epp: Not after the fact, before the fact. If you think a Friday comes prior to a Monday, that is your choice.

Some hon. Members: Oh, oh!

Mr. Epp: The letter of instructions was made. That is number one. Second, we have said that on constitutional development consultations will take place, and tripartite meetings as I said before, have been going forward. Third, only after that will amendments be made to the Yukon Act with regard to responsible government. Fourth, when experience of responsible government is in place and the full financial implications of provincial status, the pros and cons, have been studied, with full disclosure of those facts, only then will a referendum be held on provincial status within the first four years of the mandate of this government. That is the clear plan. It is well in place. There is only one difference between the former government and ours, and that is that we believe that the people of northern Canada should enjoy the same democratic rights as we enjoy in the south. The period of colonialism is over.

● (2210)

ENERGY—PURCHASE OF OIL FROM MEXICO

Mr. Paul E. McRae (Thunder Bay-Atikokan): Mr. Speaker, I should like to join with my colleague in congratulating Your Honour on your elevation to the role of Deputy Speaker. I know the very fine job Your Honour has done in the past. I am pleased that the House is in such good hands.

On Tuesday I asked the Prime Minister (Mr. Clark) a question about a Mexican oil trade deal that we were in the process of negotiating before we slipped from power.

Mr. Kempling: You mean fell.

Mr. McRae: Only slipped slightly. In January our minister met with his counterpart in Mexico, along with officials from Petro-Canada and Pemex, and eventually met with the President of Mexico, Senor Lopez Portillo. They agreed to a long term, ten-year oil deal involving something in the order of $5 billion to $6 billion worth of Mexican oil for Canadian goods and services in roughly the same amount. This deal was then put on paper and initialed by our minister and the Mexican ambassador on May 4 or 5, with the expectation that the President of Mexico would come to Canada in September and

that there would be a proper signing of this document. After that there would be some negotiations between Petro-Canada and Pemex to bring the deal into fruition. It was hoped that by this winter we would have 10,000 barrels of oil a day coming to the east coast from Mexico.

I asked the Prime Minister why the visit of the President of Mexico had been postponed, whether indeed it had been postponed, or whether indeed the deal actually had fallen through. The Prime Minister assured me that the trip had to be postponed, but he said nothing about whether the deal had or had nor fallen through. He indicated that the Mexican president would visit Canada in May of 1980. There is no question that there has been a postponement, otherwise some kind of an arrangement could have been made for an earlier signature. I am not sure a signature is possible come next spring.

I should like to question what probably has gone wrong. I think there has been a lack of understanding on the part of this government of the history of Mexico, how Mexicans feel about oil, who produces and sells their oil and to whom they sell. We must not forget that the Mexicans went through a revolution in early 1920s to shake off American oil interests. It was made plain to all and sundry that the Mexicans did not want to deal with the multinationals, the Seven Sisters. They wanted to deal state to state. I think there is also a parallel with Venezuela where the Venezuelans decided not to go through with the deal involving 100,000 barrels per day to Petro-Canada through their oil company PetroVen, because during the election there were expectations that the right hon. member for Yellowhead (Mr. Clark) might become Prime Minister and that his government would break up PetroCan and the deal would not go through. I think most of these countries are very wary of dealing with a government which does not put any faith in a national oil company.

There is another problem which I think may have occurred, and that is the problem of dealing with the government of Japan and the Japanese petroleum exploration company that also made some overtures to Mexico. It looks to me like they have outsmarted us. I cannot prove at this particular point that we have lost $5 billion or $6 billion worth of business, but I am certain there has been a postponement. There may be a shortfall this winter and we will need additional amounts.

● (2215)

I am very concerned that this government does not believe it wise to keep the national oil company in there in order that it may make this kind of deal. I am concerned that the government does not feel the national oil company should be made stronger and stronger for this purpose. I am afraid that the Mexicans and Venezuelans will look very askance at the kind of establishment we are going to set up after we give away the assets. I think they will have some doubts about this agency that is to be created with a lot of debts and not too much expertise, the best parts having gone. If this happens, I believe we will actually lose this deal which could mean 100,000 man-years of work for Canadians if the trade aspects are followed through.

Mr. Bob Jarvis (Parliamentary Secretary to Minister of Energy, Mines and Resources): Mr. Speaker, in response to the question put and the statements made by the hon. member for Thunder Bay-Atikokan (Mr. McRae), may I first point out that I had always understood, certainly when I went to school, that the revolution in Mexico in the 1920s, which included some of the activities of Pancho Villa, was a fight over the question of poverty and the oppression of the people by a dictatorship. I did not realize that they were fighting oil companies at that time. If my friend's speculations are as sound as his history, then there is very little to be said in respect of his speculations.

I would, however, respectfully point out to the hon. member that an Energy Co-operation Agreement was initialled by the Canadian and Mexican governments on May 4, 1979. Article II of the agreement looks forward to a minimum delivery of 10,000 barrels a day of crude oil commencing in 1979 or 1980. Those were the terms of that original memorandum of agreement. Deliveries of larger volumes will follow over the ensuing 12 months.

A separate Industrial Co-operation Agreement was initialled at the same time, and there is no barter connection between the supply of Mexican oil as referred to in the Energy Co-operation Agreement or in the memorandun or the Industrial Co-operation Agreement which was signed at the same time.

At the same time as the Energy Co-operation Agreement was being negotiated, discussions were taking place with Mexican officials about the details of future supply of oil to Canada. A commitment was received from Pemex, the Mexican national oil company, for deliveries of small quantities to begin in the second half of 1980 to the extent that production will permit once their existing commitments are met. That does not include any commitment to the Japanese, so there is no foundation to the speculation the hon. member posed in that regard. Deliveries to Canada are to be increased beyond that level in accordance with the availability of their supplies.

Contacts have been maintained with the Mexican government and with Pemex since the agreement was initialled. A Canadian delegation headed by the assistant deputy minister for energy visited Mexico City in September. It discussed Mexican production forecasts for 1980, which will determine the date when supplies will commence. A second visit is to be made in December at the Mexicans' suggestion, when further information as to future deliveries will be made available. That hardly suggests that the deal is at an end or is not going forward, particularly when at the Mexican suggestion we are attending that meeting to fix the times when deliveries commence. I trust that satisfies the questions and statements put by the hon. member.

• (2220)

ENERGY—SUPPLY OF GASOLINE AND HEATING OIL THIS WINTER

Mr. Cyril Symes (Sault Ste. Marie): Mr. Speaker, on Monday I raised with the Minister of Energy, Mines and Resources (Mr. Hnatyshyn) the problem of the supply of fuel, oil and gasoline being down in Ontario. Indeed, we have learned that the reserves of home heating oil are down over 18 per cent from the same period last year, and gasoline supply by some 20 per cent. If members will recall, last year in Ontario the supply situation was very tight. Indeed, we have learned that British Petroleum has been closing its gas stations on Sundays and that Shell has been reducing the hours of operation of its gas stations as well, all of which, of course, indicates that there is a serious supply problem facing us in the months ahead.

What is more worrisome is that the oil companies in many cases have not bid on traditional fuel oil contracts for large users such as school boards. Indeed, in the area from which I come, and in nearby Algoma, a number of school boards have not been receiving the traditional bids from the oil companies to supply them with fuel, nor have they been offering the traditional discounts to large users. When I raised this matter in the House on Monday, I pointed out to the minister that we have a very fragile situation. In fact, those were the words he used. I wanted from him some kind of assurance that we would be able to make it through the winter without any problems.

I am still not satisfied that we will be able to do so. The Minister of Consumer and Corporate Affairs (Mr. Lawrence) has admitted that he is powerless to do anything with the oil companies which are refusing to make their normal bids. I think that that is a sad statement, considering the power which the federal government has at its disposal. It really puts us again at the mercy of the private oil companies, the majority of which are foreign-controlled, at a time when we are about to, if we believe this government, disband Petro-Canada.

It seems to me that the situation will only get worse. The other thing that I pointed out to the minister is that the department of consumer affairs for the past six years has been investigating these oil companies on suspicion that they have been manipulating supply and price. I understand that the department will soon bring forward a report and that there is a likelihood that criminal charges will be laid. All of this makes me very suspicious about why we are facing shortages this winter, or potential shortages.

The oil companies tell us that there have been refinery breakdowns and this accounts for the lower supplies. We also know that gasoline demand was up over the summer and that many of the refineries were not producing home heating oil but converting to gasoline production instead. But the mere fact that we have this ongoing investigation into the supply practices in the oil companies makes me wonder if those are the real reasons, and to that end I asked the minister in the House whether or not he would make public the reports of the National Energy Board as to the supply situation because we, as members of Parliament, and the public generally, do not have access to these reports.

I think it is important that we be able to determine to our own satisfaction what the reasons for this downturn in supplies are. The minister, I think, misunderstood me when I asked that question because he thought I was referring to the investigation by the combines branch of the consumer affairs department. What I wanted to know was whether or not he would make those National Energy Board fuel reports public.

The other point was that the minister, by agreeing that the supply situation was very fragile, made me worry in the sense that all he was saying was that they were monitoring the situation and he was hopeful that we would make it through the winter without any problem. I categorize that statement as a rather bland assurance to the consumers in Ontario. What I wanted to know from the minister was what kind of contingency plans the government has in place in the sad event that we do come up with shortages over the cold months.

• (2225)

Members know that in the spring, before the election, we passed the Energy Supplies Emergency Act which the Conservatives opposed, unfortunately. It gives the federal government some rather sweeping powers to allocate supply to regions that experience shortages and, if it needs to, to implement rationing.

From statements made by the minister in this House and the fact that members of the energy supply allocation board have not yet been appointed, I do not think the government has any contingency plans in place to enable it to react quickly to a shortage if it occurs. The second question I would like answered tonight is this: does the government have any plans in place to meet a fuel oil shortage so that consumers, especially in the more remote parts of the province, will not experience shortages and cold homes over the winter months?

Mr. Bob Jarvis (Parliamentary Secretary to Minister of Energy, Mines and Resources): Mr. Speaker, in response to the question put by the hon. member for Sault Ste. Marie (Mr. Symes), may I say that all of us on the government side join with him in expressing concern over a growing world problem, namely, the limited supply of a non-renewable resource which the world as a whole is using beyond its capacity, and beyond reasonable expectations for that resource to last.

One of the prime objectives of this government will be to urge and to lead all Canadians to conserve this limited resource, and to use the resource in a more meaningful and proper manner.

With respect to the questions put, I would advise the hon. member that the government has undertaken several measures to ensure adequate supplies of gasoline and heating oil for this winter. First, they include curtailing crude oil exports to keep pipeline-fed Canadian refineries fully supplied—and I am sure that the hon. member is aware of the dramatic cutbacks in the export of crude oil; second, facilitating the exchange of western Canadian oil for additional eastern seaboard imports,

which will increase supply in an area dependent upon oil for much of its energy.

The oil industry is programming a very high rate of delivery of refinery raw material from domestic and overseas sources in the fourth quarter and a commensurately large product market. If these programs can be achieved, then inventories of middle distillates for diesel and heating oil should be close to desirable levels by the year end.

A national outlook for the first quarter of 1980 is that programmed supply should be adequate to meet forecasted product demands, given normal weather conditions, with an acceptable closing inventory level.

Quebec and Ontario seem to be the principal regional trouble spots. The brunt of the oil product supply stringency has been felt in central Canada at the reseller level. Companies affected include medium-sized resellers, who sell both at retail and wholesale levels, and retail sellers of gasoline and heating oils.

Officials of the Department of Energy, Mines and Resources and the National Energy Board are keeping in close touch with these resellers, seeking by all possible means to create the conditions for them to get product supply. As well, officials are in frequent contact with refiners having crude oil or products supply difficulties. The Minister of Energy, Mines and Resources (Mr. Hnatyshyn) has formally urged refiners to treat the resellers fairly. Officials are keeping in close touch with industry and the provinces. The current reading on the situation is "tight but manageable". We have to learn to be a conserving society.

I trust that answers the hon. member's question, Mr. Speaker.

Mr. Deputy Speaker: The motion to adjourn the House is now deemed to be adopted. Accordingly, this House stands adjourned until tomorrow at eleven o'clock a.m.

Motion agreed to and the House adjourned at 10.30 p.m.

HOUSE OF COMMONS

Friday, October 19, 1979

The House met at 11 a.m.

• (1105)

ROUTINE PROCEEDINGS

[*English*]

COMBINES INVESTIGATION ACT

INTRODUCTION OF AMENDMENTS TO LEGISLATION—MOTION UNDER S.O. 43

Mr. John Evans (Ottawa Centre): Mr. Speaker, I rise under the provisions of Standing Order 43 to put forward a motion on a matter of urgent and pressing necessity.

In view of statements made on Monday by the Minister of Consumer and Corporate Affairs (Mr. Lawrence) to the effect that the Combines Investigation Act administered by him has, in his opinion, rather large gaps and in some cases is ineffective, and in view of the Prime Minister's (Mr. Clark) apparent agreement, as witnessed by his response on Tuesday to questions by the hon. member for Oshawa (Mr. Broadbent), that the government's private sector orientation depends heavily for its success on effective competition in the marketplace, I would move, seconded by the hon. member from Saint-Henri-Westmount (Mr. Johnston):

That the House instruct the government to introduce on a priority basis the stage II amendments to the Combines Investigation Act as recommended by the director of investigation and research of the Department of Consumer and Corporate Affairs.

Mr. Speaker: Such a motion can be presented for debate at this time only with unanimous consent. Is there unanimous consent?

Some hon. Members: No.

Some hon. Members: Agreed.

* * *

FISHERIES

REQUEST THAT SHIPBUILDING SUBSIDY BE REINSTATED—MOTION UNDER S.O. 43

Mr. William Rompkey (Grand Falls-White Bay-Labrador): Mr. Speaker, I rise, under Standing Order 43, on a matter of urgent and pressing necessity.

In view of the minister's public pronouncements concerning the paramount importance of the inshore fishery, and considering the fact that since June no inshore vessels in Atlantic Canada or Quebec have been replaced, and because inshore fishermen desperately need these vessels if they are to reap the benefits of the 200-mile limit, I ask leave to move, seconded by the hon. member for Winnipeg-Fort Garry (Mr. Axworthy):

That this House call upon the government to immediately replenish the fishing vessel subsidy program by approving the funds necessary to bring it up to the amount allocated in the fiscal year 1978-79.

Mr. Speaker: Introduction of such a motion for debate at this time requires unanimous consent. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

EMPLOYMENT

REPLACEMENT FOR JET PROGRAM—MOTION UNDER S.O. 43

Mr. Gilbert Parent (Welland): Mr. Speaker, pursuant to the provisions of Standing Order 43, I rise to propose a motion on a matter of urgent and pressing necessity.

My motion concerns the JET program, a Canada Employment and Immigration Commission program designed to assist the integration of young people between the ages of 15 and 24 into the work force. The JET program, initiated by the Liberal government in March, 1978, will soon be terminated. I would therefore move, seconded by the hon. member for Restigouche (Mr. Harquail):

That the government advise the House what it proposes to do to replace the JET program.

Mr. Speaker: The motion, if it is to be presented at this time, will require unanimous consent. Is there such consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

FINANCE

ASSISTANCE TO HOME OWNERS CONVERTING HEATING APPLIANCES—MOTION UNDER S.O. 43

Mr. Hal Herbert (Vaudreuil): Mr. Speaker, under Standing Order 43 I rise to put forward a motion on a matter of urgent and pressing necessity—urgent because of the impending introduction of the budget.

S.O. 43

I would move, seconded by the hon. member for Lachine (Mr. Blaker):

That the legislation or budgetary measures to be proposed in this House to encourage the conversion of home heating appliances from oil to gas should extend at least the same financial assistance to home owners in the province of Quebec who wish to convert the heating systems in their homes from furnaces burning imported oil to Canadian-made heating units using domestically produced electricity.

Mr. Speaker: Presentation of this motion for debate would require unanimous consent. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

TELEVISION

CALL FOR EMERGENCY DEBATE ON CANADIAN CONTENT—MOTION UNDER S.O. 43

Mr. Ian Waddell (Vancouver-Kingsway): Mr. Speaker, I, too, wish to put forward a motion under Standing Order 43 on a matter of urgent and pressing necessity.

The president of the CBC, in his annual report released while Parliament was not in session this summer, stated that English-speaking adult TV viewers are spending nearly 75 per cent of their viewing time watching foreign programs, and that their children are spending 83 per cent of their viewing time doing the same; that French-speaking adult Canadian TV viewers are spending 48 per cent of their viewing time watching foreign programs, and their children 56 per cent—

Some hon. Members: Order.

Mr. Speaker: If the hon. member has a motion, would he proceed to it.

Mr. Waddell: I would move, seconded by the hon. member for Skeena (Mr. Fulton):

That this House immediately begin an emergency debate with respect to the Canadian content available on our television channels.

Mr. Speaker: Is there unanimous consent to debate such a motion at this time?

Some hon. Members: Agreed.

Some hon. Members: No.

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HARBOURS

WHARFAGE CHARGES ON GRAIN AND GRAIN PRODUCTS—MOTION UNDER S.O. 43

Mr. Howard Crosby (Halifax West): Mr. Speaker, I rise, under the provisions of Standing Order 43, on a matter of urgent and pressing necessity.

[Mr. Herbert.]

An increase in wharfage charges announced by the National Harbours Board for east coast ports has more than doubled the tariff for grain and grain products in the port of Halifax-Dartmouth. This will damage the competitive position of the port and hurt producers and shippers. Accordingly, I would move, seconded by the hon. member for Annapolis Valley-Hants (Mr. Nowlan):

That this House request the Minister of Transport to direct a review by the National Harbours Board of the increase in the wharfage charge affecting grain and grain products so that the adverse effect will be minimized.

Mr. Speaker: The House has heard the terms of the motion moved by the hon. member for Halifax West. Is there unanimous consent for such a motion to be put to the House?

Some hon. Members: Agreed.

Motion agreed to.

* * *

● (1110)

AIR TRANSPORT

CALL FOR GOVERNMENT TO CANCEL MAINTENANCE EMPLOYEE CUTBACKS—MOTION UNDER S.O. 43

Mr. George Baker (Gander-Twillingate): Mr. Speaker, I rise on a matter of urgent and pressing necessity under the provisions of Standing Order 43.

Due to the decision of the federal Treasury Board to cut back on casual employees at Canadian airports and additional operational cuts ordered recently in Atlantic Canada, forcing airports to restrict runway use during snow and adverse weather conditions this fall and causing vocal concern by some airport managers that the safety of the travelling public may be affected; due to the fact that for the past month, in eliminating a function of air radio operators because of a contract dispute, Transport Canada has ordered runway and approach lighting at some airports in Atlantic Canada to remain at the same intensity regardless of weather conditions, causing pilots to complain of blinding lights during clear weather conditions; and due to the fact that certain of these airports generate revenue through air radio unaccounted for in actual landings, as witnessed by the $3.6 million presently owed the federal government for air radio services supplied in Atlantic Canada to three U.S. airlines, I move, seconded by the hon. member for Madawaska-Victoria (Mr. Corbin):

That the government cancel its ordered maintenance cutback and term employee cuts at airports in Atlantic Canada and give air radio operators more recognition in order to protect the safety of the travelling public.

Mr. Speaker: The introduction of such a motion for debate at this time would require the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

[*Translation*]

COPYRIGHT

REQUEST ADMINISTRATION BE TRANSFERRED TO DEPARTMENT OF SECRETARY OF STATE—MOTION UNDER S.O. 43

Mr. Robert Gourd (Argenteuil): Mr. Speaker, under the provisions of Standing Order 43 I ask for the unanimous consent of the House to move a motion dealing with an important matter of pressing necessity.

Considering that the legislation protecting authors is already over half a century old, I move, seconded by the hon. member for York West (Mr. Fleming):

That jurisdiction over copyright be immediately transferred from the Minister of Consumer and Corporate Affairs to the Department of the Secretary of State which is certainly better qualified to undertake as soon as possible a most important review aimed at protecting Canadian culture, that is, of the Copyright Act.

Mr. Speaker: The House has heard the motion of the hon. member. The presentation of such a motion for debate under Standing Order 43 requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

[*English*]

FISHERIES

REQUEST THAT SHIPBUILDING SUBSIDY BE REINSTATED—MOTION UNDER S.O. 43

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

In view of the announced intention of the government to strengthen Canadian shipbuilding and to encourage individual enterprise; in light of the fact that actions taken by this government have frozen the 35 per cent subsidy which has for many years been available to fishermen purchasing new vessels; in light of the fact that in my home province of Manitoba, which last year received $280,000 and this year has received only $20,000, the Deparment of Fisheries and Oceans has on file the applications of 90 fishermen seeking well over $130,000 in subsidies; and in light of the fact that this freeze has meant fishermen have been unable to upgrade their boats and, in Manitoba, boat works have been forced to lay off workers and are likely to lose hundreds of thousands of dollars this year, I move, seconded by the hon. member for Churchill (Mr. Murphy):

That this House instruct the Minister of Fisheries and Oceans to lift the freeze immediately on the subsidy program and process those applications which are presently on file.

Mr. Speaker: The presentation of such a motion for consideration by the House at this time would require unanimous consent. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

TRANSPORT

PILOTAGE FEES IN ATLANTIC WATERS—MOTION UNDER S.O. 43

Mr. Maurice A. Dionne (Northumberland-Miramichi): Mr. Speaker, I rise, under the provisions of Standing Order 43 to propose a motion of urgent and pressing necessity.

In view of the acceptance by this House of the motion by the hon. member for Halifax West (Mr. Crosby) regarding wharfage fees, I move, seconded by the hon. member for York South-Weston (Mrs. Appolloni):

That the Minister of Transport incorporate into that review the instructions of his department to the Atlantic Pilotage Authority to increase substantially pilotage fees in Atlantic waters.

Mr. Speaker: Does the House give its unanimous consent to the consideration of this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

ORAL QUESTION PERIOD

[*English*]

NORTHERN PIPELINES

FOOTHILLS' PROJECT—CONTENT OF CANADA-U.S. DISCUSSIONS

Hon. John C. Munro (Hamilton East): Mr. Speaker, I wish to direct a question to the Prime Minister. I want to return to the issue of the Foothills oil pipeline, which I am sure is an issue the Prime Minister does not particularly wish to pursue. I would like to inform him that we are going to push this issue as hard as we can so that the Americans can at least know where the House of Commons stands with regard to this overland pipeline.

My question to the Prime Minister is this—one I have been asking all week long—

• (1115)

Some hon. Members: Oh, oh!

Mr. Munro (Hamilton East): The Prime Minister has said that his ministers were meeting with U.S. representatives, pushing the Foothills' proposal. Yesterday, he reeled off a list of meetings between officials, but not one Canadian minister was mentioned.

Some hon. Members: Shame.

Mr. Munro (Hamilton East): Where were these meetings held? Were they specifically directed to the pipeline issue? What was said? Were there any ministers at the meetings to state officially Canada's position on the overland route and, if so, which minister?

Right Hon. Joe Clark (Prime Minister): Mr. Speaker, I am not sure what the practice was in the former government. In this government, the officials, including the ambassador of Canada to the United States, speak on instructions from the ministers. The ministers gave instructions to the officials and the officials carried those instructions forward and made clear, in a way that was absolutely clear to the United States, the support of the Government of Canada for the Foothills' route and the overriding concern of the Government of Canada for the effect of oil spills caused by tanker off the west coast of Canada.

Mr. Munro (Hamilton East): I take it from that answer that no ministers were present. Perhaps the Prime Minister would be well advised to check the statements his Minister of Industry, Trade and Commerce made in the Senate on Wednesday.

My next question is also directed to the Prime Minister. As he is aware, my colleague, the hon. member for Cape Breton Highlands-Canso, placed on the record yesterday a statement from the U.S. Department of the Interior that Canada, through its new government, had been asked to indicate its preferences, and no official word had been received by the United States as of late August. That U.S. statement was contained in a report dated July 7, 1979, and made public the following month.

Would the Prime Minister tell the House when his ministers made the position of the new government clear during the summer? Evidently, it was neither clear nor official, because the Department of the Interior—the lead co-ordinator of the pipeline project in the U.S.—did not know anything about it.

Mr. Clark: Mr. Speaker, I do not have *Hansard* here with me yet. My recollection of the statement partially quoted by the hon. member for Cape Breton Highlands-Canso yesterday was that it was a partial statement, and that he did not include in his quotation the very important element that the United States request had been for a statement of the Canadian position before September 28. That was the request to which we responded by sending an aide memoire dated September 28.

Mr. Munro (Hamilton East): Mr. Speaker, I think it would be most useful to the House and to the country to know exactly what the government finally said to the Americans when they did make that final deadline for submissions in the aide memoire of September 28 to which the Prime Minister just referred.

Did the government firmly state its preference for the Foothills' overland route and, if so—I see the Prime Minister is getting it ready; I hope the aide memoire is a further indication of the openness of this government—did the Prime Minister clearly state, in terms as strong as those used by the former government in their aide memoire, the preference of this government for the Foothills' project; and would he table the aide memoire so that we can see if this position was as firmly stated as the former government's last April?

Mr. Clark: I can say with a great deal of satisfaction and relief that it was nowhere as difficult making the government of the United States and the Foothills' people aware of our position as it appears to be to make a simple message clear to the hon. member opposite.

Some hon. Members: Hear, hear!

Mr. Clark: We did not have to repeat the statement to the Americans five times in a week. The aide memoire to which the former minister refers was made public. I do not have a copy with me. I am sure if the hon. member checks with his research facilities they will be able to find a copy of that aide memoire. In any event, I will give an undertaking now that as soon as I have a copy of it brought back to me—I just did not bring it with me to the House—naturally, I will lay it upon the Table of the House.

• (1120)

Mr. Munro (Hamilton East): Make your position clear to the Minister of Energy, Mines and Resources.

Mr. Speaker: The hon. member for Windsor West, on a supplementary.

Hon. Herb Gray (Windsor West): Mr. Speaker, I have a question for the Prime Minister, in the absence of the Minister of Finance. Yesterday, the Minister of Finance announced that the government is increasing the interest rates on Canada Savings Bonds.

Mr. Speaker: Order, please. The hon. member for Winnipeg North Centre.

An hon. Member: That is not a supplementary.

* * *

FINANCE

REQUEST GOVERNMENT REVERSE POLICY OF INTEREST RATE INCREASES

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I have a question for the right hon. Prime Minister. In view of his statement in his press conference this morning, that if the governor of the Bank of Canada recommends another increase in interest rates the government will probably go along with it, in view of the fact that already the 9.6 per cent increase in the cost of living is outrunning the wage index,

which is up by only 7.5 per cent, and in view of the fact in that situation another interest rate increase would add to inflation and make things still worse for those who are trying to live on their inadequate wages, may I ask the Prime Minister what this House can do to persuade the government to reverse this idiotic policy of interest rate increases when, in fact, they ought to be reduced?

Some hon. Members: Hear, hear!

Right Hon. Joe Clark (Prime Minister): Mr. Speaker, what this House can do, if it has a practical alternative which is preferable to the policies being recommended by the governor of the Bank of Canada and by this government, is make those policies known to the standing committee to which we have agreed there should be a reference of the question of interest rates, with the Minister of Finance and the governor of the Bank of Canada present as witnesses.

Mr. Chrétien: He is not available; he is afraid.

Mr. Knowles: Mr. Speaker, of course, that response leads me to remind the Prime Minister of suggestions which have been made by this party, particularly by my leader, the hon. member for Oshawa.

May I put the question this way: In view of the Prime Minister's statement yesterday in the House that the government regards inflation as enemy No. 1, yet has said "no" to subsidies on essential foods, has said "no" to a fair prices commission with the power to roll back unjustified increases, and has proposed only cutbacks in government spending which would have the effect of increasing unemployment and making things worse, when will the Prime Minister take this enemy No. 1 seriously and do something about the rising cost of living?

Some hon. Members: Hear, hear!

Mr. Clark: Mr. Speaker, we take this enemy No. 1 seriously whenever we indicate determination to move on programs which will reduce the burden of the cost of government on the Canadian economy which will re-establish some sense of confidence that there is now in Canada a government prepared to face hard decisions today, rather than roll with easy decisions.

I know the hon. member does not particularly agree with that approach, because his colleagues and members of the official opposition condemn practically every measure we take designed to bring government costs into line and have that effect upon controlling inflation.

Mr. Breau: That is not true.

Mr. Knowles: Mr. Speaker, my final supplementary relates to the fact that not only are workers and their families having trouble keeping up with the cost of living, but so are our pensioners.

My question is this: In view of the fact the present system of indexing old age security and other pension benefits is on a system which is always five months to eight months behind and does not relate, in terms of the index, to the things that pensioners actually have to buy, will the government review the formula for indexing, and will it consider establishing a special cost of living index for pensioners, so that they will not continually go behind as they are now?

● (1125)

Mr. Clark: Mr. Speaker, we have already indicated our intention, in the Speech from the Throne with references to the review of retirement income provisions in the country, to undertake precisely the kind of review to which the hon. member is referring, and a broader review.

INCREASE IN INTEREST RATE OF CANADA SAVINGS BONDS—COST TO TAXPAYERS

Hon. Herb Gray (Windsor West): Mr. Speaker, I direct my question, again, to the Prime Minister, in the absence of the Minister of Finance. Yesterday, the Minister of Finance announced that the government is increasing the interest rate on Canada Savings Bonds to encourage their sales in the face of generally increasing interest rates, increases which are apparently supported by this government.

Can he tell us how much money this increase in Canada Savings Bonds rates will cost the Canadian taxpayer who has to pay the additional cost to the government of money it borrows because of this interest rate policy?

Hon. Sinclair Stevens (President of the Treasury Board): Mr. Speaker, if I may reply to the hon. member's question, I can give him a specific figure on Monday detailing the anticipated cost of the interest rate increase as it applies to CSBs. I would point out to the hon. member that recipients of that interest are, of course, Canadians.

Mr. Gray: Mr. Speaker, I have a supplementary question. Could he also tell us, when he gives us his answer on Monday, how much the increase in the interest rates since this government took office will be adding to the deficit of the government and to government spending generally, both of which the government has said it will be reducing?

In view of the fact that these interest rate increases will obviously increase the deficit and government spending, can he tell us how this is consistent with what the Prime Minister said yesterday and today, that he was making inflation enemy No. 1 and would fight inflation by reducing government expenditures, an obvious discrepancy and contradiction?

Mr. Stevens: Mr. Speaker, if I may again reply to the hon. member's question, I am sure that he is at last realizing the dreadful legacy the former government left this nation—

Some hon. Members: Oh, oh!

Mr. Stevens: —and which is now having to be transformed into the form of an ongoing debt, with the consequential effect on interest rates to which the hon. member referred.

Oral Questions

CANADA MORTGAGE AND HOUSING CORPORATION

PROPOSED PRIVATIZATION—REQUEST PLANS BE SHELVED

Mr. Lloyd Axworthy (Winnipeg-Fort Garry): Mr. Speaker, I have a question for the Prime Minister. With mortage interest rates in this country now at the level of 14 per cent and, as the first minister is aware, with the housing market in this country now in a serious crisis, with starts down 13 per cent, new purchases in a decline, and 30,000 unemployed in the construction industry—with these kinds of figures, is the first minister prepared to develop immediate plans to come to the aid of the housing market in Canada and, in particular, is he prepared to shelve any plans to privatize the Canada Mortgage and Housing Corporation so that the corporation can get down to the business of solving the housing crisis, rather than worrying about its existence in the next three or four weeks?

Right Hon. Joe Clark (Prime Minister): Mr. Speaker, may I say to the hon. member that it is precisely for that reason that we intend to move as quickly as we can with our tax credit proposal.

I would hope the hon. member will use what influence he has in his party to encourage some of the traditional members of the party who might be inclined to obstruct debate on some of the budget bills we have to get through and, consequently, delay the ability of Parliament to deal with the tax credit proposal, not to engage in obstruction but, instead, to help us clean up as quickly as possible the bills overhanging from the former session so we can get on with this aid to the housing industry.

Some hon. Members: Hear, hear!

Mr. Axworthy: Mr. Speaker, I would like to ask the first minister if he will be prepared to use his influence to influence some of the more traditional members of his party to desist from putting forward outdated ideas about privatizing national corporations that serve the public interest.

In addition, would he also examine his own mortgage credit program and recognize that it will do nothing to stimulate the housing market, that it will only serve 30 per cent of Canadians and, in fact, will not provide any form of assistance to bring new people into the market?

● (1130)

Will the Prime Minister give assurances that this government will shelve plans to privatize CMHC, and will he also undertake immediate plans to reduce mortgage interest rates and help people who really need to buy houses?

Some hon. Members: Hear, hear!

Mr. Clark: Mr. Speaker, I really should not enter into this matter which is internal to the Liberal party, but I cannot miss the opportunity to wish the hon. member as much luck in influencing the members of his party as I have had in influencing the members of mine.

[Mr. Stevens.]

BANK OF CANADA

POSSIBLE CANDIDATE FOR POST OF GOVERNOR

Mr. Donald J. Johnston (Saint-Henri-Westmount): Mr. Speaker, my question is to the Prime Minister. In keeping with his opinions on open government, would the Prime Minister advise the House whether or not it is true that the former member for Don Valley, who is now a prime ministerial adviser, is being considered as a candidate for the post of governor of the Bank of Canada?

Mr. Chrétien: Patronage.

Mr. Johnston: In view of Mr. Gillies' place in this developing economic policy, and in view of the interesting theories which he himself expressed in hearings before the finance committee last year, would the Prime Minister agree that he should also appear as a witness before the standing committee on finance to examine the interest rate policy of the government?

Right Hon. Joe Clark (Prime Minister): Mr. Speaker, no consideration is being given to the appointment of Dr. Gillies to that position. Indeed, the government has come to no decision as to what list of candidates it may consider for the appointment to the office of the governor of the Bank of Canada at the expiry of the—

Mr. Foster: Has the governor of the Bank of Canada resigned?

Mr. Clark: You might like to listen to the rest of the answer—at the expiry early next year of the term of the current governor or, indeed, whether it would be of mutual interest to have the current governor continue in his responsibilities.

With regard to the second part of the question, this government does intend to reverse the practice of the former government, that of hiding away former officials of the Privy Council Office and the Prime Minister's Office. As the hon. member will know, it was the practice of the former government to refuse Parliament access to the deputy minister responsible to the Privy Council Office or the deputy minister responsible to the Prime Minister's Office.

Dr. Gillies is not of deputy minister status, and we would have to see whether or not his appearance at a committee would create a precedent. I shall take a look at that situation. My expectation is that it will probably not be possible or valuable for Dr. Gillies to appear before that committee, although I share the hon. member's respect for his views.

Some hon. Members: Hear, hear!

Mr. Johnston: Mr. Speaker, I have a supplementary question for the Prime Minister. In the hearings last year on monetary policy and, specifically, on interest rates, the Minister of Finance—who is not here today—admitted that he was not an expert in the area and, in fact, described himself as a layman. That was not the case with Dr. Gillies. He expressed

some professional views as an economist and also as a member of the opposition at that time.

In view of the very special role that he plays today, it seems to me important that he appear, and my question is, would the Prime Minister encourage him to appear if he is invited by the committee?

Mr. Clark: Mr. Speaker, I understand that the hon. member is now asking a rather different question. First, he was asking that Dr. Gillies appear in his status as principal adviser in my office. The hon. member is now asking that Dr. Gillies appear at the committee in his capacity as a professional economist. The decision as to whether or not to invite Dr. Gillies is, of course, academic until an invitation comes from the standing committee.

Mr. Kaplan: You control the committee.

Mr. Clark: If such a question does come, we will consider the implications of the request to the system of government that we have, where deputy ministers and ministers report. We will also consider whether or not Dr. Gillies, in light of his position, has the latitude he formerly enjoyed to give testimony as a professional economist.

Mr. Munro (Hamilton East): In other words, no.

* * *

PUBLIC WORKS

STATUS OF GUY FAVREAU COMPLEX

Hon. André Ouellet (Papineau): Mr. Speaker, my question is to the Minister of Public Works. I congratulate the minister on his appointment and wish him well in his new responsibilities.

[*Translation*]

My question is as follows: Now that the government has failed in its attempt to have General Motors set up shop in Montreal, has the minister received representations from the Minister of Supply and Services to have work resume immediately at Place Guy Favreau? If not, will he give orders for the immediate resumption of work on that important project strongly endorsed by the people of Montreal, the authorities of Montreal, the Montreal Board of Trade and all unemployed construction workers in the Montreal area?

[*English*]

Hon. Erik Nielsen (Minister of Public Works): Mr. Speaker, I thank the hon. member for his kind wishes. In response to his question, I can say that a study is under way now with respect to the market and economic feasibility of the Favreau complex in Montreal which has been promised, on and off, since 1972 by the hon. member and his colleagues on that side, in the absence of any economic feasibility study in place before proceeding with the project. I expect to receive the results of that study, which is now under way, by the end of November. At that time the matter will be considered and a decision made as to whether to proceed.

[*Translation*]

Mr. Ouellet: Is the study referred to the one which has been ordered from Conservative engineer Dupras, the first recipient of his colleague's patronizing handouts?

* * *

[*English*]

SHIPBUILDING

REQUEST FOR CONTINUATION OF SUBSIDY

Mr. Gus Mitges (Grey-Simcoe): Mr. Speaker, my question is to the Minister of State for Small Business and Industry.

In view of the importance of maintaining a strong domestic capability in the construction and the repairing of ships in Canada to maintain some 45,000 jobs connected with the shipbuilding industry, and in view of the fact that the present construction subsidy of 20 per cent has proven to be an effective means of reducing Canadian prices to a level competitive with those of overseas builders—a subsidy which is slated to be removed on December 31, 1979—I would like to ask the minister if he would take the appropriate steps to continue the 20 per cent subsidy and, as well, I would ask him if the government would address itself to the many other recommendations of the consultative task force on the Canadian shipbuilding and repair industry approved by the government last February.

Hon. Ron Huntington (Minister of State for Small Businesses and Industry): Mr. Speaker, the economic development envelope is down and all of the resources that are available to our department for programs such as the shipping subsidy are under review and study. We have extended the shipbuilding subsidy for three applications that were made available in the province of Nova Scotia.

The program expires in its present state on December 31, 1979, and the subsidy would revert back to the 9 per cent level. The matter is under complete review within the department and will be proceeding to cabinet as a cabinet document. When cabinet has made a decision on the allocation of that type of resource, I will be able to answer more directly.

Mr. Breau: Which cabinet?

* * *

COMBINES INVESTIGATION ACT

POSSIBLE PROSECUTIONS—REQUEST DOCUMENTS BE TABLED—REFERENCE TO COMMITTEE

Mr. Svend J. Robinson (Burnaby): Mr. Speaker, my question is for the—

Some hon. Members: Oh, oh!

Mr. Robinson (Burnaby): Mr. Speaker, if we may have some order.

Some hon. Members: Oh, oh!

Mr. Robinson (Burnaby): My question is for the right hon. Prime Minister. Yesterday, the Prime Minister indicated that if someone other than members on the opposite side of this House felt that the unprecedented ministerial consultations were not appropriate, he would agree to a full investigation of what has been called the trucking affair.

Yesterday, a very distinguished former justice of the Supreme Court of Canada, Mr. Justice Wishart Spence, said:

> I would say that any consultation would have to be on the legal propriety of prosecution and not on any other element. It might be, for instance, that some other member of the cabinet might be very experienced in a particular branch of law involved, in which case he might consult him.

Given that the Minister of Transport is not a lawyer, and given that the minister stated outside this House on Wednesday—

• (1140)

Mr. Speaker: Order, please. The hon. member will recognize that he has already transgressed the ordinary bounds of a preamble. I think he had better put his question.

Mr. Robinson (Burnaby): In view of the statement of Mr. Justice Spence and the statements of the Minister of Transport, will the right hon. Prime Minister now agree, in his spirit of open government, to, first, table the documents which were used to brief the Minister of Transport for the Friday meeting and, second, will the right hon. Prime Minister agree to refer this entire matter to the Standing Committee on Justice and Legal Affairs for comprehensive inquiry and report back to this House; and, if not, why not?

Right Hon. Joe Clark (Prime Minister): Mr. Speaker, I admire the hon. member's perseverance. When this matter was raised in the House first of all by the hon. member, minutes after the meeting ended, and subsequently in response to questions by the hon. member for Notre-Dame-de-Grâce, I undertook to look at the law and the precedents regarding the propriety of that meeting.

I have reported to the House of Commons the very firm advice of the law officers of the Crown that there was nothing illegal, nothing inconsistent with either law or with precedent in the practice of the Attorney General of Canada seeking the advice.

Mr. Breau: What about morality?

Mr. Clark: The hon. member has shown a new interest, for his party, in morality and propriety. There was no problem of propriety, no problem of morality, no problem of precedent and no problem of law having to do with the behaviour of the Attorney General of Canada in convening that meeting with his colleagues.

[Mr. Robinson (Burnaby).]

[*Translation*]

GOVERNMENT EXPENDITURES

CONSTRUCTION OF DATA TAXATION CENTRE—GOVERNMENT INTENTIONS REGARDING PROJECT

Mr. Gilles Marceau (Jonquière): Mr. Speaker, my question is directed to the President of the Treasury Board. Contrary to all expectations and in spite of a $3.5 million vote which appears in the estimates of the Department of Public Works for the year 1979-80 to carry on construction work at the Jonquière data taxation centre, the President of the Treasury Board announced on July 27 a delay of indefinite duration, even if that project might create over 1,000 full or part-time jobs in a region where the rate of unemployment is one of the highest in Canada.

Could the minister indicate to my constituents, to whom this project is of paramount importance, whether he will react within the next few days to the strong representations which were made to him, first in Ottawa on or about September 18, 1979 when a petition with 22,000 signatures was presented to him; then in Ottawa on the same date when an important memorandum from the municipality of Jonquière was submitted to him; and then when a personal memorandum was presented to him on August 9, 1979; and, finally, when he had here in Ottawa a personal meeting with the representatives of the city of Jonquière on October 3 last?

[*English*]

Hon. Sinclair Stevens (President of the Treasury Board): Mr. Speaker, I thank the hon. member for Jonquière for giving me notice of his question. I wish to assure him that the decentralization counter-moves that we made were not made lightly; they were made only after a very thorough examination of the premises taken by the former government with respect to each move.

In the case of the proposed data taxation centre in the city of Jonquière, I wish to confirm that Mayor Dufort did visit my office with three of his officials. I found it a very worth while meeting, and as a result of it I have undertaken to have a representative from my office go to Jonquière and see first-hand what are the ongoing implications for the federal government and the local municipal government with respect to this situation, bearing in mind that this project was postponed, not cancelled.

* * *

[*Translation*]

TRANSPORT

INQUIRY WHETHER GOVERNMENT WILL ABSORB COST OF RAIL SERVICE IN MONTREAL SUBURBS

Mr. Bernard Loiselle (Verchères): Mr. Speaker, in the absence of the Minister of Transport and in the permanent absence of the senator who is negotiating, my question is

directed to the right hon. Prime Minister. I should like to ask whether he intends to fulfil the formal undertaking made by the previous government to fully finance the capital costs required for the establishment of a commuter train service in the Montreal area and if so, what is the state of the negotiations with the government of Quebec?

Right Hon. Joe Clark (Prime Minister): Mr. Speaker, this is a matter I will have to discuss with the Minister of Transport because I do not have the details here today.

Mr. Loiselle: Mr. Speaker, considering the rumors about negotiations, can the right hon. Prime Minister ask his Minister of Transport to instruct the CNR to freeze or postpone any rate increase until negotiations with Quebec are completed.

Mr. Clark: Yes, Mr. Speaker, I can discuss it.

* * *

[*English*]

PUBLIC SERVICE

JOB OPPORTUNITIES FOR WOMEN

Mr. W. Kenneth Robinson (Etobicoke-Lakeshore): Mr. Speaker, my question is for the right hon. Prime Minister. It is mooted in the public service that there are 2,000 appointments to be screened, reviewed and assigned by the office of human resources in his office.

In view of the fact that yesterday he spoke in the House on the fiftieth anniversary of Canadians women being recognized as persons, and at that time referred to the economic inequality of women, I wonder if he will state at this time how many of the 2,000 appointments will be assigned to women.

Right Hon. Joe Clark (Prime Minister): Mr. Speaker, as many as possible. I should say, and frankly admit to the House, as I have indicated to my colleagues, that in the past both under the former government and our own, not enough were.

Mr. Robinson (Etobicoke-Lakeshore): A supplementary question. Recognizing that in the past only about 13 per cent of the total number of these appointments had been held by women, would the Prime Minister assure us that there will in the future be a higher proportion of such appointments?

Mr. Clark: Mr. Speaker, that is very much my goal. That was, naturally, along with the considerations of obvious competence, one of the factors which guided us, not simply in looking at the number of women employed in the public service but also looking at the prominence of women employed in the public service.

I was very pleased at the appointment of the Deputy Minister of National Health and Welfare, an outstanding public servant, and the agreement of Mrs. Jean Wadds to accept the appointment as High Commissioner to Great Britain.

Some hon. Members: Hear, hear!

THE ENVIRONMENT

OIL TANKER TRAFFIC ON WEST COAST—ACTION TO PREVENT HARMFUL EFFECTS

Mr. Jim Fulton (Skeena): Mr. Speaker, I have a question for the Minister of the Environment. In view of the fact that the previous administration and the present government have lain idly by while oil tanker traffic off the British Columbia coast has risen to the highest, most dangerous levels in Canadian history, and in light of the fact that yesterday the National Energy Board ruled it cannot consider the implications of the proposed increase in marine transport of Alaskan crude oil, can the minister indicate to the House what specific action his government intends to take to deal with the serious and dangerous oil tanker traffic on the British Columbia coast?

Hon. John A. Fraser (Postmaster General and Minister of the Environment): The specific question that the hon. member is putting relates to the fact that the National Energy Board has stated it did hot have jurisdiction to consider the environmental implications of that part of a pipeline outside Canada.

I can tell this House through you, Mr. Speaker, that the Government of Canada would not give approval to any pipeline which was subject to Canadian regulatory processes, and which had environmental implications against the public good of Canada, unless adequate environmental studies were undertaken.

REQUEST FOR TASK FORCE STUDY

Mr. Jim Fulton (Skeena): A supplementary question to the Prime Minister, Mr. Speaker. In light of the hatchet job done to the Thompson oil port inquiry by the previous administration, and while the United States Congress it attempting to dictate oil transport policy in this country, and knowing that the National Energy Board cannot present the required political or diplomatic positions either to this House or to the United States government, will the Prime Minister assure this House today that he will set up a task force to advise the House, before President Carter visits Canada next month, of the implications of tanker traffic on the marine environment?

Right Hon. Joe Clark (Prime Minister): Mr. Speaker, the hon. member, as I understand his question, is asking me to up a task force today that would report to this House of Commons, before the visit of the United States President, on all the marine environmental implications of tanker traffic down the west coast. I doubt, frankly, that the job could be done that quickly.

What the Minister of the Environment has undertaken to do is to make it clear that even though the National Energy Board does not believe it has jurisdiction in this field, this government has now, through the Minister of the Environment, given a very clear and unequivocal undertaking that there will be adequate environmental impact assessments in relation to any implications of any activity down the west coast of Canada in regard to which there is a regulatory role and

authority, and an approval role and authority, of the Government of Canada.

* * *

● (1150)

PUBLIC SERVICE

REVIEW OF PERSONNEL MANAGEMENT AND THE MERIT PRINCIPLE—APPLICATION OF PRINCIPLES IN REPORT

Mr. Benno Friesen (Surrey-White Rock-North Delta): Mr. Speaker, my question is to the President of the Treasury Board. The D'Avignon report on the Review of Personnel Management and the Merit Principle has outlined clear principles by which employees may be discharged. However, the commissioner of penitentiaries has used an additional principle which he calls the "reverse merit" principle, which really means the better you are, the sooner you get fired—which ought to make the regional administrators of penitentiaries feel pretty secure.

Can the President of the Treasury Board tell the House how this principle can be applied and still preserve a high-quality public service?

Hon. Sinclair Stevens (President of the Treasury Board): Mr. Speaker, to answer the hon. member's question, I believe he is referring to a work force reduction policy which was developed by the former government in 1969 and 1970 in consultation with certain bargaining agents. The policy was reviewed in 1978 by the previous government, again in consultation with those bargaining agents. Once again we are reviewing this policy. As it is a rather intricate program to which the hon. member has referred, I believe I should report at a later date to the House as to what our position is with respect to the policy in general.

* * *

[*Translation*]

CABLEVISION

REQUEST CRTC INTERVENE TO SETTLE STRIKE IN QUEBEC

Mr. Louis Duclos (Montmorency): Mr. Speaker, my question was intended for the Minister of Communications but in view of his absence I shall direct it to the right hon. Prime Minister.

As the larger part of the population of Quebec City has been denied cable television for several weeks now by striking employees of Cablevision Nationale Ltée of Quebec City, can the right hon. Prime Minister tell the House whether or not he is willing to make the necessary representations to the CRTC to have it intervene energetically, and not only to pay lip service, with Cablevision Nationale Ltée and make it negotiate seriously with its employees with a view to settling the strike and having the company respect its obligations toward the people of greater Quebec City?

[Mr. Clark.]

[*English*]

Hon. Walter Baker (President of the Privy Council and Minister of National Revenue): Mr. Speaker, I will take that question as notice and bring it to the attention of the minister.

* * *

NATIONAL REVENUE

HIGHWAY SUFFERANCE WAREHOUSE IN RENFREW AREA

Mr. Leonard Hopkins (Renfrew-Nipissing-Pembroke): Mr. Speaker, I have a question for the Minister of National Revenue. I gave him advance notice, so he has had a lot of time to do some positive thinking.

Last March, the former minister of national revenue, the Hon. Tony Abbott, stated that he was prepared to accept a suitable application for appointment of a highway sufferance warehouse in the Renfrew area. A suitable application was received by May 31. Is the present Minister of National Revenue, after reviewing representations from the president of the Ontario Sufferance Warehouse Association, now prepared to give immediate approval to the commitment made by his predecessor and allow the establishment of a highway sufferance warehouse in the Renfrew area of eastern Ontario to be proceeded with on an urgent basis?

Hon. Walter Baker (President of the Privy Council and Minister of National Revenue): Mr. Speaker, this matter has been before governments generally through the work of the hon. member for Lanark-Renfrew-Carleton for some period of time. I intend to make an announcement shortly with respect to this matter.

* * *

[*Translation*]

CANADA MORTGAGE AND HOUSING CORPORATION

INQUIRY WHETHER CORPORATION WILL BE PRIVATIZED—PROGRAM TO ASSIST TENANTS

Hon. J. Gilles Lamontagne (Langelier): Mr. Speaker, I should like to put a question to the minister responsible for Canada Mortgage and Housing Corporation.

Since the dismantling or privatization of that corporation was announced, several citizens are worried. Until now, the government has implemented programs to help tenants. The minister doubtless knows that economic strengths are not the same in every province and that average incomes are not either, and that, in addition, both interest rates and inflation are increasing. If any group of citizens is being burdened by the effects of that situation, it is the tenants. Can the minister tell us whether or not he intends to recommend a program to help tenants directly?

I should like to put him another question; does he intend to privatize the Canada Mortgage and Housing Corporation, and could that make interest rates go down?

[*English*]

Hon. Elmer M. MacKay (Minister of Regional Economic Expansion): Mr. Speaker, I welcome the question from the distinguished former postmaster general. I want to assure him that, despite reports that are going around, there has been no ultimate decision taken on what will or will not be done with Canada Mortgage and Housing.

We on this side are very conscious of maintaining the responsibility of the Government of Canada for the social needs of Canadians in housing. I have spoken from time to time with the responsible minister in Quebec about the need to protect tenants and to protect people in that province from any of the unfortunate consequences of high interest rates or any other policies that affect housing.

I think it would be fair to say in this answer that the demographics, as hon. members opposite know, clearly indicate that the demand for housing in the eighties will not be as great as it has been. For that reason it is important that we concentrate on improving the urban core in some cities, the rehabilitation of existing housing and looking after the needs of all tenants.

[*Translation*]

INQUIRY WHETHER UNDERPRIVILEGED WILL BENEFIT FROM HOUSING POLICY

Mrs. Céline Hervieux-Payette (Mercier): Mr. Speaker, my question is directed to the minister responsible for urban affairs. In view of the fact that Mr. Donald Matthews, chairman of the task force on Canada Mortgage and Housing Corporation, seems to have been the former national president of the Progressive Conservative Party as well as a housing developer, can the minister responsible for CMHC tell this House who on this task force was representing the interests and views of underprivileged Canadians in need of social housing, or are we to understand that the minister put the fox in charge of the hen house as far as housing policy is concerned?

[*English*]

Hon. Elmer M. MacKay (Minister of Regional Economic Expansion): Mr. Speaker, I will be delighted to send the hon. member opposite a list of the people who comprise the group looking into the various questions in Canada Housing. Any doubts that this House may have about the political neutrality and objectivity of Mr. Matthews ought to be removed by the fact that his beautiful daughter is married to a very, very prominent Liberal politician.

Some hon. Members: Oh, oh!

Oral Questions

REGIONAL ECONOMIC EXPANSION

FINANCIAL ASSISTANCE FOR MINE IN CAPE BRETON

Mr. Andy Hogan (Cape Breton-East Richmond): Mr. Speaker, my question is addressed to the Minister of Regional Economic Expansion. In view of the fact that the new drilling has been completed for the Donkin mine in Cape Breton, which shows huge coal reserves, and the estimate is that if that mine is started now, by 1984 it will replace eight million barrels of oil a year, will the minister say when the money will come from the federal government to start that mine?

Hon. Elmer M. MacKay (Minister of Regional Economic Expansion): As the hon. member knows, Mr. Speaker, the question of the Donkin mine is part of a very important energy package strategy, not only for Nova Scotia but for the maritime provinces.

The timing of the production of the mine is very important to ensure that market conditions and forecasts are such that it will come on stream at the most opportune time. I share with the hon. member the urgent wish that the mine will be started as soon as possible. This matter is under very active consideration at this time and will be discussed in cabinet before very long.

Mr. Hogan: I thank the minister for the information. May I now ask what the condition is as far as the Prince mine is concerned? A pledge was made by the former government to allocate funds. I understand this has not yet been done. That is a very vital part of the whole self-sufficiency argument of making Cape Breton coal useful, instead of importing oil.

Mr. MacKay: Mr. Speaker, there is at the present time a very realistic disposition to expand not only Prince but No. 26 colliery. However, that is without prejudice to the plans for the Donkin mine. However, all these particular aims and objectives have to be co-ordinated so that the coal is not only there when we need it but, hopefully, will not be there too soon.

* * *

FISHERIES

REQUEST THAT SHIPBUILDING SUBSIDY BE REINSTATED

Mr. William Rompkey (Grand Falls-White Bay-Labrador): Mr. Speaker, I have a question for the Minister of Fisheries and Oceans. I want to take this opportunity, belated as it is, to congratulate him on his responsibilities and to wish him well.

The minister is aware that no money has been available for the fishing vessel subsidy program since last June. In the meantime, the whole construction season has gone by and the shipyards in the Atlantic area and Quebec have been idle through lack of funds. Is the minister aware of this situation and the fact that hundreds of fishermen in the Atlantic area and Quebec are in desperate need of new vessels? He knows the cost of a longliner over 50 feet is more than half a million dollars. Has the minister requested funds for the subsidy

program, and can he tell us when those funds will be forthcoming?

● (1200)

Hon. James A. McGrath (Minister of Fisheries and Oceans): As is the case with so many good programs, we have had to place a freeze on this one because of the free spending habits of the government of which the hon. member was a supporter. However, we have had discussions with the provinces and worked out an arrangement whereby there will be at least a partial lifting of the freeze. Details have been worked out so we can implement the program, albeit in a modified way, for the balance of this year and hopefully for at least part of next year.

Mr. Rompkey: I thank the minister for his positive answer. I want to make sure it is positive enough. My supplementary question is for the President of the Treasury Board.

In view of the fact that in the last fiscal year $11 million was allocated for vessel subsidies, and that in the present fiscal year no moneys have been allocated since the new government came to office, is the hon. gentleman prepared now to respond to the needs of the fishermen of the Atlantic area and Quebec by allocating funds at last year's level, to ensure that fishing vessels can be replaced and new vessels built?

Hon. Sinclair Stevens (President of the Treasury Board): I can assure the hon. member, who is a veteran of this House, that I will respond in the appropriate way, the way in which any president of the treasury board would respond to any request from his colleague, the Minister of Fisheries and Oceans.

* * *

EXTERNAL AFFAIRS

MEETING OF HON. ROBERT STANFIELD WITH PLO

Mr. Roland de Corneille (Eglinton-Lawrence): Mr. Speaker, I have a question for the Secretary of State for External Affairs. Can the hon. lady tell the House whether the emissary extraordinary, or the extraordinary emissary to the Middle East, the Hon. Robert Stanfield, did indeed hold any public or clandestine meetings with representatives of the PLO before the PLO has met the two conditions which the Prime Minister laid down for relationships with, or recognition of that terrorist organization?

Further, if Mr. Stanfield has indeed had such meetings with the PLO, has he discussed with the PLO any topics other than the moving of the embassy from Tel Aviv to Jerusalem, and has he made any undertakings to continue further contacts with the PLO?

Hon. Flora MacDonald (Secretary of State for External Affairs): Mr. Speaker, I have not had an opportunity to meet with Mr. Stanfield since his return to Canada, but I have read in the press and listened to reports that he stated he had met with a representative of the PLO, and I am perfectly willing to believe Mr. Stanfield's comment. It was in no way clandestine. He said what he had done, and he did that knowing the terms of his reference permitted him to meet with anyone he felt it was appropriate to consult.

* * *

HOUSE OF COMMONS

DRESS OF MEMBERS IN CHAMBER

Mr. Speaker: Order, please. I have received a note from the hon. member for Notre-Dame-de-Grâce (Mr. Allmand) concerning his failure to wear a tie in the chamber today. The fact is that two or three members have brought this to my attention; I noticed it myself. It is, of course, a departure from an accepted standard of dress which has been agreed to and enforced by the House for quite some time. Our procedure puts me, at least, into somewhat of a "Catch 22" situation. If I recognize the hon. member for the purpose of addressing the House in connection with a question of privilege or otherwise, then I would be offending the very standard with which we are concerned. In order to be able to hear the hon. member on this subject it seems to me I would need the consent of the House. Is the House agreed?

Some hon. Members: No.

* * *

PRIVILEGE

MR. MUNRO (HAMILTON EAST)—REQUEST FOR CLARIFICATION OF STATEMENTS CONCERNING PIPELINE ROUTE

Hon. John C. Munro (Hamilton East): Mr. Speaker, I have a question of privilege arising from a reply the Prime Minister (Mr. Clark) gave to the Leader of the Opposition (Mr. Trudeau) on Wednesday last. He said, and I quote from page 291 of *Hansard* for Wednesday:

> Ministers of this government have been in touch with Foothills and in fact with United States officials throughout the summer to make clear the preference of the Canadian government for the Foothills group and to make very clear our concern about the environmental impact of tanker traffic off the west coast.

On the same day in the Senate, the Minister of Industry, Trade and Commerce (Mr. de Cotret) stated:

> As a government, as you well know, we strongly encouraged and urged the United States government to adopt the Foothills proposal both officially and in a memorandum of intent sent to the President of the United States recently and also through unofficial discussions held throughout the summer by the Secretary of State for External Affairs, the Minister of the Environment and the Minister of Energy, Mines and Resources.

Today, Mr. Speaker, the Prime Minister told the House that in all those meetings he listed yesterday no ministers were present. I refer him to a taped conversation which was accepted in the House, and which was accepted when it was referred to in the House, and in particular to a question dated August 23, directed in the latter part of the summer to the Minister of Energy, Mines and Resources (Mr. Hnatyshyn), the minister

who, according to the Prime Minister, was in touch with the United States government all throughout the summer urging the acceptance of the Foothills all-land route. I quote:

Q. Is Canada going to have to re-endorse the Foothills proposal in light of Schlesinger's memo?

Not "any change in Foothills' application" but "Schlesinger's memo".

A: (Hnatyshyn). Well, I think the position we are taking as a new government is that we are going to review the alternatives and I simply think it is premature to indicate a position on the matter now.

Q. What's the status of the former government's commitment? They said they preferred the Foothills route. Does that stand?

A. Well, I think that a new government is going to look at the alternatives and I don't want to suggest that in any way the review itself means that we are either going to change or not change, but I just think the process obviously has to be . . . that we have a chance to look and have a fresh view of all the alternatives and accordingly, when that process is over, our position will be made clear to the United States, to the President of the United States.

This is the minister who, all during the summer, according to the Prime Minister and the Minister of Industry, Trade and Commerce (Mr. de Cotret), has been pushing the Foothills route throughout the summer, as stated in *Hansard* by the Prime Minister. To continue with the taped report:

Q. We have had some technical problems. Could I repeat the question about whether you feel you are under any pressure from the American government to act on this matter?

A. Well, what I have said is that it is my understanding that the Americans, the administration and the new occupants of those positions of energy and the Department of the Interior, are in fact themselves going to look at the whole question and that there is certainly no indication to me, at least based on the information I had at my disposal at the time, of any rejection or acceptance of one alternative or the other.

He was clearly talking about alternatives in the sense of other proposals opposed to Foothills. The answer continued:

So that is still very much open. What I am saying is that I take it that Mr. Schlesinger, in his statement, is expressing his point of view but my understanding is that it is not one that has been accepted as a position of the administration in the United States.

So we find the Minister of Energy, Mines and Resources at the end of the summer saying he is taking a fresh look at the whole proposal.

● (1210)

The Prime Minister informed this House that throughout the course of the summer this minister, along with some of his colleagues, had been urging the acceptance of Foothills' proposal.

I would like to quote another minister who was named as urging the acceptance of Foothills' proposal during the course of the summer, as stated by the Prime Minister and the Minister of Industry, Trade and Commerce. I refer to the reported remarks of the Minister of the Environment (Mr. Fraser) in a story in *The Vancouver Sun* of October 18, which reads in part as follows:

The Vancouver South MP said in an interview that while the government favours an all-land plan put forward by Foothills Oil Pipe Lines Ltd.—and has gone so far as to say so in a recent aide memoire—

This refers to the aide memoire the Prime Minister said was sent at the end of September.

—"there are more than just environmental considerations" to take into account.

"Trans Mountain (Pipe Line Co.) at least has the favourable characteristic of getting the tankers out of congested waters"—

The Prime Minister has indicated that this minister throughout the course of the summer had no doubts and was pushing the Foothills' all-land route. This article was made public. It was read, presumably, by the Americans, and it cast doubts. It extolled the virtues of Trans Mountain and a tanker route. Compounding this impression—it is more than an impression; there was a statement by the Prime Minister—was a statement read to this House and which was made by the department of the interior, the lead department, saying that at least halfway through the summer no word had been heard from the Canadian government. The Prime Minister said there were meetings of just officials, let alone officials for ministers during this period.

My question of privilege is this: The Prime Minister of this country today clearly states to this House and to the Canadian people that his ministers—and the government is the Prime Minister and his ministers—have been urging the United States government throughout the summer to accept the Foothills' route. At the end of August the Minister of Energy, Mines and Resources, one of the lead ministers of this government, said he was looking at all the fresh new proposals and making no commitment with respect to Foothills. This was compounded by the Minister of the Environment who said in Vancouver a week ago that Trans Mountain had its virtues.

It seems to me that this is shoddy, to say the least. I would like some clarification from the Prime Minister because I think this is misleading the House of Commons and the Canadian people.

Mr. Speaker: Order, please. The hon. member for Hamilton East (Mr. Munro) has put his own description on it. He said it is shoddy. That seems to me to characterize the intervention as a disagreement, perhaps, and a dispute over the quality of the answer given. As we all know, answers which are or appear to be on the basis of argument and in conflict with other answers may be the subject of discussion, but I will have some difficulty recognizing this as a question of privilege in its basic form.

The right hon. Prime Minister (Mr. Clark) was seeking the floor, but I have to say that on the basis of the intervention and the fact that there is no motion at the moment which would compel any action by the Chair, I do not under the circumstances think we can pursue the matter as a question of privilege because in my opinion it clearly is a matter of disagreement and dispute and does not constitute a question of privilege.

MR. ALLMAND—DRESS OF MEMBERS IN CHAMBER

Hon. Warren Allmand (Notre-Dame-de-Grâce): Mr. Speaker, I rise on a question of privilege with respect to the wearing of ties in the House of Commons. I put this question of privilege as a serious one. This morning it was my intention to change into a shirt and tie and come here dressed according to

the traditional rules, but at the last minute I received several important telephone calls.

Some hon. Members: Oh, oh!

Mr. Allmand: Mr. Speaker, I would like you to hear me out. I received important telephone calls, with the result that when the bells rang for the calling of the House I did not have time to change. In the circumstances I thought it was more important to come here without a tie and participate in the proceedings of the House than come late or not at all.

I really want to question the propriety of this rule—

Some hon. Members: Oh, oh!

Mr. Allmand: If hon. members opposite would be quiet and listen to my argument, I would like Your Honour to reconsider this rule. Parliament is a very old institution, and proper dress in the House of Commons has varied considerably over the 700 or more years Parliament has existed as an institution. For most of those centuries ties in the House of Commons were not the rule. It seems to me that the important thing under the rule of proper decorum in the House of Commons is proper dress and neatness and not necessarily the wearing of ties.

I have visited other Parliaments in the world, and I think that if one inquired of the Parliaments of many countries in the Inter-Parliamentary Union one would find that the wearing of ties is not the rule.

Second, I would like to remind this House that this is a House of Commons. I was just reading the rights and privileges of members of Parliament. This is a house of commoners, and it is my opinion that to the majority of people in Canada common dress is not the wearing of ties, if we consider the total range of population.

The tie I am wearing was lent to me by the hon. member for Nunatsiaq (Mr. Ittinuar), who is an Inuit. There are Indians and Inuit in this Parliament, and it is not proper to demand the wearing of ties of people whose traditional dress does not include the wearing of ties.

Earlier this week we celebrated "Persons" day which recognized equality between men and women in Parliament. It was a very important anniversary. In this respect I think men in this House should have the same freedom of dress as women.

Some hon. Members: Hear, hear!

Mr. Allmand: I point out that the Secretary of State for External Affairs (Miss MacDonald) is not wearing a tie today. The hon. member for Trinity (Miss Nicholson) is not wearing a tie. The hon. member for York South (Mrs. Appolloni) is not wearing a tie.

Consequently, I would like Your Honour to reconsider this rule. I think it is anachronistic in 1979 or 1980. I think my constituents want me to be here whether I am wearing a tie or not, and I argue that my privilege to speak as an elected member of Parliament for a constituency was interfered with merely because I did not have a tie on today, when I wanted to ask a very important question on an important issue.

Mr. Speaker: Order, please. I do not want to entertain this matter in this way. The hon. member knows that this has been an accepted standard and that standards of dress are very difficult to enforce, define and categorize. For many years all commoners have accepted a standard of dress for men in this House.

I grant that some of the hon. member's representations may be very reasonable. Nevertheless, it has been the accepted standard here by all members of this House of Commons that the standard of dress for men includes ties. I simply say that if the hon. member or any other hon. member wants to try to change that, the right thing to do, surely, would be to do it through their caucuses or perhaps through representations to a committee which might make a recommendation so that the House can change this rule. It is not for me to decide, thank heaven, what the standard of dress should be. The House has made that decision through a long accepted practice, and all I am doing is enforcing it. If the hon. member wants to change it, he should persuade his colleagues, and I will be happy to enforce whatever change there might be. However, until that time comes I am bound to follow the practices of the House as they have been well known to me since I have been here.

Some hon. Members: Hear, hear!

[*Translation*]

MR. BREAU—ALLEGED INSULTING REMARKS OF PRIME MINISTER

Mr. Herb Breau (Gloucester): Mr. Speaker, I rise on a question of privilege because the Prime Minister (Mr. Clark) today, in my view, failed to comply with Standing Order 35 concerning the use of disrespectful and offensive language against members of this House. I therefore rise on a question of privilege to give the Prime Minister the opportunity to clarify the matter because I do not think that any member wants to offend others.

On two occasions today, the Prime Minister made reference to members on this side of the House in a way that could be construed as offensive. First, in reply to a question put by the hon. member for Winnipeg-Fort Garry (Mr. Axworthy) regarding House procedures and the legislative program, the Prime Minister stated that some members on this side of the House, some members—he did not specify from which party—had decided to obstruct the budget bills and the business of the House. Mr. Speaker, I should like to remind the Prime Minister through you that the budget bills are not yet on the order paper, that no member has seen any, that no one knows if they will be printed in exactly the same format and with the same content as in the last Parliament. Therefore, how can one conclude that members on this side of the House have already decided on the stance they will take during a budget debate or a debate on a budget bill?

Mr. Speaker, the Prime Minister is imputing motives, and he did say "some members" without referring to any party. I would ask the Prime Minister to clarify his statements and remind him that those summer caucus meetings are over. He is now in the House of Commons in the Canadian Parliament and we expect on this side of the House to scrutinize all the bills he will introduce, whether they be budget bills, bills from the last Parliament or any other bill, first because it is our duty as members to scrutinize the content and presentation of the bills.

The second example I want to deal with in my remarks relates to the arrogant attitude shown today in the House by the Prime Minister, and I would like him to clarify this, Mr. Speaker. At one point, he said in an answer and while looking at me that I had a newly found interest in morality. It may well be that he did not quite understand what I had said, and I would like to give him the opportunity to clarify this, because I do not think he would want to question my political morality, present or past.

● (1220)

[*English*]

Right Hon. Joe Clark (Prime Minister): Mr. Speaker, I think there can be no better determination of the intent of hon. members opposite to obstruct the business of the House than the three points of privilege we have heard this morning.

Some hon. Members: Hear, hear!

[*Translation*]

Mr. Clark: With regard to the question raised concerning the reference I made, that was in the context of an interjection from the hon. member for Gloucester (Mr. Breau) relating to morality. He mentioned the word "morality". I was speaking about standards of public morality and I suggested that in the past, when that party formed the government, there had not been everywhere the same interest for matters of public morality, which he suggested by the way he interjected in the debate. That's all.

Mr. Yvon Pinard (Drummond): Mr. Speaker, on the same question of privilege, I would add that the Prime Minister has in fact just done it again since in light of the questions of privilege we have raised today he has imputed motives to us by saying that we wanted to make systematic obstruction of the proceedings of the House. I would like to point out to him, Mr. Speaker, that this lengthy five-month delay in calling Parliament has contributed much more to the delay in the proceedings of the House than the intelligent questions of privilege that have been raised today.

[*English*]

Mr. Speaker: I would have to check the record, I suppose, but my recollection is that what the right hon. Prime Minister (Mr. Clark) said today had to do with the hope that hon. members in the House could be persuaded not to obstruct the business of the House in the future.

Some hon. Members: No.

Mr. Speaker: In any case, even to me the remarks just made by the right hon. Prime Minister that actions taken this morning are in fact an indication of an intention to obstruct the business of the House may be unpleasant, but certainly they are not unparliamentary and I have no basis on which I can found any question of privilege; nor have I been asked to found one by way of any motion. In terms of the language used by the right hon. Prime Minister, I have to determine whether or not any unparliamentary allegation has been made by him. I am not aware of any, but if the perusal of the record shows me to be in error, I will certainly allow further argument on it. For the moment, however, I do not see any.

Mr. Breau: Mr. Speaker, on the same question of privilege I would just like to clarify if, following your ruling a while ago, you still consider that imputing motives to members of Parliament is unparliamentary. Could you please clarify for us whether or not imputing motives to a member of Parliament or a group of members of Parliament is unparliamentary?

Mr. Speaker: Order, please.

ROUTINE PROCEEDINGS

[*English*]

NORTHERN PIPELINES

FOOTHILLS' PROJECT—TABLING OF AIDE MEMOIRE

Right Hon. Joe Clark (Prime Minister): Mr. Speaker, in the question period earlier today the hon. member for Hamilton East (Mr. Munro) asked if I would put upon the Table a copy of the aide memoire which was published by the Government of Canada on October 1. I would like permission to table that aide memoire in both official languages.

* * *

LABOUR CONDITIONS

MONTREAL GRAIN HANDLERS' DISPUTE—ANNOUNCEMENT OF MEMORANDUM OF AGREEMENT

Hon. Lincoln M. Alexander (Minister of Labour): Mr. Speaker, I had expected questions directed to me regarding the work stoppage in the port of Montreal, but in light of the fact there were none, I have an announcement to make for the edification of hon. members.

In view of the considerable interest displayed in the House relative to mediation efforts concerning the strike involving the port of Montreal grain workers and the National Harbours Board, hon. members will be pleased to learn that a memoran-

dum of agreement was entered into last evening and it is anticipated that a ratification vote will be held over the weekend which will lead to resumption of grain elevator operations in the port of Montreal.

Some hon. Members: Hear, hear!

Mr. Alexander: I am quite optimistic with respect to the ratification, and if all goes well, I would expect early resumption in terms of the port of Montreal getting back to work as soon as possible. I hope this is of some benefit to all members of the House.

[*Translation*]

Hon. André Ouellet (Papineau): Mr. Speaker, it gives me great pleasure on behalf of my party to inform the House that we are very happy this strike is over. Unfortunately, we cannot congratulate the minister on having settled it himself. I think that attrition and time were the main factors. There is a well-known saying that time is the healer of all ills. It seems indeed that that is what happened in this case, and one cannot say that the Progressive Conservatives are responsible for settling the dispute in the port of Montreal.

That strike which actually lasted several months occasioned heavy expenses and serious inconvenience to farm producers in that area of Quebec. That is what the minister failed to mention this morning. That is what his government wanted to do for them, to compensate them for the extra expenses and inconvenience they suffered because of that strike that lasted too long. It is obvious that the strike pushed up the cost of grain supplies to flour mills, for example and it is obvious the price of feed grains for farm producers increased by several dollars a ton. When my colleague, the hon. member for Longueuil (Mr. Olivier), asked the minister last week what he intended to do about that conflict, he did remind him that this government had intervened immediately right at the start of a similar dispute in western Canada on the Pacific coast. And the hon. member for Longueuil was rightly concerned about the inaction of the Progressive Conservative government about this dispute in the port of Montreal.

In conclusion, Mr. Speaker, I hope the Minister of Agriculture (Mr. Wise) will come to the House later on to tell us what he intends to do to compensate those who were seriously affected by this dispute. In answer to a question by the hon. member for St. Hyacinthe (Mr. Ostiguy), the minister said he hoped to be in a position to give fuller information as early as next week, meaning this week, about the breeders who were affected by the strike in the port of Montreal these past months. So I hope that next week the Minister of Agriculture will act on the representations of the hon. member for St. Hyacinthe and that help and financial compensation will be forthcoming for those so seriously affected by that strike which lasted much too long.

[Mr. Alexander.]

[*English*]

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, in the absence of the hon. member for Nickel Belt (Mr. Rodriguez) who has expressed our concern about this matter, I want to say on behalf of our party that we welcome the announcement that a memorandum of agreement has been reached between the parties and we hope that it will not be long before operations are resumed.

[*Translation*]

Hon. Marcel Lessard (Lac-Saint-Jean): I would like to ask a question of the Minister of Labour (Mr. Alexander). Even though the dispute has been settled, there is a major problem left because feed grain supplies are nil in the port of Montreal.

Does the Minister of Labour intend to make representations to the Minister of Agriculture (Mr. Wise) and his colleague the Minister of Transport (Mr. Mazankowski) to speed up the grain movement to the port of Montreal so as to replenish the stocks in time before the closure of the St. Lawrence Seaway? Otherwise we will of course have to move grain by rail and perhaps also by boat; does he intend to make representations to that effect?

● (1230)

[*English*]

Mr. Alexander: Mr. Speaker, I want to advise the hon. member that the memorandum of agreement has to be ratified, of course. As I have indicated to him, I am optimistic that the ratification will come through. In terms of the representations just made by the hon. member, for the benefit of my colleagues, the Minister of Agriculture (Mr. Wise) and the Minister of Transport (Mr. Mazankowski), certainly I will see to it that they are brought to their attention.

* * *

POST OFFICE

MEASURE RESPECTING CERTAIN POSTAL RATES

Hon. John A. Fraser (Postmaster General and Minister of the Environment) moved for leave to introduce Bill C-11, respecting certain postal rates.

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

* * *

CORPORATIONS AND LABOUR UNIONS RETURNS ACT

MEASURE TO AMEND

Hon. Sinclair Stevens (President of the Treasury Board) moved for leave to introduce Bill C-12, to amend the Corporations and Labour Unions Returns Act.

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

ADJUSTMENT OF ACCOUNTS ACT

MEASURE TO ADJUST THE ACCOUNTS OF CANADA

Hon. Sinclair Stevens (President of the Treasury Board) moved for leave to introduce Bill C-13, to adjust the Accounts of Canada and to make related amendments to certain acts.

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

* * *

HOUSE OF COMMONS

BROADCASTING OF PROCEEDINGS OF COMMITTEES

On the Order: Government notices of motion:

October 17—The President of the Privy Council:—That this House approves the radio and television broadcasting of the proceedings of its committees on the basis of principles similar to those which govern the publication of the printed official reports of debates;

That a special committee, consisting of Mr. Speaker and ten other members to be named at a later date, be appointed to supervise the implementation of this resolution;

That the committee have power to appoint from among its members such subcommittees as may be deemed advisable and necessary and to delegate to such subcommittees all or any of their powers except the power to report directly to the House;

That the committee have power to sit during sittings and adjournments of the House of Commons;

That the committee have power to report from time to time, to send for persons, papers and records, and to examine witnesses and to print such papers and evidence from day to day as may be ordered by the committee; and

That the papers and evidence received and taken on the subject in the Thirtieth Parliament be referred to the committee.

Mr. Speaker: Pursuant to Section 2 of Standing Order 21, this notice of motion in the name of the President of the Privy Council (Mr. Baker) is transferred to and ordered for consideration under Government Orders later this day or at the next sitting of the House.

* * *

BUSINESS OF THE HOUSE

THE ADDRESS—LIMITATION ON LENGTH OF SPEECHES

Mr. Lefebvre: Mr. Speaker, I have had an opportunity of exchanging diplomatic notes with the chief government whip and the House leader of the New Democratic Party. As this is the last day of this important debate and as there are a lot of members who wish to speak, I think we can obtain a House order if Mr. Speaker would allow me to move it, seconded by the chief government whip. The number one government speaker today, I believe, is the President of the Treasury Board (Mr. Stevens). He would get 30 minutes; one speaker in the New Democratic Party would get 30 minutes; the hon. member for Gloucester (Mr. Breau), who would be our second speaker today, would get 30 minutes; and all other speakers would get 20 minutes, with no extension of time asked for or granted.

Mr. Baker (Nepean-Carleton): Mr. Speaker, if there is need of a seconder of the motion, I would be delighted to second it. In any event, we would consent to such an order.

Mr. Knowles: Yes, Mr. Speaker, there have been consultations, and we agree to this proposal. On behalf of the hon. member for Winnipeg-Birds Hill, I understand that he will do his best to speak for a shorter period than 30 minutes, but certainly no longer.

May I make one other suggestion which might add one more speaker to the list. According to the rule the debate is supposed to be interrupted at 4.45 o'clock today, but I believe there is a well-known understanding that we seldom call for a recorded vote on the main motion with respect to the Address in Reply to the Speech from the Throne. That is the understanding for today, so perhaps with that understanding the debate might continue until five o'clock and the question can be put at that time.

[*Translation*]

Mr. Lambert (Bellechasse): Mr. Speaker, I am told there has been consultation. While I have not been consulted, I am always willing to co-operate. I want to assure the House of my co-operation, even though I had the right to object. Thus I find the proposal reasonable, and I accept it.

[*English*]

Mr. Speaker: The House has heard the terms of the order. Briefly they are that as we proceed to the resumption of the consideration of the Address in Reply to the Speech from the Throne, the first speaker from the government, the first speaker from the New Democratic Party and the second speaker from the official opposition shall be entitled to speak for 30 minutes; that other speakers will be entitled to speak for 20 minutes; and that there will be no recorded division. Therefore, the debate this afternoon shall continue until five o'clock rather than being interrupted in accordance with the Standing Order.

Some hon. Members: Agreed.

* * *

[*Translation*]

SPEECH FROM THE THRONE

CONTINUATION OF DEBATE ON ADDRESS IN REPLY

The House resumed, from Thursday, October 18, consideration of the motion of Mr. Fretz for an address to His Excellency the Governor General in reply to his speech at the opening of the session.

Mr. Antonio Yanakis (Berthier-Maskinongé): Mr. Speaker, at the outset of my remarks in the throne speech debate I should like to extend my best wishes to His Excellency the Governor General who presided for the first time at the official

opening of the Thirty-first parliament. I first met Mr. Schreyer in 1965 when he was member for a Manitoba riding and at that time we were sitting opposite each other in this House. He then served as premier of his province, and in that capacity had a brilliant political career in the service of his fellow citizens, and I wish to offer him, Mr. Speaker, my best wishes in his new office as Governor General of Canada.

I also wish to congratulate the sponsors of the Address in Reply to the Speech from the Throne, the hon. member for Erie (Mr. Fretz) and the hon. member for Cardigan (Mr. MacDonald) on the excellent way in which they performed their duty. They gave a fine picture of their ridings and showed that they have much to contribute to Parliament. The new Parliament is made up of newly elected members in all parties, which should give a new impetus to Canadian federalism and prove that the system is still very strong, judging by the calibre of the men and women willing to serve their country. I therefore wish all these newcomers much success in their new responsibilities.

It goes without saying, Mr. Speaker, that I am delighted about your appointment to the Chair of this House. The fact you were appointed from an opposition party is unique in the history of our Parliament, and this is all to your credit, because it shows how impartial you have always been. I extend my best wishes to you on this occasion.

Mr. Speaker, in the last election, I was confirmed for a fifth mandate as the representative of my constituency with a record majority in the constituency of Berthier-Maskinongé. This is an honour which, of course, is shared by my family, and it is a token of confidence of my electors towards their member who has been sitting here for 14 years. I want to thank them sincerely and to assure them of my complete dedication in their service and in the service of the nation.

Mr. Speaker, as several hon. members, I was very pleased to hear the Speech from the Throne which was read in the Senate by His Excellency the Governor General. It is the fifth Speech from the Throne I have had the advantage to hear, and I must admit I was very disappointed by this one. Like Canadians, I thought that the new government would give a new impetus to our economy, propose new policies in the area of agriculture, take a new approach to our energy problems, reassure Middle East countries about its long-term foreign policies following the well-known and dramatic blunder made by the Prime Minister when he mentioned the possibility of Canada moving its embassy from Tel Aviv to Jerusalem. On the contrary, the Speech from the Throne is entirely lacking in specific references to the orientation of the Clark government foreign policy and the future of our country.

With regard to the Quebec referendum, not a single word, although we all know that since 1867, when the British North America Act was adopted, our country has never been faced with such constitutional problems. Never has the unity of this country been so threatened. The government did not deem it necessary to even make reference to it, probably believing they would make another mistake they might have to regret, knowing full well that their position on this issue and their policies vis-à-vis the provinces are not very clear. The right hon. Prime Minister prefers not to get his feet wet and capitalize on the joint efforts of the federal and provincial Liberals from Quebec to bring the referendum battle to a successful conclusion, only to claim credit for a moral victory later although not having been involved in the debate.

● (1240)

Indeed, that is the position of the other Tory provinces which are fed up with Quebec's claims within confederation. To show Quebec a spirit of co-operation and a new openness to good understanding, the right hon. Prime Minister has agreed after being in power for five months to give Quebec and the provinces control over the Loto Canada lottery—can you imagine—in return for a tiny monetary compensation which is tantamount to giving the province of Quebec a candy to stop recriminations. This had Mr. Parizeau, the Quebec Minister of Finance, saying that things were finally starting to open up in Ottawa. That is absolutely ridiculous, Mr. Speaker.

During the election campaign, I told my constituents in Berthier-Maskinongé about the danger of electing a Progressive Conservative government, especially one dominated by Western Tory premiers in a particularly difficult period in terms of energy supply. Indeed, as we know, they have the oil.

Five months have elapsed since the Progressive Conservatives took over and we now find ourselves in the midst of an energy crisis. We were told recently by the Minister of Energy, Mines and Resources (Mr. Hnatyshyn) that there is not enough oil to supply homes in Eastern Canada next winter. That is all done undoubtedly to make us swallow more easily a substantial increase in the short term, which was not long in coming, Mr. Speaker, given the fact that the minister announced Tuesday night that an increase of 34 cents to 40 cents a gallon of fuel and heating oil was expected for 1980.

Everything is clear now. We wanted to know the position of the Clark government on energy matters. Now we know it, and it is just the beginning. In years to come, we shall be faced with other major increases which will place Canadians, especially those of eastern Canada, in an intolerable situation as regards heating their homes and filling up their gas tanks.

As for us Liberals, our position has always been clear and it still is. We subsidized the consumer, we allowed a price increase which was just enough to stimulate production. This did not please the premiers of oil-producing provinces very much, but we had to consider the needs of all Canadians. It is unwise for the cause of national unity to tell energy-producing provinces that domestic oil prices must reach world levels and that any surplus belongs to them so that they can put into so-called heritage funds billions of dollars at a time when the

eastern provinces fight unemployment and stagnation. These rich provinces have a short memory. They seem to forget their leaner years when all Canada came to their assistance through oil exploration subsidies as well as in the agricultural and transportation fields. What seems even more ridiculous, Mr. Speaker, is the fact that this new government would like to do a hatchet job on the national corporation of Petro-Canada which was set up by the Trudeau government and received royal assent in July 1975.

Mr. Speaker, Canadians are very concerned about the fate of Petro-Canada, as is confirmed by a recent survey among Canadians which shows that they are in favour of leaving untouched this national corporation and several other Canadian public and business companies and corporations. We all know, Mr. Speaker, that any country seriously concerned about securing energy supplies for its citizens will create a national petroleum corporation. In Canada, eight multinational companies share among themselves 91 per cent of our gas and oil. Petro-Canada is a well-administered and efficient corporation with assets of more than $5 billion. It is a profitable corporation which is not afraid of taking risks.

Up to now, those operations have been successful in the Arctic, in Nova Scotia, off Newfoundland and in the west. With Petro-Canada as negotiating agent with Mexico, Venezuela and other oil exporting countries, Canadians have no reason to be afraid of any shortage such as happened last winter when some parts of the country experienced oil shortages because the big multinational Exxon, of which Imperial Oil is a subsidiary, had diverted oil supplies from Canada to the United States.

Now in office, as in many other fields this government is confronted with election commitments, and as it tries to save face, it hesitates to decide what to do about that company. Canadians are not taken in. They will not appreciate the government position in this regard. After five months in power, Canadians are still waiting for those magic formulas the Prime Minister promised during the election campaign to stimulate the economy. As the Prime Minister said solemnly, as we enter the 1980s the ministers were given a mandate to change the direction of Canada. Well, Mr. Speaker, we are off to a shaky start.

Last week the governor of the Bank of Canada announced the third interest rate increase under the new Conservative government, under a Prime Minister who barely nine months ago was going on record as Leader of the Opposition saying that interest rate increases were out of reason. He now agrees with the governor of the Bank of Canada, Mr. Bouey, that U.S. rate increases should be followed, however severe the hardships for the Canadian taxpayer.

Mr. Speaker, in five months since they were elected, interest rates went up three times to a Canadian record. Mr. Clark is learning that he views matters quite differently now that he has to take the decisions instead of criticizing. The government pretend to be looking for long-term solutions but they only do patchwork, as in their interest rate and property tax credit program. It will be interesting to see how the Prime Minister will go about implementing his rather vague program of economic growth. Mr. Speaker, it is stated in the throne speech that the government will have to approve a mortgage interest and property tax credit program.

In his introduction the hon. member for Erie (Mr. Fretz) indicated the government wanted to free the people in order to strengthen liberty. What he forgot is that the only way to free the people is to bring down social and economic barriers, but there is no sign of that in the throne speech.

There are in this country millions of people who are forgotten, unthought off, neglected and even despised. There is nothing for them in the throne speech. What this government is doing is raising barriers and emphasizing divisions. Quite the contrary, the Minister of Finance (Mr. Crosbie) indicates the election promise of mortgage rate tax credit will benefit 300,000 Canadians who will have a stake in the country. He suggests this will stimulate employment and have economic spin-offs. He forgets to say what is in store for the remaining 40 per cent of the people in rental housing in Canada and the 60 per cent in Quebec. This program brings them no direct benefit. The minister seems to be saying that since he promised them nothing he does not have to think about them. The only people who count for this government are those to whom it made promises; others do not count.

Mr. Speaker, I remember that when Senator Edward Kennedy came to visit Ottawa, two or three years ago, to consult our Committee on Health, Welfare and Social Affairs on our hospital and health insurance program, which he wanted to introduce in the United States, in answer to a question concerning the tax credit on mortgages, he suggested that we do not embark on this program which is already implemented in the United States, and does far more harm than good there for most people.

In fact, this program helps mostly people with upper middle or high incomes. I am not surprised, Mr. Speaker, that this Progressive Conservative government persists in going through with this policy notwithstanding much advice to the contrary, because this Progressive Conservative government wants to preserve its tradition of legislating in favour of the rich at the expense of the working people.

• (1250)

Mr. Speaker, I was saying at the beginning of my remarks that there was not a single word about agriculture in the throne speech, and God knows that when the Progressive Conservatives were in opposition they knew all the answers to our agricultural problems. After five months in power, nothing, not even the hope of a new policy in the throne speech. Canada is renowned as the granary of the world with its cereal crops, particularly in the west. Furthermore, it is known as one

of the great cattle producers in the world, and in the eastern part of the country the dairy farmers produce almost all the natural milk, industrial milk, butter and cheese, not to mention poultry farmers as well as beef and pork producers.

The government did not think once about helping them face the ever-rising cost of feed products and administration. Concerning the crucial problems of the agricultural economy about which the Progressive Conservatives were so concerned when they were in opposition, not one word in the throne speech, as if all our farmers suddenly became prosperous and the government had to consider other priorities.

Mr. La Salle, who is not in the House today, has not treated me as courteously as I did last week when I listened to his speech. Last Tuesday he attempted to bring the agricultural issue into perspective by taking credit for the dairy policy proposed by the Liberal government when he announced the reimbursement of export taxes amounting to $26 million and the readjustment of milk quotas on the basis of consumption.

Mr. Speaker, notwithstanding the silence of his government in the Speech from the Throne, which, I am sure, will provoke smiles among the farmers of his Joliette riding and the Delanaudière area where I come from, particularly also among the members of APU, Mr. La Salle discussed the dairy policy support program while he attempted to take credit for it. The objectives of that policy are, first, to establish quotas for industrial milk on the basis of Canadian demand in order not to flood the consumer market and to protect producers; second, to index the subsidy paid to industrial milk producers on the basis of inflation costs and production cost increases; and third, to hand back to producers the levy of 20 cents a hundredweight on deliveries to absorb the export cost of production within the quotas set for producers.

This is where those $26 million are coming from. It is not a subsidy, it is just a deposit which producers have left in the hands of the Canadian Dairy Commission and which will be repaid to them very soon. There was nothing new in all this as the subsidies established by the Liberals under the dairy policy is a statutory program that was always criticized by the Progressive Conservatives. But they have yet to propose an alternative. Instead the minister should have announced at the opening of this Parliament the new agricultural policies proposed by the Progressive Conservatives to assure a balanced operational income to our farmers in a period when inflation is so high.

Minister La Salle who, in the past, was the advocate of workers criticizing the small changes brought to the unemployment insurance program by the Liberal government effective last July in answer to the demands of employers who had problems to hire manpower, Minister La Salle—

Mr. Deputy Speaker: Order. I am sorry to interrupt the hon. member but since the beginning of his remarks, on several occasions he referred to the hon. member for Joliette (Mr. La Salle), the Minister for Supply and Services, by his family name. It has been a long established tradition in this House that in referring to an hon. member, one should either mention the name of his riding or his full title in the cabinet.

Mr. Yanakis: Then, Mr. Speaker, I should call him the hon. minister La Salle in order to—

Mr. Deputy Speaker: No. The hon. member for Joliette is the Minister for Supply and Services.

Mr. Yanakis: That's it! I just cannot get used to his new title.

When faced with the problems of the employers who were experiencing difficulties in hiring labour, the hon. Minister for Supply and Services (Mr. La Salle) never revealed that his colleague the Minister of Employment and Immigration (Mr. Atkey) was planning to make things even more difficult for the recipients of unemployment benefits by reducing by almost a billion dollars the amount of benefits paid to the unemployed and by imposing harsher penalties for those who do not respect the provisions of the act. Would it be in order to find the necessary money and deliver their extravagant election promises such as a tax credit on mortgages and property taxes? Now that they are in power, not a word in his speech concerning measures designed to help workers. What a drastic change of attitude.

In his speech the hon. Minister of Supply and Services said that when the Liberals were in power the number of unemployed reached 1,500,000. I just wonder where he got those figures. To him the value of figures is irrelevant. What he is interested in, Mr. Speaker, is simply to mystify people as he is used to. Well, in order to refresh his memory I will remind him that the actual number of unemployed never went over 900,000 when the Liberals were in power and the national rate never exceeded 9 per cent.

Right now, thanks to the last budget presented by Mr. Chrétien, the former minister of finance in the former Trudeau cabinet, the number of unemployed has been lowered to nearly 700,000 and the national rate is down to 7 per cent for a workforce of 10,300,000 Canadians. That is the truth, Mr. Speaker, and in his new position the minister should know that he cannot juggle figures as he sees fit because people are not fooled so easily. I challenge the Progressive Conservative government to improve in the coming months the situation, especially the economic situation in which it has put us since it came to power.

Mr. Speaker, I could speak at length on the legislative program of this government but I notice that my time is running out. Canadians keep their eyes wide open on the Clark government whose actions have already started to create much scepticism among the public, among businessmen and our international partners. The hesitations of the government, the Prime Minister's untimely statements on the issue of the move of our embassy from Tel Aviv to Jerusalem, his energy policy

which is bound to increase the cost of living and will fuel current inflation, his indifference towards the Quebec referendum, his monetary policy are already very expensive for Canadians although this government has only been in power for five months. We are still waiting for the prophetic Prime Minister who was to work miracles and cure the ills of our economy. In the 1980s he will have to act otherwise we in the opposition will have to turf out the government. The lack of reference in the Speech from the Throne to crucial issues reflect the Prime Minister's hesitations and confusion that concern all Canadians as well as several other countries.

[*English*]

Hon. Sinclair Stevens (President of the Treasury Board): Mr. Speaker, in view of the hour, most of my remarks will have to be made after lunch. But may I say in a preliminary sentence that I chose to join this throne speech debate because I feel that it is very important that every member of this House understand fully the expenditure plans of the previous government, and the expenditure plans as they are being formed by the present government. I say this in anticipation of the estimates which are now going before the various committees of this House and are being considered by members of the House. I feel I should take an opportunity, just after lunch, to inform the House of some of the stark realities of the position in which the previous government has left this grand nation as a result of their mishandling of our economy.

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

At one o'clock the House took recess.

● (1400)

AFTER RECESS

The House resumed at 2 p.m.

Mr. Stevens: Mr. Speaker, just before lunch I indicated that I intended to join in this throne speech debate largely to outline certain of the realities that faced the nation with respect to the former government's spending plans and the current government's spending plans.

Before I get into the main body of those remarks, I feel I should like to join the many others who have congratulated the House on the selection of the new Speaker to carry on as he did in the earlier Parliament.

I should also like to congratulate the hon. member for Erie (Mr. Fretz) and the hon. member for Cardigan (Mr. MacDonald) for their excellent addresses in moving and seconding the motion that is now before us.

Of course, I should also like to indicate my encouragement to you as Deputy Speaker for accepting your new role, as well as the appointment of the Speaker to which I have referred.

I feel that in considering the throne speech, which I would mention was extended or certainly elaborated upon by the Prime Minister (Mr. Clark) in this debate, it is particularly important that we as members of Parliament consider the reality of Canada's spending position at the present time. As you know, Mr. Speaker, on October 11 I tabled various documents in this House including the main estimates for the fiscal year 1979-80. We also tabled supplementary estimates A to those main estimates. Before the middle of November we intend to table supplementary estimates B, and it is anticipated that before the end of this fiscal year there will be a further tabling of supplementary estimates C.

The reason I mention that is that I feel it is important, as we consider the spending plans of this government, which are to some degree an extension of the plans of the former government, that we be candid with the Canadian public as to what is the reality of Canada's fiscal position at the present time. I say that because you will recall that when I was tabling, in the rather routine way that it is done, the main estimates for the current fiscal year, the House leader for the opposition party seemed to chide or somehow or other try to get me to say whether I "approve", to use his word, or recommend the main estimates to this House. I was very curious why the House leader for the opposition would have chosen that day to appear to be, if not naive, rather childish, knowing as he does that it is certainly not traditional for the person who simply tables the main estimates to make some statement that he recommends them or approves them.

I therefore felt it was perhaps important that I reflect on what the hon. member really had in mind when he made that request. Naturally, knowing that he is a great scholar of the English language, I thought I had better go to the Oxford dictionary to see what in fact is meant by the word "recommend". I think it is interesting to get that on the record. Oxford says that to recommend is to give in charge to God a person, his care, etc.; to speak or write of in favour or trial; say something is fit. When we turn to the word "approve", we find it means to confirm, sanction, commend, pronounce or consider good.

When you think of the significance of those two words as defined in the Oxford dictionary, I am a little pressed to understand why the House leader used the word "recommend". If in fact what he was seeking was an approval, what he was in effect asking me to do was to refer the main estimates and confirm them, sanction them, commend them, pronounce them or consider them good.

I had been very careful when I tabled those main estimates to make it clear that they were exactly as tabled in February this year by the previous government. We had taken that very, very conscious step because we believed, as the ongoing process of this House would evolve, that it was necessary, certainly from a procedural standpoint, to get those estimates reintroduced for consideration by the House. Frankly, if the House leader feels any better on that basis as part of the ongoing process of this House, I recommend them to the House and that they get on with them.

Some hon. Members: Hear, hear!

Mr. Stevens: The thing I think we have to make very clear is that those main estimates, as it has now evolved, are only part of the ongoing considerations that this House must bear in mind concerning the over-all spending plans certainly of the former government and currently of this present government. There are four things I would suggest that hon. members bear in mind as they work their way through the main estimates, the supplementary estimates A and supplementary estimates B. Those four things are as follows.

• (1410)

Hon. members will note that I received first reading today with respect to a bill to alter the accounts of Canada. I am going to touch on that a little more fully later. It is a sad story. We have found, largely through the work of the Comptroller General of Canada, that the previous government was recording various assets as being realizable assets on the part of the Government of Canada when in fact there was no net worth there.

We feel the time has come to make some of these revelations. We are not talking about nickels and dimes. We are no longer talking about "What's a million?" We are talking about "What's a billion?" The amount of the write-off that this House is going to be asked to consider with respect to the fiscal year 1978-79 is now over $4 billion. When we look at these main estimates which were first tabled in February of this year, there was absolutely no indication by the government of the day that there was serious doubt with respect to some of the assets they were still recording as being fair assets on the part of the Government of Canada and which, if they had written them off in the 1979 fiscal year, would have indicated their deficit was up by over $4 billion. That was never revealed.

Second, it is important to bear in mind that in considering the main estimates one must consider supplementary estimates A, which have already been tabled in this House. I would suggest, and hon. members will have ample time to do this, that they also consider supplementary estimates B, which will be introduced certainly early enough to allow hon. members to look at them before they have to pass an appropriations bill indicating their approval of the main estimates.

Finally, in the few minutes available to me I hope to touch on the question of the various liabilities that the previous government knew to exist but which they chose not to reflect in those main estimates tabled last February. In short, when the House leader of the opposition asks me whether I approve the main estimates, I have to say they can only be approved in the context of the four other elements that I have indicated. To say otherwise would have been nothing short of making a representation to this House.

Let me go further. As I have said, I welcome the opportunity to make it clear that I am recommending to the House, in the context that I have indicated, that they pass these estimates, the supplementary estimates I have tabled and those I will table in the future which, taken together, and I emphasize this, will represent this government's expenditure plans.

[Mr. Stevens.]

The situation faced by this government with respect to managing expenditures for the current fiscal year is a difficult one. We inherited a set of programs operating in full flight, if you like, on the basis of the spending authorities planned by the previous government, both in the estimates tabled last February and in the subsequent decision of that government. I emphasize that Parliament never approved those spending plans. It was dissolved on March 26 before approving interim supply. Consequently, government operations have been funded through the authority of special Governor General warrants.

This government, in addition to developing our own spending plans in some detail, had to decide on the most responsible method for obtaining parliamentary authority for the funds required to keep the government operating in the current year. One alternative was to develop, print and table in Parliament a completely new set of estimates and to throw the previous blue book away. We are a government of restraint and to have done that would have clearly been a very expensive and time-consuming exercise. The time required was much better spent, in our opinion, on developing the means and on beginning to make the necessary decisions as to how to restrict and redirect spending in 1979-80 and future years.

Consequently we chose the other alternative. We chose to table the estimates in the same form as the previous government. This enabled government operations to proceed as smoothly as possible, avoided the unnecessary cost of printing a revised book, and gave us time to begin to initiate action to control spending. However, I tabled the estimates with the clear understanding that they do not, in isolation, represent precisely how this government plans to spend public funds. The government does not intend to utilize every authority in the estimates to the precise level indicated in the estimates. We will in fact be revising the spending plans represented by the estimates by freezing some funds to be approved in the estimates and will either let those funds lapse or seek parliamentary authority through supplementary estimates for alternative spending.

Hon. members are well aware of some actions already taken by the government to alter the spending plan represented by the estimates. The level of authorized person years for 1979-80, for which salary and other funds are included in the estimates, has been reduced by about 2 per cent, with a targeted total reduction of 5,000 person years. The associated funds in the estimates will be frozen. A moratorium on all discretionary spending was imposed on departments and agencies from June 8 to October 15. This will result in more funds in the estimates lapsing unspent at the end of the year or being available to offset new spending requirements more consistent with the priorities of this government, as may be approved by Parliament in supplementary estimates.

So you can see, Mr. Speaker, that under the very difficult circumstances imposed by the fact that no estimates were approved before the fiscal year began, the government has chosen the most responsible way of obtaining parliamentary authority for the expenditure of public funds.

The technical matter on the tabling of estimates raised by the hon. member for Cape Breton Highlands-Canso (Mr. MacEachen) draws attention to a very serious issue which I believe it is my responsibility to ensure is fully understood by this House. That issue, Mr. Speaker, is the very adequacy and validity of the over-all spending plan for 1979-80 announced by the previous government when the estimates were tabled last February. At that time the previous government assured this House that the ceiling on total outlays of the government would be $52.6 billion. "Outlays", which was the word they used, included all budgetary expenditures as well as government loans, investments and advances.

I believe there are two very serious criticisms of the plan presented to Parliament, Mr. Speaker. First, it was not an adequate disclosure and proper representation of real spending by the federal government. Second, even if one were to ignore for a moment the very limited range of government activity to which the so-called "outlays" figure applies, the $52.6 billion ceiling was not at all a realisitic figure in light of subsequent actions of that government and the economic situation that they knew to exist.

I would like to deal first with the issue of disclosure. There are three main shortcomings in the previous government's spending plan with respect to the need for full disclosure to Parliament. First, there was absolutely no indication of the level or nature of so-called "tax expenditures". These are provisions in the tax system which result in loss of revenue to the government; for example, the child tax credit and capital cost allowances for businesses. They may be just as important as direct government spending in determining the over-all level and effectiveness of government action in a given policy area. Without some effort by the government at disclosing tax expenditures, the provisions themselves are unlikely to be publicly debated and re-evaluated and it is impossible to assess the true level and effectiveness of government financial involvement.

● (1420)

In this connection, if time would permit, Mr. Speaker, I should like to quote from the statement made in this House by the then president of the Treasury Board to show how unfair was that statement last February when he initially tabled his main estimates. But let me go on.

My second point is that the previous government did not relate to its $52.6 billion spending plan borrowing by some Crown corporations with the implied guarantee of the government. Under the authority of their governing legislation, some Crown corporations, such as the Export Development Corporation, may borrow funds on the private market rather than from the Consolidated Revenue Fund. These private sector borrowings still represent a contingent liability of the Government of Canada in the order of several billion dollars which are not shown in the estimates or included in "outlays" as defined by the former government.

The third shortcoming of the former government's plan with respect to Parliament's need for full disclosure is related to accounting practices. Over a period of many years certain government expenditures were recorded as loans, investments and advances and, therefore, as assets on the books of Canada, when in fact no realizable asset had been created. The result was to distort the apparent net debt of the country.

With respect to the first two items, tax expenditures and off-budget financing, I am not suggesting that they are necessarily inappropriate or improper. Indeed, in many cases they may be thoroughly justified. What I am suggesting is that the government has a responsibility to make every effort to ensure that government activities of this type are fully disclosed to Parliament. Mr. Speaker, I can assure you that as the current President of the Treasury Board they will be disclosed from my office in future. If they were not to be disclosed, Parliament could no longer properly evaluate the government's performance or the true financial impact of government policy. I say this in full recognition of the fact that, for example, there are some very difficult problems in defining and measuring tax expenditures.

But that is no excuse for doing nothing. In the United States, tax expenditure figures have been published as required by the congressional budget act since 1976. Why should we in Canada say it is impossible? This government has every intention of developing the means of making the maximum diclosure of tax expenditures and obligations created by certain Crown corporation borrowing in association with the direct expenditure plan.

The actions of the former government provide a perfect example of the difficulty of assessing government actions in the absence of such information. They tabled their $52.6 billion spending plan as a model of restraint because of the 8.9 per cent increase it showed over the spending total of the previous year. In the process, however, they had converted certain outlays into tax expenditures for 1979-80. The conversion of child benefits to tax credits with reduced family allowance payments artificially reduced the year to year growth rate in spending as defined by "outlays" because it cost about $650 million in lost revenue.

With respect to accounting practices, the government has already taken action by way of a bill, which received first reading today, to adjust the accounts of Canada. That bill contains clauses which, if passed, will correct several accounting issues and, in particular, two outstanding anomalies which have been contained in estimates of prior years. The first concerns the account known as the airports revolving fund, which at last count amounted to about $650 million and covered the operating and capital expenditures of no fewer than 22 of our national airports, despite which it is classified within the non-budgetary section of the annual estimates presentation. I have spoken about this matter before, Mr. Speaker, and I am happy to say that in the future such expenditures will be classified as budgetary in the same way as similar expenditures which are made under the air transportation program.

Some hon. Members: Hear, hear!

Mr. Stevens: At the time this matter came up last March, Your Honour will recall that we, then in opposition, took great exception to some of the steps which were being taken between March 31 last year and April 1 this year. At that time I said the present administration was misrepresenting the financial position of the Government of Canada in a desperate attempt to camouflage the actual trends of federal spending and the deficit. Were it not for the fact that taxpayers' money was involved, I went on to say, the bizarre accounting practices of the administration would be worthy of an April Fool's Day joke; but there was nothing funny about what amounts to a loss of $650 million. I pointed out that, in effect, the government had put the loan into what it called suspension; they did not want to write it off. I make it clear that they did not want to write it off because, if they did, they could no longer show the figure they wished to show in relation to restraint.

I went on to point out that the date of the suspension of the loan is significant—April 1, the start of the new federal fiscal year. This meant that the procedure would not appear in the federal accounts for some time and would probably not be criticized by the Auditor General until the fiscal 1980 report was released in the fall of the subsequent year. Real restraint in federal spending, I said at that time, would not be achieved by wizardry in accounting. I added:

As long as government prefers restraint on paper to restraint in fact, none of the tough decisions on real spending restraint can be taken. Until those decisions are taken, Canada will drift ever closer to economic chaos and national bankruptcy.

On taking over as President of the Treasury Board, I found that what I had indicated as critic at that time was exactly what had transpired. Imagine the absolute audacity of the opposition House leader standing up and asking me whether, as President of the Treasury Board, I now approve of those estimates, which included the April 1 wizardry to which I have just referred!

The second situation which the bill to which I have referred will correct is the manner in which the government's share of the unemployment insurance program has been presented each year in the estimates. Although this has been shown quite properly as a budgetary expenditure, it has always been shown in arrears, the amount in the estimates representing the government's cost only up to the end of the last calendar year. To correct this anomaly and place this account on a current fiscal year basis will require an adjustment in the accounts of Canada in the order of $2.7 billion. That, Mr. Speaker, is what the House should be aware of with respect to the lack of disclosure in the previous government's spending plans.

My second major criticism is that the ceiling of $52.6 billion which the government did place on the narrowly defined outlays portion of its activity was completely unrealistic given its subsequent actions and the economic situation. The $52.6 billion total included main estimates plus $1.35 billion in reserves. When we first had a look at the books after the election, almost exactly one half of those reserves was exhausted. That was $670 million gone in the first two months of the year. More than $115 million of the expenditure cuts announced the previous August had been reinstated after the estimates were tabled. The figures published in estimates for some programs, such as equalization, were dependent on passage of legislation which to this date has never been passed. Additional costs of several hundred million dollars will result if this legislation cannot be passed this year, and even now we sense that the present opposition is obstructing the progress of this House.

• (1430)

Mr. Rae: Give us a bill.

Mr. Stevens: There had been very large overruns in some existing programs, such as payments to VIA Rail, and some decisions had been taken, such as enrichment of the Canadian home insulation program, which would cause charges against reserves at a later date. CHIP alone will cost at least $100 million more than what was shown in the estimates tabled in this House last February. Some non-discretionary increases in major statutory programs had occurred, but the majority of the charges against the reserves had been of a discretionary nature.

That left this government in an untenable position. After two months into the year only half the reserves within the $52.6 billion ceiling were left, and the really major cost increases, such as the oil import compensation program due to huge OPEC price increases, still had to be accommodated somehow.

As you can see, Mr. Speaker, the difficulties experienced with the tabling of estimates result from the inadequate and unrealistic nature of the spending plan announced by the previous government. That plan did not provide adequate information to Parliament. It also included a figure for total outlays which is unrealistic in light of subsequent action by that government in the economic circumstances.

Nevertheless, I am recommending, as I have said, that the House approve the authorities reflected in these estimates, because we have concluded that it is the best means of ensuring an orderly transition to the spending plans of the new government without undue interruption of public services and government operations.

What I wish to make clear, however, is that I am not assuming responsibility for the expenditure policies of the previous government which gave rise to the need for these funds to be provided by the House. The policies of this government will be reflected in future supplementary estimates and in new legislation, such as the bill covering adjustments to the accounts of Canada and the forthcoming Crown corporations bill. In addition, as we know, shortly there will be a budget brought in by my colleague the Minister of Finance (Mr. Crosbie).

In short, it is a long, tangled story which I know the previous government, now the official opposition, only wish could be dropped or obliterated from the records of Canada.

Mr. Bill Blaikie (Winnipeg-Birds Hill): Mr. Speaker, I would like to begin my first speech in the House of Commons

on a personal note by dedicating my words to the memory of my youngest brother, Robert James Blaikie, who worked very hard on the Winnipeg-Birds Hill NDP sign crew during the spring election campaign but who did not live to see me take my seat in this House because he was struck down by a truck, through no fault of his own, while riding his motorcycle home from the beach last summer.

But, more importantly, in the final analysis it is to the future of all the little brothers and sisters of the world, born and yet to be born, that I wish to address my remarks this afternoon. Those who survive may yet be the unlucky ones.

I understand the tradition of Parliament to be that I should initially say something about the riding which I represent, and this I am glad to do. The riding of Winnipeg-Birds Hill is a new riding comprising in part the southern and urban portion of the old federal riding of Selkirk and the town of Transcona, formerly a part of the federal riding of St. Boniface. I come from Transcona, I am the first person born and raised in Transcona to sit in this House, and for that privilege I thank all the people of Winnipeg-Birds Hill who supported me on May 22 as well as those in Winnipeg-Birds Hill who worked so hard during the election compaign for the NDP.

Winnipeg-Birds Hill is a fairly large and fairly typical urban area throughout most of its parts, with the exception of its northern edge, which is still, and hopefully will continue to be, given over to market gardening and a more rural lifestyle. It is a riding of hardworking people who are paying the bill for this country while corporations and those who run them hide from giving their fair share through perceiving tax loopholes and tax shelters as an opportunity for virtue rather than as the temptation to vice which they in fact are.

The largest single employer in Winnipeg-Birds Hill is the largest single employer in all of Winnipeg, and that is Canadian National Railways, at whose Transcona main repair shops and Symington Yard work many of the people of Winnipeg-Birds Hill. I worked there myself as a labourer during summers—and sometimes during the winters as well—while going to university from 1969 to 1974.

It has often been thought and, more recently, said by those who lack foresight and/or by those who have a vested financial interest in highways and related industries that the railroad is on its way out, particularly passenger rail. How anything like that could be said in full knowledge of the energy crisis and in full knowledge of the complete and total supremacy of rail transport over highway transport when it comes to concern about energy is beyond me.

Let me serve notice that any government which wishes to convince me and my constituents in Winnipeg-Birds Hill that it is serious about energy conservation will have to show the wisdom to invest large amounts of money in the modernization and marketing of rail transport in Canada. Nevertheless, one can only be pessimistic about this in view of this government's conceptual inability to distinguish between short-term government spending and long-term government investment, which produces assets and the economic infrastructure which benefits generations to come. No greater example of this kind of conceptual blindness could have been given to us this afternoon than the speech made by the previous speaker.

With respect to passenger rail in particular, this government ought to seek changes in the situation of VIA Rail, the institution set up by the former Liberal government. It appears to preside over the disappearance rather than the revival of passenger rail in Canada. Between old equipment, infrequent service to many areas and collaboration to keep the price of bus travel below the price of passenger rail, there is little to be optimistic about in this area of concern. Just the other day the announcement of the decision to have passengers change trains in Winnipeg late at night could hardly be interpreted as anything but an attack on passenger rail in this country.

The distinction between the short-term and inadequate conceptual framework of this government concerning spending and a longer term, more substantial political vision brings me to the point in my speech where I wish to speak on a broader philosophical level about how this government and the world view which it represents is leading us down the road to destruction. Fundamentally, of course, it is the same road down which the previous government was leading us. The difference is that the former government was leading us there out of cowardice and out of fear to stand up and say that this is the wrong road, whereas this government will lead us there with zeal and a naivete about the world which would be laughable if it were not so tragic. It is hard to know which government is the more to be pitied.

Allow me to elaborate on the error of the direction in which this government so proudly and self-righteously is leading the Canadian people. For many years now, indeed for those centuries that have passed since the beginning of the industrial revolution, the western world, particularly North America, has been guided more or less by what is properly known as Liberal economic doctrine, or the doctrine of the marketplace, as the final adjudicator of what will happen for the good and what will not.

● (1440)

Under this system, there is no question that there has been an incredible increase in the material well-being of a large portion of the world, and thus the accolades for free enterprise that we so often hear from members across the way, not to mention members to the right of our caucus—and, make no mistake, they are where they belong, to the right of us, despite the last minute and hypocritical moans of compassion for the oppressed that we have been treated to this last week or so.

Some hon. Members: Hear, hear!

Mr. Blaikie: But this economic growth that the champions of free enterprise are so fond of citing did not happen in a vacuum. It happened at the same time as whole new continents were conquered by the west and technologies improved and developed for the extraction, refinement and secondary manufacturing of resources.

All this growth was had at great cost in human life and basic human justice. Formerly independent countries were

subjected to colonial rule; aboriginal peoples and their cultures were held in contempt and destroyed; traditional and renewable resource economics were dislocated for the profit of the powerful, and many within the powerful industrial nations themselves were reduced to starvation and the slavery of necessity as they streamed into the factories to try to eke out a living.

This was capitalism at its worse, the kind of capitalism we have now exported to the Third World. At home, however, the development of unions at no small cost in human suffering, the development of orderly marketing in some areas, either through government control or private sector monopoly, and the development of government regulation and government ownership for the public interest, have blunted the effects of raw competition and profit seeking.

At the same time, we have seen the development of large multinational corporations whose power overshawdows that of most nations of the world and who are able to blackmail and ruin national economies at will. We have seen the slowing down of the western world economically as we come to the limits of our ability to dominate the planet, not just for economic reasons, but also for environmental and physical reasons as pollution increases and resources are depleted. We have been able to observe that, in spite of all the wind which passes on the other side about opportunity and progress, hundreds of thousands of Canadians live without work, without a decent standard of living, without hope for a better life. Finally, at the same time we have seen a gradual erosion of community life, of family life and of meaning. Life is meaningless for so many people. We produce and consume, we keep the economy going, we are told to be good consumers. We exist for the sake of the economy. I am reminded of Tommy Douglas' excellent interpretation of the biblical teaching that the economy is made for man, not the man for economy.

This short historical sketch raises three questions: the question of power, that of limit, and that of meaning. All of them are related to the future.

On the question of power, it is customary to hear conversations about big government, big business, and big labour, with much emphasis on increasing power of government. I am no promoter of bureaucracy but when it comes to a choice between big government and big business—because in this country there is no such thing as big labour—let me say why I come down on the side of government. It is not a question of bigness versus smallness, or government versus the individual. All this talk about the individual and individual freedom as justification for letting large corporations do what they want is evidence of complete blindness to reality on the part of some and of cheap political jingoism on the part of others. One would like to think that it is the leaders who are the jingoists and the followers who are the dupes, but listening to the Prime Minister (Mr. Clark) one suspects it is the other way around.

Some hon. Members: Hear, hear!

Mr. Blaikie: Corporations are not individuals by any twist of the imagination, and for that matter individuals are not individuals in the way we usually hear this word used by Liberals and Conservatives. We have our being in relation to others and we try to be rugged individuals at our peril and to the peril of the world.

I was talking about power, Mr. Speaker. Power must be made accountable, and if the choice is not between big and small but rather who is going to be big until we can decentralize our lives a bit more through the development of technologies which require less centralization, then, given this choice, I say that there must be more government involvement, not less. So long as we continue to have and continue to improve the democratic nature of governments so that power is more and more accountable, this will be a good thing, not a bad thing.

The alternative to this reallocation of power so as to make it more accountable to the democratic process is to continue to let very important decisions be made privately according to the criteria of maximum profit instead of public justice and survival of the human prospect. The talk on the other side about returning control to individual Canadians through privatization is a farce, a false description of the reality of allowing a few Canadians, and even more non-Canadians, through foreign ownership, to control the rest of us, those of us who cannot afford to pretend that we control something by owning even a few shares in a corporation, and for that matter may not be interested in earning a living through investment but rather through hard work in the productive or service sector of our society.

Power is to be mistrusted because it can be, and mostly is, corrupted by the vanity of human kind, expressed in control, and by a selfishness of human kind expressed through exploitation. So even the power of democratic governments must be held in constant check by a vigilant and informed citizenry. I have no illusions about the negative aspect of government, but, nonetheless, government is a more appropriate avenue of accountability than the vain hope that corporations, imprisoned as they are by the structures of profit maximization and protected by governments which think it their responsibility to give them a free hand, can ever really act substantially and in a prolonged way for the benefit of all, and particularly of those who inhabit the future.

Next to the question of power there is the question of limit, or of realizing the limits within which we act as humans in a finite universe which exists not just for our sake but for its own sake, something declared to be valuable by the creator, independent of human existence. For too long our relationship to nature has been one of domination, of viewing it as merely an instrument of our own self-interest. This has been true, to a greater or lesser extent, of all major western ideological streams, including the democratic socialist tradition. On this account, we are all in need of repentance. But this error has been compounded in many so-called advanced countries by the addition of competitive economics to the tragedy.

So we have seen the following, Mr. Speaker. Valuable resources have been depleted for no other reason than that it was profitable to sell them as fast as could be to as many as could be. When I think of all the gas and oil that would yet be

available for important uses and for future development of underdeveloped as opposed to overdeveloped areas, I get sick with anger in the knowledge that this was done for no other reason than to increase the global profit margins of a few large corporations, which then had the nerve to pay little or no tax to societies whose future they so endanger.

When I think of depleted fish stocks, of soil paved over or spoiled by overfertilization for short-term yields, or of all the valuable forest that goes into packaging and bagging hamburgers that are already wrapped, all for the sake of what is innocently called marketing, I become fearful at just what kind of judgment history reserves for such a society.

Then there is the problem of pollution, that other great hallmark of the system with which members opposite are so fascinated. River after river—the English-Wabigoon river system, for instance—lake after lake—Lake Erie is the first thing that comes to mind—and place after place—one can hardly help thinking of the Sudbury basin—fouled by the great benefactors of mankind who, for all their user-pay rhetoric, when it comes to health care and other human rights have been consistently unwilling to pay the full cost of their economic activities.

• (1450)

The full environmental, not to mention social, costs of traditional economic development are enormous, and we have just begun to pay them. Indeed, the sons will have to pay for the sins of the fathers. Let the corporate sector bear the full cost of their activities, and let them be silent for once on the government spending required to remedy their social and environmental sins. The gleam in their own eye is so big that they are tripping over themselves with self-righteous blindness.

We live in a finite universe. What this means, among other things, is that if we continue to remain committed to an economic system which requires infinite growth to be healthy, then we are committed to a logical fallacy in theory and disaster in practice. What is worse is that this government would have us uncritically rededicate ourselves to this undesirable end, when I can think of a no more fundamentally wrong direction in which to go. Rather, we must learn to seek ways of organizing our economic life so that we do not have to grow all the time, so that everyone has enough, and so that social and environmental considerations may be given priority—a planned economy. The CCF called for it in 1933, and the need for it is relevant today in ways that J. S. Woodsworth probably could not have imagined.

Economic growth is not the solution to things that it is thought to be, both because it does not guarantee justice and because it does not fulfil the need for meaning in life. I do not say this self-righteously. I am conscious of the fact that governments of the left have not always been environmentally responsible, and that they too have been too uncritical of economic growth. What I do submit is that these errors are not inherent, are not built into the very concept of society which, for instance, we in the New Democratic Party advocate. We have the conceptual tools, and I believe also the character, to face up to these problems of limit because we are not bound within the ideological prison that members opposite find themselves in, which I submit makes them enemies of the future whether they know it or not, and for the sharper among them, whether they like it or not.

The question of meaning is the third problem which I raise concerning the direction in which this government would lead us. It is the most ironic problem of all three. As I listened over the last eight days to the speeches of the members opposite, the conviction grew in me that these men and women are their own worst enemies. They lament and they wail about the erosion of values, of hard work, of family ties, of community consciousness, of duty, and somehow imagine that this is the result of a socialist plot. It is their world view that has been running the world for the last few centuries, not ours. It is their world view that has been running the country since its inception, not ours. The failure of the system to hold the community together is their failure and no one else's. It is their failure because the one value they hold above all others is the value of economic freedom, the freedom to make a buck wherever and whenever one can and the corresponding emphasis on material wealth as the measure of a person's worth, and indeed the measure of a country's worth. It is this very value inculcated from day one, and reinforced over and over again by advertising and by Tory pamphlets, that is eating away at all the other things they hold dear.

The hon. member for Crowfoot (Mr. Malone), who is not present today, spoke last week quite eloquently about the disappearance of good agricultural land. Yet if asked to support land use planning, even if it went against the economic freedom of land developers, my money is on the prediction that he would back down. It is not socialists who have allowed the haphazard and unplanned development of our urban areas to happen; it is city councils all over this country of the same mentality as this government. Winnipeg city council is one of the worst examples of a so-called non-partisan government whose allegiance to developers knows no shame.

I have heard members opposite lament the destruction of community spirit. The Prime Minister in particular likes to go on about the value of small community life. I ask them: Who is destroying the family farm and small businesses all over this country? Not the socialists but the economics of growing multinational control, of agribusiness, and of chain stores. It was NDP provincial governments which tried through stay-options and land lease programs to maintain rural life in Canada. We are the true conservatives. We are the ones who would intervene to conserve what is valuable and good about Canadian life, rather than abandoning it to the whim and self-interest of the economically powerful in the name of this specious freedom which serves no one but the powerful themselves.

What we have before us are a sort of primitive nineteenth century classical Liberals who represent the latest revolt of the powerful against what little progress in social justice has been accomplished already. As for the Liberal party, an attempt to locate it ideologically would require that one have in one's

hand the latest Gallup poll. Pragmatism is the name given to the ideology of the Liberals. Pragmatism is the name given to this lack of principle and power, and power only is the name of the ideology that the Liberal party has, in spite of its hypocritical criticisms of the government and the NDP for being ideological. It is impossible not to have an ideology. Theirs is the most despicable of all because they refuse to admit it, lest they would have to defend it, of course.

Human life cannot much longer bear the suffering which Adam Smith's invisible hand, indeed non-existent hand, has visited upon the world until now, and the disaster that it will visit upon the world should it continue to be mistakenly perceived to be there. It is clearly not the case that the best interests of all are served by allowing and encouraging everyone as individuals to pursue their own self-interest. This would be to build a house on sand, a house that will blow over as the strong winds of economic reality blow on it and various individuals, groups, or provinces scramble to protect their share of a shrinking pie, a scramble that is called "good business" when engaged in by the powerful and called "living beyond our means" when engaged in by the powerless.

Some hon. Members: Hear, hear!

Mr. Blaikie: I must confess a certain sympathy for the latter category because it is my belief that when there is scarcity, it is immoral for those who are well off to decide that their standard of living is the one thing which must be protected above all else and restraint imposed on everyone else. This is the time when the commitment of the Canadian establishment to social justice is being tested and found wanting.

We must build our country not out of dreams of riches, of opening up new frontiers and all the other stuff the Prime Minister likes to go on about, but on the rock of human community expressed in the equal sharing of our country's wealth with each other and with the world. We must build it on the rock of respect for the non-human environment and the future, expressed in an economic system which does not demand growth yet which permits appropriate growth in underdeveloped areas. We must build it on the rock of democratic accountability of power, so that important decisions affecting society and its future are made in the public rather than the private sector. Only in this way will we be able to negotiate a future which we can look forward to.

In other words, to quote W. H. Auden, "We must love one another or die". The world is too small now and human actions too significant and powerful to be placed at the disposal of the marketplace and the values it represents. We have a crisis of values, but it is not the crisis that members opposite think it is. It is not only that we have seen the erosion of traditional values; we have at least one traditional value, the value placed on our economic system, which has led to the present crisis. The sooner it is dumped, the sooner we will be able to restore and refurbish those values, the passing of which is appropriately lamented.

We must love one another or die, not just through charity or the new routine platitudes of Conservatives about the voluntary sector in social services, but as the very structures of our economy, our politics, and life together as a people among other peoples comes to reflect the theological truth that, whether it fits our ideological fantasies or not, we are brothers and sisters, children of the same God who intended that we live in fellowship rather than in competition with each other, and in fellowship with Him and creation.

• (1500)

We have before us in this century, and particularly at this juncture, the choice between life and death, between love and continued separation from each other. We have chosen death so many times before. How long before our choices are irreversible, before we gain the whole world and lose our souls?

I have heard members opposite disparage comments like mine as so much doom crying and lack of confidence in the Canadian people. But my idea of responsible leadership is not to be a cheerleader. I am reminded of the distinction between false prophecy and true prophecy which we find in the dispute between Jeremiah and Hananiah in the Book of Jeremiah. Those who prophesy peace, who would heal the wounds of the people lightly, who are afraid to be anything but optimistic and superficial, are not to be trusted. They would save us not by repentance or change, but by more of the same.

We must amend our ways and our doings. There is no salvation in pious phrases about reduction in government spending. It is to the amending of our ways and our doings that my work in this Parliament will be directed. Thank you.

Some hon. Members: Hear, hear!

Mr. Friesen: Mr. Speaker, I would rise—

Mr. Deputy Speaker: Order, please. Is the hon. member rising for the purpose of asking a question?

Mr. Friesen: Yes, Mr. Speaker. I realize that this is the hon. member's maiden speech and I do not want to disrupt protocol, but I wonder if he would entertain a question?

Mr. Deputy Speaker: Is the hon. member ready to entertain a question?

Mr. Blaikie: Sure; why not?

Mr. Friesen: Thank you, Mr. Speaker. I thank the hon. member for permitting me to ask a question. He has made some really quite broad statements about the guilt that the market system ought to bear for the destruction, as he describes it, of our way of life and our system. I agree that the market system has to share some of that guilt, but I would ask him if maybe the clergy should not share some of that guilt too?

Mr. Blaikie: Mr. Speaker, I could not say everything in 30 minutes, but had I had the opportunity of commenting on the inadequacy of the clergy I would have required another 30, especially the church corporately, Mr. Speaker, for the way in which it has been an uncritical ally of our economic system for

so many years. There are many in the church who have much to be repentant about, Mr. Speaker, when it comes to the way in which they have thought it their religious duty to protect the interests of the powerful, but I would agree with what I think the hon. member is implying.

Some hon. Members: Hear, hear!

Mr. Deputy Speaker: Before recognizing the hon. member for Gloucester (Mr. Breau) perhaps the House will allow me to invite the hon. member for Western Arctic (Mr. Nickerson) to read Citation 333 of Beauchesne's fifth edition which prohibits members from having any kind of exhibits in the House. It states in part:

Speakers have consistently ruled that it is improper to produce exhibits of any sort in the Chamber.

I could carry on reading the citation but I invite the hon. member to look at it, and perhaps even refer to the *House of Commons Debates* of June 16, 1969, at page 10,156. I would ask that the hon. member remove the nice mascot he has on his desk from the House.

Mr. Nickerson: Mr. Speaker I am, of course, most willing to comply with your ruling, but I was finding this mascot of the football game that is to be played this weekend between Ottawa and Carleton Universities a little bit more bearable than some of the rantings of the opposition.

Some hon. Members: Oh, oh!

[*Translation*]

Mr. Herb Breau (Gloucester): Mr. Speaker, this first opportunity I have to participate in a debate in the Thirty-first Parliament is for me a pleasure and a great honour. At the outset, I would like to congratulate the mover of the Address in Reply to the Speech from the Throne and the seconder of the motion. They showed eloquence and competence in expressing the views of their fellow citizens who have elected them to the House. I would say that indeed I appreciated the message from the hon. member for Cardigan (Mr. MacDonald), a member from Prince Edward Island, my neighbouring province. I must say that his compassion, his humanity and his approach to politics make of him a worthy successor to the former member for Cardigan, the minister of veterans affairs, whose attitude, approach to politics, compassion, and sense of humanity were hard to equal. I have always been impressed with the simplicity of his approach to problems and also with his compassion for and his readiness to help the ordinary people. The hon. member for Cardigan then is right to keep this approach in politics.

I want of course to pay my respects to His Excellency the Governor General and his wife, and to thank him for delivering the Speech from the Throne on October 9. I want to congratulate all the new members who have been elected to this House for the first time, and I notice that many of them are very eloquent and speak very well. I want to congratulate the hon. member for Winnipeg-Birds Hill (Mr. Blaikie) on his eloquence. For the moment that is all I want to congratulate him on, but on another occasion after his maiden speech perhaps we will have the opportunity to consider the substance in a little more critical and detailed way.

Mr. Speaker, after four and a half months of this Progressive Conservative government, we are beginning to see what really is this party's philosophy. One could say that after four and a half months there was not much to be learned in the throne speech. There was not much in the speeches made in the House, or in the speech by the President of the Treasury Board (Mr. Stevens) this afternoon, to indicate that those people have the courage of their convictions, and would dare do as they preach. But we are beginning to see that some of them are using the power they have temporarily acquired, even if only through 36 per cent of the votes and, pursuant to the mandate they have received by this slim margin, they want to govern without showing up in the House of Commons. It took them four and a half months to gather their courage and meet the House of Commons. Now, after secret studies and discussions, they want to change radically not only the economy but the whole political and social structure of this country. I shall come back later to what the President of the Treasury Board has said because I have a few things to say about him, particularly the restraining influence he has on some hon. members opposite who are now ministers and who, I know, are compassionate men who wish the Government of Canada would do more for the Canadian people. I shall come back to this point later on.

However, one thing strikes me and it is that we have in Canada some well organized, well ordered and well financed forces which are endeavouring to destroy Canada, while the government in the Speech from the Throne does not mention the situation in Quebec which the country faces. There is absolutely nothing. I merely want to add, Mr. Speaker, that for a Francophone, an Acadian who sees, understands and reads every day what is happening in Quebec, the kind of campaign led by members opposite who constantly complained—

Mr. La Salle: You are the ones who complained.

Mr. Breau: I will come back to the member for Joliette (Mr. La Salle) in a little while. He can take his time and quiet down.

Mr. Speaker, when we realize that a systematic organization is trying to destroy Canada, is the federal government not brave enough or does it not know how to stop what is going on there? And yet, Mr. Speaker, it is not because the government does not want to tackle the constitutional issue, because ministers speak about it. They spoke about it in veiled terms because they did not want to do it openly, but they wanted to criticize our leader and suggest that we saw only one aspect, the Canadian policy. However, when we speak about rights to offshore resources, are we not referring to the constitutional

issue? It has been stated that British Columbia and Newfoundland will obtain the ownership and not only the profits, because the previous government wanted to leave most profits from offshore resources to British Columbia and the Maritime provinces.

The Prime Minister (Mr. Clark) refers to jurisdiction and ownership. Are these not constitutional issues? But the question of the language rights of minorities is hushed up. As the leader of the opposition, the Prime Minister made a speech last year in Montreal in which he set a high value on section 133 of the constitution which guarantees the language rights of Quebec Anglophones, all the while without saying a word of the need and desire of Francophone minorities to have their rights enshrined in the constitution. A Speech from the Throne—

Mr. La Salle: You had 16 years to do so.

Mr. Breau: Yes, my friend, we had 16 years to do so, but we had to deal with the systematic opposition not only of those of you who were sitting in the House, but also of some progressive provinces. And if the hon. member for Joliette thinks it is a bad thing, let him take the time to discuss it with the Premier of New Brunswick who is of the opinion that we should have a strong central government, and that language rights should be enshrined in the constitution.

Mr. La Salle: With the provinces!

Mr. Breau: Yes, with the provinces. So why does the hon. member not suggest that? When the Prime Minister was leader of the opposition, he did go to the trouble of making speeches on the matter. In Montreal, in his speech he insisted especially on the rights of Anglophones in Quebec. So, we took note of that. The Anglophones in Quebec should have rights. If we want the constitution to be a success, that might not be necessary today. But if language rights were guaranteed the Francophones in the constitution, it would constitute a symbol of justice and equality, it would help those among us, and I hope, across the way, who would have Canada maintained as it is. It would help us to go to those who want to break up Canada and tell them, "Listen, Canada can restore the imbalance; justice and equality can be achieved in Canada not only in principle, not only in its symbols, but also in fact."

So, I should have liked the government to have had the courage, at a time when Canada is almost breaking apart, to deal with that matter. To my mind the government will be sorry it did not over the long term. The hon. member for Joliette, the Minister of Supply and Services, may perhaps have the opportunity to explain the matter and reassure the Canadian people and the House by telling them that the position of the government has nothing to do, for instance, with the rather close relationship it has had with the PQs in the past and may still be trying to develop.

[Mr. Breau.]

Mr. La Salle: I got the information in the report of the Pepin-Robarts Commission.

Mr. Breau: Then, Mr. Speaker, the member for Joliette will have the opportunity to explain it so as to dispel all fears.

• (1510)

[*English*]

Let me come back to the question of political philosophy. The Conservative party philosophy on the economy was so well expressed by Dr. Gillies, a former distinguished member of this House, not long ago when he said that the best government is less government. That party suggests, and we heard the President of the Treasury Board (Mr. Stevens) propagating this stand again today, that if the intervention of government in the economy and society, if government spending and borrowing is reduced, it will create some slack which will be picked up by the private sector.

It has been only four and a half months since the Tory administration began, and already we have seen the total failure of that philosophy. Did General Motors come to Quebec? General Motors approached the former government for assistance, and they have approached this government for assistance.

[*Translation*]

Mr. La Salle: You tried to get it during ten months.

Mr. Breau: The hon. member for Joliette will have time enough to speak about it. He should act like a minister and calm down. He is no longer in opposition.

[*English*]

When the private sector is left on its own there is no assurance that there will be the kind of economic development policy which is necessary for the country. The fact that GM is opting out of a major investment in Quebec is a sign already of the total failure of that government's philosophy with regard to the economy.

I see that the Minister of Fisheries and Oceans (Mr. McGrath) is in the House. Have we seen any banks running to finance fishing vessels in the last four months? Have we seen any banks running to finance wharves? The minister has been told by the President of the Treasury Board, and once again in public today, that the discretionary spending of his department is frozen until October 15. The result is that not one fishing vessel subsidy has been approved since June 1, the last date the former minister had the authority to do so. Not one cent has been awarded in New Brunswick for the construction, expansion, or even the major repair of wharves. Yet do we see the private sector running to finance these services, these basic and fundamental investments which are needed for the fishing industry?

I have told the Minister of Fisheries and Oceans before in this House, and he is a man of great compassion, what the Tory party would do once it became the government, and that was that the Bay Street philosophy would be the source of their policies. Already the minister has been put down by the

President of the Treasury Board and been told, "look, all these things you want for the fisheries and the Atlantic provinces are not important. We have to put this economy in order so that the people on Bay Street can read and see it in their terms". I warned the Minister of Fisheries that this would happen, and now we are seeing it in practice.

The Minister of Fisheries is not even in the inner cabinet. This is very downgrading for a member who, for months in 1971, stood in this House and argued for a separate Department of Fisheries. The former government established a separate fisheries department, but now it is not even represented in the inner cabinet. It must be very humiliating for the minister, a man of such compassion and a champion for the little man, to bear the fact that he is not a member of the inner cabinet where he could speak for the fishing industry and the fishermen in this country.

There is one other thing which has happened in the fisheries which needs to be told.

[*Translation*]

The Minister of Fisheries and Oceans announced on August 27 last that he would raise the cod quotas in two areas of the Gulf of St. Lawrence, namely, areas 4T and 4VN, and recently said in the House that he had been in consultation with the provinces. He said he had been in consultation with an advisory committee on groundfish fisheries in the Atlantic provinces before making that decision. I simply want to say to the minister that he has not finished answering questions on that. He has not finished explaining what happened at the July 10 meeting in St. John's, Newfoundland, with the advisory committee, tabling the minutes of those meetings, explaining why a subcommittee was set up at that meeting, and so on.

I am sure the minister in his answer did not want to ignore the situation, because he is certainly not a member who is devious and who would not want to give a complete answer. I do not doubt that, but he said there had been consultations with the provinces on higher quotas, the minister cleverly omitted to say whether or not there had been consultations on the issue of allowing boats 100 feet or more to enter the Gulf. The minister has not finished answering questions on that and he will have to answer this fundamental question involving long term policies as well a long term approach on the development of fisheries for all eastern Canada which is going to determine whether provinces located more than 200 miles away like Prince Edward Island, New Brunswick and the Gaspé area in the province of Quebec, are going to be able to benefit from that new 200-mile zone.

That long-term approach is very important, Mr. Speaker. The minister did not answer whether there had been consultations with provincial governments on that issue, and the minister is going to have to answer it because, Mr. Speaker, that is the most unfair situation one can imagine. The minister may have acted somewhat hastily because he was only recently appointed a minister, so I give him the benefit of the doubt on this.

Mr. Speaker, the minister must know that the large fishing companies always tried to manipulate the groundfish advisory committee. Companies such as National Sea Products, Nickerson and two or three other fishing "tycoons" always fought the previous minister, my colleague from Westmorland-Kent (Mr. LeBlanc), not only on his actions but on his long-term philosophies. They always fought him. They spent hundreds of thousands of dollars on a national advertising campaign to fight the policies of the previous minister and the previous government, who were saying that in quota allocations a regional component would be included for the first time to ensure that people in New Brunswick, the Gaspé Peninsula and Prince Edward Island, the independent fishermen with the smallest boats would have an opportunity to catch the fish that will be there thanks to better stock management and the 200-mile limit. Because it is crystal clear that the big companies that have money, that use large boats can go near the coast and anywhere where they can invest $1 million, $2 million or $3 million in 100-foot, 200-foot or even 300-foot boats. They can catch all the fish there is in a matter of weeks. The fundamental question was this: are we going to let this happen? Are we going to let go down the drain the policies of the future, the fishing licences of the future, to quotas of the future? All of a sudden the minister, who has been there two and a half months, gives something to those big companies. As I told him personally, as a new minister I give him the benefit of the doubt. But, Mr. Speaker, to the forces that have been well represented in his party for two or three years, to the forces that always opposed that policy that is fundamentally just and fair to the independent fishermen, those who cannot borrow $1 million from the bank, to those forces I say: your Minister of Fisheries and Oceans is already perceived as someone who sings to the tune of the big companies. This is how he is perceived. I hope the minister will have the courage, because it was only on November 1 he allowed large boats 100 feet and over to come into the Gulf, I hope he will have the courage to consider this question and ensure that those forces in his party which have always been opposed to the fishing policy supported by my party during its last four years in power, that those forces will not compromise his own principles which, I know, are both humanitarian and compassionate.

Mr. Speaker, I say the same thing to the hon. members for St. John's East, Kingston and the Islands (Miss MacDonald) and by extension to the hon. member for Rosedale (Mr. Crombie), who are active in the community. That is how they got to be elected. I had the opportunity to tell them, during last December's unemployment insurance bill debate, what would happen if their party came to power, what would happen if the hon. member for York-Peel, who is now the President of the Treasury Board, had responsibility for public funds and government policies. And just look at what has happened.

● (1520)

[*English*]

Let us look at the mortgage tax credit plan. The only thing I cannot explain to myself is how the hon. member for St. John's West (Mr. Crosbie) as Minister of Finance could screw up enough courage to propose such a program so clearly to the advantage of the regions of the country that pay the higher property taxes and the regions of the country where people buy homes traditionally and finance them by a mortgage.

Let us look at the effects on the Atlantic provinces. The province of Newfoundland has 1.84 per cent of all homes in Canada but will have 1.2 per cent of the benefits of that program. The province of New Brunswick has 2.66 per cent of all homes in Canada, and will get 1.7 per cent of the benefits. Ontario, where Bay Street is, I remind the member for St. John's East, where the President of the Treasury Board is from, where his party took the support to form a government—and maybe justifiably and I do not want to argue that at this point—Ontario has 36.8 per cent of all homes in Canada and its benefits will be 35.4 per cent.

An hon. Member: Are those the figures for the Toronto area?

Mr. Breau: No, I have not got the figures for the Toronto area. The hon. member for St John's West, when he came into the House, never showed the compassion that the hon. member for St. John's East had, but at least he showed great demagoguery speaking on how he was going to defend Newfoundlanders. One of his first speeches was on the UIC cuts of 1977. He stood in the House and said, "We are going to filibuster this bill; we are going to stop this. It is terrible for Newfoundlanders, it is terrible for maritimers". But when it came down to a vote the hon. member did not show up. I would remind the hon. member for St. John's East that he did not show up either. His party at that time could not find a devious way to oppose the bill. It found one last December.

I just hope that the hon. member for St. John's East and the hon. member for St. John's West can stop the President of the Treasury Board who is chairman, I am told, of the economic committee in cabinet under which the UIC review comes. The economic committee of cabinet is chaired by the great member for York-Peel. I hope the hon. member for St. John's East will be able to stop this terrible thing we have heard about, that they are going to come in with a two-tier system which will have the clear effect of penalizing the young people of this country and the women of this country. I want to give them all the support I can to stop this terrible thing. He is not in the inner cabinet, however, so maybe he will just hear about it down the hall when the inner cabinet has made the decision.

I moved a motion yesterday or the day before to try to put the minister in charge of DREE in the inner cabinet. His colleagues said no. Next week I am going to move a motion to have the Minister of Fisheries and Oceans in the inner cabinet. I think he would be a great countervailing force to that destructor of the country, the President of the Treasury Board. If that man is allowed to continue with his philosophy he is going to create economic disaster for the four Atlantic provinces—total economic disaster—

An hon. Member: For the whole country.

Mr. Breau: —for the Atlantic provinces and, I suppose, for the whole country too. I suppose that Bay Street will be able to continue to exist, and that is about all he cares.

The President of the Treasury Board talked about the estimates and said that he did not get another set of estimates printed because it would have cost too much. He said we could not really get that changed in order to give the clear direction of the Tory government, because it would have cost too much to print another set of estimates. The philosophies and the principles of the President of the Treasury Board are not worth a few thousand bucks to have about 1,000 books printed so that this government could express what it wanted to do with the spending programs of the federal government, and so that the House of Commons could have criticized what they wanted to do. I do not buy this garbage that in four and one half months the government could not have a set of estimates printed.

In 1978 the government at the time, when the estimates had already been printed, changed those estimates to reduce government spending and divert funds elsewhere to the tune of $2 billion. Two million dollars were diverted once the estimates had been printed.

The real truth is that the President of the Treasury Board, with his colleagues in the inner cabinet and, I suppose, once in a while the outer cabinet, and once in a while the backbenchers of the Tory party, spent their time worrying about who is going to get the contracts—to make sure that Media Buying Services was going to get all the contracts for the Tory party—make sure that in the case of the Guy Favreau complex in Montreal it was a Conservative engineer that would make the revision. That was important! They have not done anything else during the summer. They could have had another set of estimates printed and have presented it to the House of Commons.

Like the Argentine fiasco where we lost about $2 billion worth of business, and the Alaska oil pipeline presented by the Alberta Gas Trunk Line Company Limited, the Prime Minister (Mr. Clark) answered today and yesterday that the ambassador of Canada had represented Canada's interests on that question. He very cleverly, and in a devious way, said that the Conservative government had informed the United States government about dangers to the environment, but he never talked about the overland Alaska oil line project. He said the ambassador had the job of representing government policy.

● (1530)

Petro-Canada had an interest in that oil line through Westcoast Transmission. Did the Canadian ambassador to the United States have a clear policy on Petro-Canada in the past four months? Can anyone stand up and say that? The Canadian ambassador does not represent anything but official government policy or clear messages from the government. There-

fore, how could he assure the United States government that the Canadian government was clearly and strongly behind the Alaska oil pipeline overland route?

Mr. Baker (Nepean-Carleton): Because he is brighter than you are.

Mr. Breau: I agree that he is very bright. He was named by the government when we were in power.

The Prime Minister did not state that the ambassador had communicated to the U.S. government that the Canadian government was behind the overland route. He stated the ambassador had communicated to the U.S. government the concern of the Canadian government about the west coast tanker route. One does not automatically go with the other. You could reduce tanker traffic by not bringing any oil from Alaska. We are asking did he or did he not explain to the U.S. government that we were behind the Alaska gas trunk that Foothills was proposing? He has not answered that.

The President of the Treasury Board demonstrated again today that the government has done just about nothing in those four and a half months because he did not have time or did not think it worth while having another set of estimates printed. What garbage! The President of the Treasury Board and the Prime Minister said today that we were already obstructing the workings of this House. I give the President of the Privy Council (Mr. Baker) notice that whatever bills he places on the order paper will be looked at carefully. That is our duty. When bringing forward appropriations, the President of the Treasury Board will have to explain in great detail, as he had us do when we were in government. He will have to explain why it is he could not have another set of estimates printed if he disagreed with the present ones. It would not have taken long. The Minister of Supply and Services (Mr. La Salle) could have found a friendly printer to print another set of estimates.

The Atlantic provinces are being threatened by the approach of this government in reducing government spending and intervention in the economy. We are starting to see the proof of that. We are beginning to see exactly what it is the Tory government is going to do. Apart from the ideology and philosophy of these questions, in a country like Canada you cannot pretend that you are going to represent fully the interests of people across this country by reducing the leverage and manœuvrability of the federal institution of government in spending. You cannot do that. If you give more power to the provinces, you are giving more power to Ontario—

The Acting Speaker (Mr. McCain): Order, please. I regret to advise the hon. member that his time has now expired.

Mr. Breau: In view of the agreement today that we would not ask for extended time, I will not do that.

Mr. Alex Jupp (Mississauga North): Mr. Speaker, I wish to begin by joining with members on both sides of the House in offering my congratulations to the hon. member for Sudbury (Mr. Jerome) on the occasion of his re-election as Speaker of this House.

This might be an appropriate time to bring to the attention of the House a message that was conveyed to me as a new member of Parliament as I met with electors in the longest election campaign in Canadian history. In my case it was a campaign which lasted for 14 months. Indeed, I must express my appreciation to the Leader of the Opposition (Mr. Trudeau), the former prime minister. It was because of his reluctance to call the election in the spring of 1978 at the end of the normal mandate of the last Parliament that I was able to visit so many electors throughout Mississauga North and thus be elected to Parliament. Were the Leader of the Opposition in his seat today, I would say to him that had he followed his own instincts and not listened to the bad advice of his bad advisers, I would not be here in this Parliament and he would likely not be on that side of the House.

My message, however, is less one of consoling hindsight to the official opposition than it is to the members on both sides of the House, particularly those who sat in the last Parliament. This institution is not held in high regard by Canadians. Indeed, some view Parliament as the only institution in the country that is run by the inmates themselves. During the division bells last week one young visitor to the House asked his friend what the noise was all about. His friend replied that he did not know, but maybe it was because one of the members escaped!

Seriously, Mr. Speaker, I was given the distinct impression, in my months of house to house visiting prior to the official election call, that Canadians question the relevance of much of what goes on in the House. The first issue of *Parliamentary Government*, a journal which I would commend to all Canadians seriously interested in the integrity of Parliament, addresses the question in an article on "Public Opinion: Why Don't Canadians Trust Their Representatives?" and I quote:

> The behaviour of members may appear rowdy, frivolous, and unworthy of the seriousness of the matters under discussion. Where increased public understanding is the goal, there are some doubts about the ability of television to contribute to this understanding under the present broadcasting format.

I do have hope for improvement, Mr. Speaker, because of the decorum of the new members on both sides of this House. My hope is that this Thirty-first Parliament will be seen as a turning point in respect of this House and the great tradition for which it stands. Let us refrain from the catcalls, the posturing, and the irrelevance that have brought disrepute to this great democratic institution, and dedicate our presence to a serious discussion of the public issues.

On this point, Mr. Speaker, I would like to join in tribute to the late Right Honourable John George Diefenbaker. Above all, Mr. Diefenbaker was a man who loved Parliament and the historical traditions for which it stood. We can honour his memory in no greater way than by dedicating ourselves to respecting and preserving those laws, traditions and institutions which history has proven to be the basic ingredients of any lasting progress.

Now, Mr. Speaker, it seems to be the practice of new members to say a few words about the constituency which sent them to this House. I rather suspect that, with the exception of Ottawa Centre in which the Houses of Parliament are located, more members have visited Mississauga North than any other riding in the country. This is because it is the home of the Toronto international airport. Mississauga North is the second most populous constituency in Canada. It contains the communities of Streetsville, Malton, and Cooksville, which are over a hundred years old, as well as the very new communities of Erin Mills, Meadowvale, Rockwood, and Mississauga Valleys. Its diversity is reflected in the densely populated Dixie-Bloor area, where I reside, while a few miles away abound the pastures of over 100 farms. As well it includes the picturesque communities of Applewood Acres, Applewood Hills, Applewood Heights, Fleetwood Village, and the Credit Woodlands.

It is very much a multicultural constituency, comprising citizens of over 80 countries, the majority of whom are of neither Anglo-Saxon nor French origin. I am grateful for the confidence they have placed in me as their representative in this Parliament, and pledge myself to work with you on their behalf to address the serious problems confronting our great country.

I felt compelled to enter public life because of a profound concern for the direction the previous government was leading this country. I became convinced that nothing short of a defeat of that government was necessary if Canada was going to chart out a new course and avoid the disaster that would surely come to this nation had the Canadian people voted otherwise last spring.

● (1540)

In the past decade, the government's share of Canada's gross national product has grown from 33.7 per cent to 41.1 per cent. What is the significance of these comparative ratios to the average Canadian? In terms of impact on our everyday lives, probably very little. However, when these figures are projected into the future they become ominous indeed. They really tell us of the extent to which government—all governments, federal, provincial, and municipal—are shaping and controlling the destiny of our political economy. It has been argued that once government controls more than 40 per cent of a nation's production the trend becomes irreversible—that the nation is on a course to inevitable state control of the means of production and distribution of all goods and services.

We have never had a referendum or bill repealing economic freedom, and there is little evidence of a consensus for a national goal of collectivism. Nevertheless, we are drifting from a society that once valued thrift, initiative, and reward for effort into one where governments are borrowing from the future to meet rising expectations which they have helped to fuel.

Almost a quarter of what the federal government now spends comes not from taxes or general revenues but by borrowing from capital markets or printing new money. In the past decade, Canadians have seen the rise of a powerful political system. The federal public service, excluding military and Crown corporation personnel, has grown from 237,000 to 317,000, an increase of 34 per cent. The operating costs of the federal government have quadrupled, and federal spending has quintupled. In the same ten-year period, taxes paid per person have increased three and three-quarter times.

It is noteworthy that if, during the period of controls, the federal government had heeded the same guidelines for restraint as they set out for the rest of us, federal expenditures would be $3.3 billion lower than they stand at present. Long before the introduction of controls which had the effect of transferring critical management decisions from the private sector to the government, there was clear evidence of a trend to turn to government as the ultimate determinant in what has been labelled the "political bargaining arena".

My concern, one which I hope goes beyond partisan considerations, is that this drift toward a larger state role will result in a boring and sterile society from which excellence, and perhaps freedom, too, will vanish. History tells us that no society can remain free in terms of civil rights or the political process when its people have transferred all significant powers to its government. It is a concern which goes beyond the prospects for our economic system to the future of Canadian society.

Civilization moves forward through ideas. The dynamics of progress of any country are essentially the dynamics of ideas—the extent to which the nation is effecitively able to develop and utilize its creative power and its human talents. The way in which ideas emerge into the mainstream of the social, cultural, political, and economic life of a nation has a great deal to do with its progress and destiny. My point is that the processes of idea creation, of national planning, of alternative futures exploration, of resource deployment and priority-setting—all of the basic processes which ultimately determine the kind of society in which future generations will live—seem to have been turned over to government. We have come to expect from government the development of the grand design because we have turned over to it the responsibility for managing, financing, and challenging social change. We must now recognize that governments are not supremely wise and infinitely perfect and that, like all human institutions, they never will be. Thus, only disaster can result when a country's ideas, knowledge, and intellectualism become subservient to government.

The time is ripe for the emergence of new approaches to social, political, and economic problems. We are entering an era when Canada and the western industrialized nations must turn to new avenues of creative power for civilization's advance. To strain all this creative power through the funnel of power politics and bureaucratic compression would defeat the very purpose of such a vital endeavour. The result would be a political monotheism that fossilizes all human progress. Our task must be to seek out the kind of initiatives which are required to bring about a rebirth of a creative free society in a dramatically new context. We must begin the creative adventure in the quest for larger truths, a higher order of morality, responsible philosophical perception, and visionary leadership.

I am not suggesting we should attempt to drive government back to its passive role of half a century ago. That is neither desirable nor possible. However, there must surely be some human alternative to the notion that all we really need to solve our problems is simply another scoop of government.

I believe there is deep concern about society's drift and the dearth of renewing ideas which comes from creeping statism. What is urgently needed before we reach the point of no return is an intelligent dialogue and debate on the sickness of an overgoverned society. Canadians are receptive to constructive proposals grounded in the public interest that promise any possible rational recovery from the malaise with which we are afflicted. The problems confronting our social institutions present seemingly insurmountable dilemmas. I am confident, however, that they can be solved in a creative society in which our citizens are encouraged to utilize their political will and optimal intelligence.

Mr. Speaker, permit me to set out a few of these ideas which I submit in the hope that they may be considered to be worthy of thought as a disciplined intellectual, if not constitutional, framework for new directions to Canada's political economy.

First, to reverse the trend to increasing government control of our private institutions, we might permit citizens to directly allocate up to $100 of their income taxes to non-profit, voluntary agencies. Organizations such as those engaged in education, recreation, sports, health, medical research, and the arts would benefit, as well as newly created agencies with new hope for financial viability. The consequences would be a reduced dependency on government, reversing the drift to state control which threatens the dynamism of a free pluralistic society, and shifting the locus of funding power from government to the hearts, minds, and purses of individual Canadians. This could have the effect of unleashing a productive synergy through the creation of new associations for the study of such apparently insoluble problems as inflation, unemployment, industrial strife, crime, poverty, and war, as well as centres for the study of alternative energy resources and alternative futures research.

Second, each Parliament should be required to balance its budget for the life of that Parliament. The last Parliament added more than $30 billion to the public debt, with interest charges more than doubling. Altering this course is both a moral and an economic imperative. We must now give thought to making it a political imperative. Governments must not be allowed to buy power by stealing from the future. To pay for what we want today, as a society, we must have the moral courage to tax our citizens and to raise the funds necessary to meet those wants. Instead of belittling the President of the Treasury Board (Mr. Stevens) in the hope of political advantage, we should lend him our full moral and political support. I say to both the President of the Treasury Board and the Minister of Finance (Mr. Crosbie) that, notwithstanding the terrible legacy of the previous decade, the people of Canada will stand behind them in the tough decisions they will have to make.

• (1550)

As a nation we are confronted with three real choices when it comes to government spending: first, a drastic reduction in expenditures, including cuts in programs which none of us really want to see cut; second, a major increase in revenues, largely through increased taxation, or; third, national bankruptcy. The mindless spending of the previous administration has had the effect of fueling inflation, debasing our currency, and robbing our citizens of their savings. It is the very difficult task of this administration to restore common sense to government spending, notwithstanding the opportunistic posturing of some hon. members opposite.

Third, the size of the bureaucracy should be reduced by at least 60,000, not including Crown corporations. It should then be limited according to our population growth. The centralized federal bureaucracy interferes with every aspect of our daily lives. It regulates and directs our business affairs, taps our telephones, opens our mail, misuses our tax returns, invades premises without warrant, and tries individuals in secret courts. Only an alert Parliament, aided by constitutional change, will mitigate such abuses of our liberty.

Fourth, the dates for the calling of general elections should be prescribed, every four years. We should not give prime ministers the right to play games with the electorate, with political parties and with the lives of those who offer themselves for public office. I am not advocating a limitation on parliamentary democracy. The government must at all times retain the confidence of the House of Commons. However, I believe that the calling of elections is too important to be left to the whim of prime ministers or their advisers' interpretations of the latest Gallup poll. These are just a few of the ideas I gathered from my one year of knocking on doors in Mississauga North.

I am heartened by the determination of our new Prime Minister (Mr. Clark) to restore Parliament as a responsible and useful instrument of idea creation, by his frank and open communications with Parliament and the Canadian people, and by his preparedness not just to tolerate but also to encourage dissent as a useful contribution to public policy formation. These are all refreshing signs which lead me to be optimistic about the future of this Parliament, of this government and, indeed, of Canada.

Notwithstanding the legacy of serious fiscal imbalance, of an emasculated Parliament, of inflation, of unemployment, of debt and of confrontation—all of the factors which have contributed to our national malaise—there is hope for this country. I am convinced, however, that if we want to restore some sense of social and economic stability and some sense of nationhood, we must give serious thought to the direction in which we are going. We Canadians, through this Parliament, require a commitment to new national goals.

We have the potential. We have a rich and diversified resource base. We have sophisticated technology which places us in the scientific forefront. We have a high level of personal savings for investment because we are a prudent people. We have some of the best cereal grain-growing lands and forests in

the world. We have an educated work force. We have the potential to become self-sufficient in energy, and we have the blood of a hundred nations flowing through our veins. No other country in the world has more to offer to its people. No other country has all those ingredients. What we lacked in the past was the political will to put those ingredients together.

This is the challenge of this Parliament. This is the challenge of this government. Let us go forward with a zest for achievement, new ideas for nation building, and new ideals for excellence. Let us go forward in the creative adventure of providing new direction to Canada of which we can all be proud.

Mr. Paul E. McRae (Thunder Bay-Atikokan): Mr. Speaker, as is customary, I would like first to congratulate the Speaker on his election. Those of us who sat through the Thirtieth Parliament are well aware of the contribution he made to Parliament in terms of increasing its prestige and enlarging its scope and power. Under Mr. Speaker we had the advent of television in the House, and in many ways his support and his working with Parliament have added immeasurably to the prestige of Parliament.

I congratulate the Prime Minister (Mr. Clark) and the Leader of the Opposition (Mr. Trudeau) for their acceptance and for nominating Mr. Speaker, with the idea that he is the very best person in the House we could possibly find to take care of the needs of this House.

It is customary for new members at the beginning of their speeches to speak about their constituencies, and I would like to do that myself, even though I have been here for two Parliaments, because my constituency, like all our constituencies, changed somewhat in the course of the last election.

The constituency I represented in the past was Fort William, part of the city of Thunder Bay. The constituency has been enlarged and has joined with a part of another constituency. It now includes the community and area around it about 140 miles from Thunder Bay, known as Atikokan. Atikokan is a mining community different from Thunder Bay, which is basically a pulp and paper and manufacturing community.

Unfortunately, in the last year Atikokan has gone through a rather bad transformation. One of the major mines has shut down, and the second mine will be shut down within the next six months or so. However, this community has shown some real fortitude and decided that it is going to continue. Its people have put together many new enterprises, and they are looking forward to the coming on stream of another mine, Bending Lake, in the next two or three years. I will be very pleased to represent the people of that area and to push as hard as I can for the coming on stream of this particular mine. We will be watching things like pipelines and how well the government handles the Foothills and other pipeline deals, which will increase the demand for iron ore and bring on the Bending Lake operation more quickly.

The city of Thunder Bay is Canada's largest grain port and one of the world's largest grain ports, if not the largest. It very seldom is mentioned in terms of the moving of grain. There was an article recently in the *Toronto Star* and an editorial in *The Globe and Mail* about all the difficulties we are having regarding the movement of grain. The articles mentioned rail problems, labour problems and so forth, but in neither of these articles was the city of Thunder Bay mentioned, even though two thirds of all the grain shipped out of this country goes through Thunder Bay, twice as much as Vancouver.

As a matter of fact, I believe it is estimated that we could move all the grain going through Churchill out through Thunder Bay in four days in any given season. The port is grossly under-utilized. We could handle twice as much grain if we had sufficient rail cars. I am concerned about this because Dr. Horner recently suggested that one of the solutions to the problem of grain movement might be to move unit trains to the east coast, bypassing Thunder Bay. Of course this does not make very much sense. In the first place, the major reason grain is not moving the way it should be is that we do not have a sufficient number of rail cars. The railways are not moving grain as they should. If we move grain by unit trains to the east coast we will need three or four times as many rail cars as would be needed to move grain just to Thunder Bay.

The second major point which must be understood is that one of the main reasons Thunder Bay is so efficient is that grain moves from Thunder Bay 2,200 miles to the open sea, or to Sept-Îsles. That grain goes out on a ship, the grain is unloaded and iron ore is brought back to Sault Ste. Marie and to some American ports. That is a very major development. It is a very major transportation activity in our country. The efficiency of Thunder Bay depends a great deal on the fact that ships do not come back with empty bottoms. I think a great deal more thought should be given to utilization, and I hope this government will consider greater utilization of the port of Thunder Bay.

Perhaps one of the misconceptions we have is that all grain moving to China, Japan and Asia must go through west coast ports. A very senior official of CPR said to me in a conversation that he is convinced that if the Crowsnest rates were not in place, it would be cheaper to move grain from Alberta, Saskatchewan, and Manitoba to Thunder Bay and by ship through the Panama Canal and to Asia than it would be to move it across the Rocky Mountains into Vancouver.

I would like to mention one other point regarding the port of Thunder Bay because I think it is important. We have not had a major labour stoppage or a major strike since 1968. To conclude on this particular point, I should like the House and the government to know that the Thunder Bay operation is very efficient, very cheap, and very under-utilized.

We in opposition have to learn this new role, much the same way as hon. members opposite, having spent many years in oppostion, have to learn the new role of government. There is no doubt about that, and it is a different process either way. I think it behooves us to give the government a bit of a chance, while we are trying to get our act together, to show what it is going to do. We should not be too critical.

For many reasons we were not as critical of the government this summer perhaps as we might have been regarding some of the things it did. I still believe they have to work things out, and I do not believe it is our job to tear them apart in the first six months or so of the operation. But I am concerned about one major trend—I am concerned and it worries me—because I think that one of the facts of life about this country is that we are very weak as a federal government.

● (1600)

This is not a strong federation, it is a weak federation. For a long time, under previous governments, power has been gravitating to the provinces. Some of that is desirable, some is necessary, but I think we have made mistakes. I think that one of the mistakes of which we can be accused is block funding in one form or another, the transfer of power to the provinces. I do not envy the Minister of National Health and Welfare (Mr. Crombie) his job at this point. There is so much transfer of power to the provinces in that area that federal authorities cannot control medicare the way they should be able to control it. I think these are some of the mistakes we have made.

I am seriously afraid that this government is continuing this drift, and perhaps even accelerating it. I am concerned when I hear the Prime Minister goes to Newfoundland, to British Columbia, and to Nova Scotia and talks about handing away offshore rights. In Newfoundland there is a slightly different constitutional twist to this, but certainly as regards British Columbia and Nova Scotia there is no question about what the constitutional rights are. Offshore resources belong to the people of Canada, to all of Canada. That has clearly been declared by the Supreme Court, and I think it is understood by all. There is nothing wrong with the government of this country making a deal, as we did in the past, and saying, "Okay, we will share these resources, 75 per cent to you, 25 per cent to us." But to say that these will be handed over directly to the provinces is not acceptable.

I am concerned about a series of other things that have happened. I am concerned, for instance—this is a small thing perhaps—about the transfer of Loto Canada, which was Canadian and had some merit, which supported Canadian sports, about its transfer, with considerable loss of revenue to the government. I am concerned very much about oil pricing, whether or not this is something that gives one province a very strong advantage over another province. I am concerned about the selling, giving away or transferring of Crown corporations to the private sector or, possibly, to the provinces.

I am especially concerned about PetroCan because that is something for which, from the very beginning, from the time it was first announced by the government, or even before it was announced, I and some of my colleagues here fought very hard. We fought very hard to set this very important piece into the energy policy of this country. In a country where the resources are controlled by the provinces, where the ownership of our resources is so much in the hands of foreign corporations, of multinationals, there is very little left for a federal government to do in the field of energy because we do not have power. So it is extremely and vitally important that there be an instrument of federal power in terms of energy. Perhaps the most important instrument of federal power, of federal ability to initiate and pursue energy activities in this country, is PetroCan. That is the fundamental reason why it exists, the fundamental reason why we as the government set it up.

I become annoyed when people on my left—just physically on my left, not fundamentally so—grab hold of this issue and say "This is our creation." It is not their creation, it is our creation. We have worked hard for it and we have fought against many members on the other side, including the President of the Treasury Board (Mr. Stevens), to establish that company. It was done because we needed that fundamental instrument for an energy policy. We needed something to ensure we had an adequate supply of energy for all Canadians, not just for the people in this province or that province.

Members of the government may say they will allow some activities, such as the drilling that has been going on. Last year, in 1978, PetroCan was involved in over 50 per cent of the drilling in the north, and yet it is still the sixth smallest oil company in Canada. I think it was involved in the drilling of 11 out of 13 wells on the east coast, and it was responsible for such things as the Sable Island gas find. These are fundamental to the future of this country at a time when energy shortages are becoming evident to all. So I just do not understand the government that would weaken or destroy this company, that would take the assets, as the leader of the NDP has said, of this country and privatize them, socialize all the liabilities and remove the possibility of the company acting independently, having a decent cash flow and being able to function on its own.

Basically, when you take away Pacific Petroleums, you take away from PetroCan a lot of the technology to function. It will lose its role to be an eye on the industry, an industry which most Canadians do not trust. It is an industry that is not trusted, and yet we have taken away, by this apparent act of the government, the ability to look at the industry and tell us what is happening. The government has made a very major decision and we in the opposition will fight very hard, not to defeat the government so much, but to stop this change. We will fight very hard to ensure that this bill does not go through, that Canada will retain a strong instrument for an energy policy in this country.

Before concluding, Mr. Speaker, I should like to say a few words about economic policy because I think there is a kind of misconception in the House and in the country that the high interest energy policy of the previous government is the same as the high interest energy policy of this government. I would like to spend a good deal more time on it, but I think I have only about three minutes left. However, I would like to make this point very clear.

● (1610)

When we were in power we had an interest rate which disturbed me. There was no question about that. I have had some real doubts about the Keynesian notion that one can

manipulate seriously the money supply by the interest rate. I think that is a dead thing. It was functioning for a long time, but I think it is dead now. But there is a fundamental difference between now and then. At that particular time we were following the American interest rates, and there was some point in that. Also at that particular time the difference between the Canadian inflation rate and the Canadian interest rate was approximately 1.5 per cent or 2 per cent. So the net interest was approximately 1.5 per cent or 2 per cent. Roughly that is the situation with the American interest rate today. But the prime rate in Canada now is approximately 13.5 per cent or 14 per cent, and the inflation rate is approximately 9 per cent or 9.5 per cent. So there is about a four or five percentage point difference. The key factor is that the American spread is 1 per cent or 2 per cent and our spread is 4 per cent or 5 per cent. We do not need that kind of spread. We will be arguing very strongly against increasing interest rates further. We will be arguing very strongly for lowering interest rates because of the nature of the spread.

In conclusion, I should like to say that I am watching the government very carefully. I am very, very disturbed that we may be giving away what is vital to Canada being able to continue as a nation. I am concerned that the fundamental economic policies of the government are not in tune with the times. We will be watching those particular things during the next one, two or three years.

Some hon. Members: Hear, hear!

Mr. Stan Darling (Parry Sound-Muskoka): Mr. Speaker, certainly it is an honour to have the opportunity this afternoon to participate in the debate on the Address in Reply to the Speech from the Throne. I congratulate the mover and the seconder of the motion, the hon. member for Erie (Mr. Fretz) and the hon. member for Cardigan (Mr. MacDonald) respectively, for their very articulate and excellent speeches. Congratulations are also in order to the hon. member for Sudbury (Mr. Jerome) on his re-election to the high and respected post of Speaker of the House of Commons. The re-election is a sign of the great trust and high regard which many of us place in his ability to preside over the deliberations of this representative body. Also, may I extend my personal congratulations to the Deputy Chairman of Committees of the Whole House (Mr. McCain) and his colleagues on their appointment to important positions.

I feel honoured to have the opportunity to extend a warm welcome to all of those members who are gracing this chamber for the first time, and a great many members who have made outstanding speeches already. I feel greatly honoured to be back in this august chamber having first come here in 1972, almost seven years ago. I am deeply indebted to the voters of Parry Sound-Muskoka who, through their action, have given me the honour to represent them in the House. I assure the constituents of Parry Sound-Muskoka that their concerns and interests will remain always in the forefront of my decisions.

I would ask for a brief indulgence to pay homage to the late Right Hon. John Diefenbaker whose demise has deprived the

Parliament of Canada of one of its staunch supporters and participants. While one accepts his passing away with deep regret and sorrow, one cannot help but feel a vacuum in this chamber. The right hon. gentleman's monumental contributions to Canada in numerous forms will long be remembered dearly. What I may utter today will not do justice to the dedicated task of attaining some lofty principles for Canada. However, I wish to register my deep respect for what the Right Hon. John Diefenbaker stood for. I hope many of us will be able to carry on this noble task in various fields and many more must aspire to the ideals for Canada outlined in the long public career of the late right honourable gentleman.

I see nothing more befitting to grace Parliament hill than a statue of the late Right Hon. John Diefenbaker. I am sure one of the highlights in the visits to Ottawa and Parliament of many tourists and Canadians would be a visit to such a statue. If the excuse for the delay in erecting such a monument is financial, I am certain Canadians will donate generously toward this project. A statue will be the best tribute we can pay to the man who so strongly guarded parliamentary tradition throughout his entire lifetime.

I cannot help but feel that the entire country from coast to coast took in a breath of fresh hope on May 22. The vigour and dynamism of the new government are beginning to provide the kind of leadership the voters had hoped for in the Progressive Conservative government. I highly commend the Prime Minister (Mr. Clark) for his outstanding speech earlier in this debate. He briefly outlined the program of action for Canada which the government expects to pursue. It is a plan which I support. Also I share the vision the Prime Minister has for Canada. We seem to have turned the corner in the matter of federal-provincial relations on to the road of co-operation and understanding. This may be our chance to bridge the rifts of the past. The new Prime Minister has displayed compassion and understanding in his dealings with the many issues confronting our nation today.

Since I represent the picturesque riding of Parry Sound-Muskoka, I am delighted to have read the following in the Speech from the Throne:

> In co-operation with the provinces and industry, a national tourism strategy will be developed.

If I recall correctly, this is probably the first time tourism has been given such high recognition at the federal level. This commendable action will give rise to some form of organized approach to resolving some of the difficulties encountered by the tourism industry. It is hard to imagine that such an important industry as tourism has been on the back burner for so long. It is an industry which can help restore balance to our international trade picture. For instance, tourism earned approximately $2 billion in foreign exchange last year. Furthermore, there is every indication tourism is on its way to becoming our leading industry in income, export earnings, and employment by the end of the century. Today tourism is a labour-intensive industry, fortunately absorbing a large segment of the labour force. It employs almost 9 per cent of the

Canadian work force, or approximately one million people. Tourism and travel generate an income of $11 billion a year for Canadians. This accounts for 5 per cent of our gross national product.

During the summer a special caucus committee was formed with a mandate to look into various aspects of the tourism industry. The committee heard evidence from representatives of various sectors in the industry. One matter was made abundantly clear, and that is that we should give tourism the higher profile it rightly deserves. In this regard I have on many earlier occasions spoken in favour of establishing a secretariat for tourism. Once again I voice my concern that the delay in establishing such a secretariat will continue to affect adversely this very important industry.

In the spirit of freedom of expression which the Prime Minister would like to encourage among our ranks, I should like the government to consider setting up a secretariat for tourism at the earliest, and include the responsibility for tourism in the title of the minister. The caucus committee on tourism heard representations from various groups, including Tourism Industry Associations of Canada—TIAC, the Alliance of Canadian Travel Associations—ACTA, Via Rail, and the Canadian Automobile Association. It is interesting to note that the minister responsible for tourism was in Newfoundland yesterday to meet with his provincial counterparts. There was meaningful discussion and productive dialogue.

● (1620)

It is interesting to note some of the recommendations that are being made to the government with regard to tourism. These are as follows: that the Canadian Government Office of Tourism—CGOT—be maintained, but that its role be examined and more clearly defined; that CGOT act as a co-ordinating body between the industry and the federal government departments, and between the federal and provincial departments of tourism; that CGOT spearhead the development of a national tourism development plan which does not operate in isolation from but, indeed, as a basic element of national policy on transportation, energy and general economic development; that there be a change of focus to include encouragement of tourism facilities development; that CGOT, in consultation with the industry and the provinces, develop a method for gathering and rapid dissemination of statistical information that will be of assistance to the tourism industry; that the title "Minister of State for International Trade" be changed to "minister of state for international trade and tourism"; that CGOT, in consultation with the provinces and the industry, co-ordinate the development of a national inventory of accommodation to determine the feasibility of a national rating system.

It has also been recommended that the minister express to the Postmaster General and Minister of the Environment (Mr. Fraser) this committee's concern about the positive contribution that Parks Canada could make to the tourist industry. At the present time a great many of us feel it is too restricted. We also hope that the minister will request the Minister of Transport (Mr. Mazankowski) to look into the effect of eliminating Canadian regulations hindering the entry of U.S. public charters on the Canadian air industry and tourism. It is also recommended that the minister strongly recommend to the Minister of Transport that any consideration of transportation policy should include passenger rail service and its impact on tourism.

I have been impressed with the down to earth approach of the present government. In this regard I am able to substantiate that it is the first time in the history of the Parry Sound coastguard base that a Minister of Transport from Ottawa has paid an official visit. This base, which serves the vital Great Lakes area, was visited by the Minister of Transport not too long ago, in fact on September 26. This is concrete evidence that this government wants to come to grips with the reality of problems facing Canadians by getting down to talking to the people. The previous government grew so arrogant and isolated in Ottawa it forgot that its mandate came from Canadians across the country. It is no wonder that such a harsh and deserved judgment was cast upon them in the last general election.

Another example of this new form of government is the recent visit by the Minister of Public Works (Mr. Nielsen) to survey flood damage around the Lake Nipissing area.

What such visits symbolize is the desire on the part of the government to listen to the concerns of average Canadians, and to govern through consensus rather than dictation. The government in Ottawa cannot become isolated from the people like its predecessor, for it plans to stay in touch with the people.

Our national defence is being brought back on the rails by the very competent and able Minister of National Defence and Minister of Veterans Affairs (Mr. McKinnon). I had the honour a week or so ago to announce on behalf of the Minister of National Defence and Minister of Veterans Affairs the expansion and upgrading of facilities, including the installation of new computer facilities in order to improve the surveillance of all Canadian air space. The move to establish the region operations control centre in North Bay to ensure the sovereignty of Canadian air space is a welcome move to all Canadians. The expenditure of $87 million on the upgrading of facilities and the employment of another 200 personnel in the area will certainly be a welcome boost to its economy.

While on the question of defence I must register my strong support for Canada to fulfil its commitment to participate in NATO with its other allies. Our participation in this vital body must be restored to the fullest. The recent ploys of President Brezhnev to reduce Soviet armed strength in Europe must not be taken at face value. The west must continue to be diligent and on guard even in times of détente.

The residents of Parry Sound-Muskoka have been concerned for quite some time now about the ill effects of acid rain and what it does to the many lakes in the area. I am delighted to see that the Postmaster General and Minister of the Environment has placed the question of acid rain high on his list for resolution, in consultation with our southerly neighbour. All of

us wish him well in his deliberations and hope the efforts will bring good news.

As most have read in a recent issue of *The Globe and Mail*, a committee recently released a report which is certainly very disconcerting and shocking, especially in relation to my area which is one of the greatest tourist areas in the Dominion of Canada. The facts published in the paper were that about five million metric tons of sulphur dioxide is produced in Canada annually compared with about 25.7 million metric tons in the United States, and that of the U.S. emissions, about four million metric tons flow northward, compared with between 500,000 and 700,000 tonnes that blow south from Canada. It is very easy to see that even if we are able to reduce our emissions of sulphur dioxide we are not going to make much of an impact until the United States is willing to do the same.

There is certainly great concern among those of us in Ontario because about 140 lakes in Ontario, primarily in the Sudbury area and south, which includes my area, have been acidized to the point where they will not support certain types of fish. Let us hope something will be done about this. It is also noted that forest lands do not lend themselves to alternate uses. This fact was not given too much priority at the outset, but it is certainly something that gives us a great deal to think about.

The Progressive Conservative party, as we are aware, is the party of small business. It is this government which can best provide the ideal climate for growth of small businesses. After all, small businesses, whether in the tourist industry or any other, form the backbone of the economy of our country. Individual initiative is best reflected in the number of successful businesses that operate in this country. The task before us is to create a climate which will be attractive to new investment and will draw capital from all sources.

Another point on which I would like to touch briefly relates to the throne speech. The throne speech is not the be all and end all. It is merely an indication in the most general terms of what the government intends to do during its term in office. No one ought to expect dramatic announcements. The era of dramatic pronouncements faded away with the former government. The present government will obviously be making announcements, but on an ongoing basis. Not every item could have been detailed in the Speech from the Throne.

Apart from the economic crisis, the world today faces energy crises. Canada is well endowed with energy sources, ranging from the traditional coal to the tar sands. One must be pleased with the announcement in the Speech from the Throne of the intention to make Canada self-sufficient in energy by 1990. It is essential that we strive toward this goal in order to meet the energy challenge. In this regard I would like to mention the possible exploitation of peat or muskeg for energy use. Canada has a large reservoir of peat which is yet to be tapped. I have been in touch with various government departments to investigate this further.

I have for a long time been an advocate of some changes in spouse's allowances. I am, therefore, glad to note that Parliament will be asked to extend spouse's allowances in circumstances where they are now denied. I certainly welcome the introduction of the bill to amend the Old Age Security Act to bring in the necessary changes.

In the last few days there has been a lot of hysterical talk about the economic state of our country, talk that concentrated around the unfortunate increase in interest rates. Let me assure you that no one is happy with increases in interest rates. On the other hand, one cannot easily dismiss and overcome the mess in which the Liberals left the economy. A time period of a mere five months cannot remedy the Liberal's misguided economic policies of the last dozen years.

• (1630)

During my election campaign I pledged to fight against an increase in interest rates. I plan to continue this fight. As a former owner of a small business, I am well aware of the damage high interest rates can inflict upon small businesses. The cost of money, especially invested money, can be prohibitive, and often stifling to the growth or basic survival of small businesses.

Every Canadian is delighted to know that the Progressive Conservative government has kept its election promise to allow property and tax credits to come into operation at the earliest opportunity. This will make the dream of owning a home a reality for many Canadians in all income brackets. In addition, this program will provide stimulus to the construction and home furnishing industries. These industries are largely Canadian-owned and will be able to generate more jobs and income. The program will provide tax relief to existing home owners, as well as provide incentives that will make home ownership more attractive to prospective home buyers. This program will go a long way to making the basic necessity, shelter, available to a greater number of Canadians than ever before.

Mr. William Rompkey (Grand Falls-White Bay-Labrador): Mr. Speaker, it is a pleasure for me to rise and take part in this debate. First of all I want to congratulate the mover and seconder of the address in reply, the hon. member for Erie (Mr. Fretz) and the hon. member for Cardigan (Mr. MacDonald). Both members acquitted themselves well, and I am sure that they will continue to be an honour and a credit to their constituents in this chamber.

I want to congratulate, too, the Speaker of this House on his re-election and also congratulate as Acting Speaker, the representative for Carleton-Charlotte, who occupies the chair today.

This throne speech was not so much a throne speech as a university calendar. It offered us not so much a course of action as a course of study. It was not so much a series of proposals for moving our country forward as a series of seminars. We take our choice of a study on cultural policy, foreign ownership, the voluntary sector, and nuclear energy.

Of course there were some indications of good things to come. I was pleased, for example, as the hon. member for Parry Sound-Muskoka (Mr. Darling) pointed out, to see the

reference to improving the guidelines for the spouse's allowance. We will have to wait and see, of course, just what this means. Now that the hon. member for Missisquoi (Mr. Grafftey) has been removed from social programs, we might assume that a less hard line on selectivity will be taken on this and other social programs. Had he stayed where he was, no doubt we would have seen the application of Tory philosophy in the form of the means test, and we may still see it. But in my opinion this is not the route to go. The principles of universality in pensions and the spouse's allowance must never be tampered with.

Our senior citizens receive the pension not as a privilege but as a right. They deserve it because of their hard work throughout the years, and because of their contribution to society. They have paid into this scheme throughout their lives, and it is only fair and just that they all receive the pension in their later years. In any case, those in higher income brackets return the pension with their taxes. I hope the government will not be so foolish as to apply the means test to old age pensioners.

I was also interested to hear that amendments would be made to veterans legislation. I sincerely hope that those measures will improve the lot of those who, in many cases, gave the best years of their lives for their country, and improve the lot also of their widows and dependants. However, I am fearful of this. This government has seen fit to insult our war veterans by abolishing the Ministry of Veterans Affairs as a full time portfolio. I can tell this government that veterans across this country will not take it lying down. They are not that kind of people, and neither are their sons or daughters. Certainly that is the word which I get from Newfoundland.

My colleague, the former member for Humber-St. George's-St. Barbe who now occupies a position in the other place, must have been shocked and angered to hear of the disregard for veterans' rights. For years in this House he fought incessantly to improve the lot of veterans like himself. I know that Senator Ches Carter, another champion of veterans, must have been shocked and angered as well. I can tell veterans that this party will not forget them and that we will speak on their behalf in this chamber to ensure that their interests are protected. War veterans have many vivid memories. They do not easily forget, and I can tell you they will not forget this government.

There are other measures that we look forward to with great interest. I welcome the extension of the power of Parliament and greater prominence given to private members' initiatives. I should congratulate, too, my own member of Parliament, the hon. member for Nepean-Carleton (Mr. Baker) on attaining the position he now occupies. I am sure that he will lend to that position the competence and dignity that he lent to his former position as House leader for the opposition. I welcome the reference in the throne speech to this measure.

I welcome too the suggestion of a youth employment secretariat and an employment strategy for women. I welcome the indication that the mandate of the Department of Regional Economic Expansion will be strengthened. This policy, a policy of our party, has been a tremendous asset to our people in improving services and expanding business in the Atlantic provinces. These are positive and progressive measures and, provided they are well thought through, they should mean a great improvement.

Most of the campaign promises of this government were quickly forgotten, shelved, or "task-forced" once they got into office. One they did keep was the transfer of ownership of offshore resources of Newfoundland. There has been a strong positive reaction to this in our province. The House misunderstands the background of this. For decades my province has been a virtual ward of central Canada. Newfoundlanders have resented coming to Ottawa cap in hand for DREE agreements and other special concessions. They have never been satisfied that equalization payments have been such a large portion of the provincial budget. They have tried desperately to change an economy where unemployment insurance payments amount to $250 million a year, ranking after wages in transportation, and ahead of wages and salaries in fishing, mining, hospitals, and education. The amount from unemployment insurance is second only to the wages and salaries we get from biggest contributor of all to the provincial economy, and that is transportation.

We have always been an independent people in the best sense of the word, and we have never been afraid of hard work. Now, with clear indications of lucrative oil discoveries off our shores, Newfoundlanders and Labradorians see an opportunity to be self-reliant, self-supporting, and to contribute to, rather than draw from, the Canadian confederation. Of course we have contributed already our culture, our history, our songs and stories, and our traditions. When Canada is searching for an identity we have at least known who we are and where we come from. But now the emphasis must be on where we are going.

It is important for us to protect our way of life from the possible disruptions that the development of oil reserves can cause. Many of our people still live in small communities by the sea, sustained by a fishing economy and the strong bonds of community life. We must ensure that development is controlled, that it is not disruptive, and that it does not fracture or overwhelm the present way of life in Newfoundland. We must ensure that development is in the best interests of our people and that they will derive both immediate and lasting benefits from it. Therefore Newfoundland must have the power to look after its interest, but we will need to know a great deal more than what is contained in the correspondence between the Prime Minister (Mr. Clark) and the premier. What has been agreed to is ownership. What is needed is control. These are interesting words—ownership, control, jurisdiction. How will they be interpreted in legislation and possible constitutional amendments? What will be the final deal? What will be the trade-offs? We will have to wait and see, and we will be watching closely.

Newfoundland and Labrador have legitimate needs, concerns, and rights flowing from their history, but Canada has needs and concerns too. If we want to be full Canadians in every sense of the word, surely we must act to strengthen Canada and not weaken it. Newfoundlanders and Labradori-

ans may not be entirely satisfied with their present role in confederation, but they know full well the blessings of confederation, and they want very much to be a part of this country.

We are a people who have been known for our generosity and not our selfishness. I know that while Newfoundlanders want fiercely to defend their own interests, they will want to ensure that the country is strong too, in energy supply and in every other way. I believe that both of these aims can be achieved. But we will be watching closely as the negotiations go on between Ottawa and Newfoundland. I will be watching as a Newfoundlander and as a Canadian.

● (1640)

In the meantime we have serious problems that are of an immediate nature. Some of the oil discoveries are near our most historic and richest fishing grounds, the Grand Banks. There is imminent danger of the non-renewable resource destroying the renewable; and the fish, Mr. Speaker, will be there, we hope, long after the oil is gone. That is why, as I said earlier, controlled development is so important. Newfoundland and Labrador have depended on, and will continue to depend on fish as the mainstay of the economy. Therefore it is urgent that a proper contingency plan for dealing with oil spills be put in place. To my knowledge there is not one. I would suggest to my colleague, the Minister of Fisheries and Oceans (Mr. McGrath) who, I know, shares my concern, that he see to it that such a plan, together with the necessary equipment placed in Newfoundland and Labrador, is put in operation immediately. He has the authority and the responsibility for this and he should act right away.

I want to congratulate my hon. colleague from St. John's East, Mr. Speaker, and to wish him well in his portfolio as Minister of Fisheries and Oceans. He is the first Newfoundlander to hold that portfolio. Much will be expected of him, in his home province as well as other areas of Canada. He has distinguished himself in this chamber as a member of Parliament. I hope his policies will be in line with his proposals. He will have some tough decisions to make. For our part, Mr. Speaker, we will be watching closely to see that those decisions are in the best interests of the fishermen and of the industry as a whole.

The Speech from the Throne tells us that a white paper will be produced on the fishery. After six months in office, when there are serious problems to be resolved the best this government can do is a white paper. No doubt this is all part of the plan for greater consultation. That is fine, Mr. Speaker, but I would ask the minister what consultation there was with inshore fishermen before large vessels were allowed back in the Gulf recently to fish for cod. This is an action which was undertaken without consultation. Yet the minister has said in his Corner Brook speech and elsewhere that emphasis must be given to the inshore fishery, and that the communities along the northeast coast of Newfoundland and the coast of Labrador must be protected.

We could not agree more, Mr. Speaker. Indeed, the minister in saying this, is continuing the policy of the former minister of fisheries and of this party when we formed the administration. It is the right policy. The inshore fishery is important in the Atlantic provinces, not simply from the point of view of economics, but because of our very settlement and way of life. The inshore fishery and the Atlantic lifestyle are inseparably intertwined. To tamper with one is to undermine the other. That being the case, I ask how is it that there is no money in the small craft harbour budget to build and repair desperatly needed wharves and breakwaters? How is it that millions of dollars of Canada Works funds will go unspent because small craft harbours has no budget to complement the Canada Works funds as has been done over the past several years?

This party realized how important shore facilities were, and more than tripled the budget for them in recent years. I have brought this to the attention of the government before and nothing has been done. This is a serious matter, Mr. Speaker. I quote from a recent editorial in the *St. John's Evening Telegram* as follows:

> Fishermen are in constant danger of losing not only their industrial property but also their lives, without adequate protection in many harbours.

It goes on to say:

> But Newfoundland now does have two cabinet ministers in Ottawa, and they are in key positions in this respect, the Finance and Fisheries portfolios. They have already showed they can use their influence and knowledge to win support from their largely farm and city-oriented colleagues for other marine and related projects, and we hope they can be just as successful in getting action on the inadequacies of our small craft havens.

I echo those sentiments. But in all fairness it is the intransigence of the "Baron of Bay Street", the President of the Treasury Board (Mr. Stevens), that is the real difficulty. He has not earned his reputation as "The Slasher" without hard work, Mr. Speaker. Not only has he slashed the public works budget for marine works, he has slashed millions of dollars in the vessel subsidies so that since June no inshore fishermen anywhere in the Atlantic region or Quebec have been able to replace vessels or to build new ones, and this at a time when the Atlantic fishery is more lucrative than ever.

Thanks to the establishment of the 200-mile limit by the previous Liberal government, the fish stocks are rebuilding, the price is good, and fishermen are optimistic. At least they were optimistic until the member for York-Peel (Mr. Stevens) got his hands on the tiller. Whatever he is doing, one thing is certain—he is not helping the fishermen. Even his leader has said that there are areas of the Canadian economy which need stimulation. The fishery is one of those, Mr. Speaker. I do not know how we can get that message to the President of the Treasury Board, but I can tell him that fishermen in Atlantic Canada and Quebec are frustrated and angry at the lack of support they are experiencing. I suspect it is true for fishermen and pleasure boat users who need small craft harbours in all areas of Canada. Consultation is fine, but it will not float; you cannot tie your boat to it, and you cannot eat it.

I would suggest to the President of the Treasury Board that he leave the towers of Bay Street and get into Atlantic Canada. If he does, he will find out for himself how disastrous his policies will be for the fishermen in that area. If he goes to Newfoundland, Mr. Speaker, he should take time for a trip on

the new Newfy Bullet. Yes, there is a Newfy Bullet, Mr. Speaker. It is not a big train, mind you. In fact, it is only one car. But it is beautifully outfitted. I listened to my colleagues in the House talk about more hopper cars for grain and the need for improvement in trains. The hon. member for Parry Sound-Muskoka (Mr. Darling) mentioned that, and I certainly agree with him. We have a train now. It is confined to one car but it is a good car, a great car. It has sleeping and eating accommodations, a Cordon Bleu, even a telephone. And the President of the Treasury Board should not have any trouble getting on because the car is for VIP's only. It is for the movers and shakers in CN—at least the shakers—and the movers and shakers in the government. It is not the sort of thing you go fishing in on the 24th of May.

Yes, Mr. Speaker, they have made changes. It is no longer CN in Newfoundland but Terra Transport. Evidently, the President of the Treasury Board gave them enough money to buy a new name. No new track; no new cars; no new passengers; no new freight; a new name! I thought the Newfy joke was dead, Mr. Speaker, but it is not. It is alive and well, and running on a narrow gauge track!

The premier of the province was impressed. He said the announcement was merely cosmetic. He said, and I quote:

> This latest announcement is a very silly attempt by CN to try and indicate to the people of Newfoundland that they are really doing something. The main problem we have right now is to get CN, who are totally responsible for the railway, to spend some money on it and try to make it a viable force in transportation in this province.

Right on, Mr. Speaker! We have heard from the Tory premier of Newfoundland and we could not agree more. That is a provincial premier speaking. So we have to sit up and take notice. The words of a provincial premier are not to be taken lightly or wantonly, but soberly and in the fear of God. And by the way, why was he not consulted about this? It was not "consult", Mr. Speaker; it was "insult". Is it any wonder that Newfoundland wants more control over its own affairs?

The new government has brought back the Newfy Bullet, Mr. Speaker. But how it is going to get half a million people into that one little car escapes me. Of course the people of Labrador will not be able to travel on it anyway because there are no tracks in Labrador, not even narrow gauge. My colleague, the hon. member from St. John's East, will be amused by the reversal of roles that goes on in this House. If he looks back through *Hansard* or, if I do, we will find a transposition of speeches of some years ago.

I want to talk about oil prices because the hon. member for Parry Sound-Muskoka mentioned that. He talked about small businesses and the necessity to support them. I agree with that, but I wonder how we can support them with fuel oil prices rising 14 cents per gallon and gasoline rising 24 cents per gallon. That policy will have a disastrous effect in Atlantic Canada. I noticed that one cabinet minister is reported as saying that gasoline might even rise to $1.30 per gallon. Yesterday in Ottawa *The Citizen* reported someone as saying that within the next couple of years it might even rise to $1.45 per gallon.

It might interest the House of Commons to know, Mr. Speaker, that in Labrador city gasoline is already $1.39 a gallon, and fuel oil, 79 cents a gallon. In Goose Bay gasoline is over $1.40 a gallon. In Rigolet and St. Anthony it is in the same range. These are people who live in northern areas of the country where the winters are long and cold. To ask those people, most of whom do not have the capacity to pay, to shoulder the burden of higher fuel prices in the interests of conservation, is ludicrous. We are not talking about people who are wasting money on luxuries. We are talking about people who are working hard to make ends meet. This government says they should pay higher prices in the interests of conservation, in accordance with the demands of the Arab countries. There are other ways to achieve conservation, Mr. Speaker, more effective, less costly, and less harmful to primary producers and those at the lower end of the income scale.

● (1650)

What of small businesses? My friend from Parry Sound-Muskoka who preceded me mentioned those. They are struggling to survive, in danger of being swallowed up by large corporations. What will higher energy costs do to them? Besides adding to inflation, of which we have an overdose in the Atlantic, it will be an additional hurdle they have to overcome on the road to survival.

The real burden will be on the old, the widows, the disabled, the young, those who are on fixed incomes and low incomes, those who through no fault of their own cannot help themselves. Are we to tell old age pensioners that they must burn less gas in their power boats and skidoos? In fact, are we going to tell that to fishermen, loggers or miners? This government is. It says it will increase oil $4 a barrel by the end of 1980, adding about $100 to the average annual heating bill. The government may consult with the provinces on this one, but apart from Alberta it is unlikely it will get consent. Ministers are finally going to have to bite the bullet themselves.

My friend mentioned that the ministers of tourism are meeting in Newfoundland for the first time. That is good. However, what is their position on the increase in the cost of energy and what will it do to the tourism industry? The ministers of finance will also be meeting. It will be nice to see what comes out of St. John's.

The Acting Speaker (Mr. McCain): Order, please. I regret to interrupt the hon. member but his time has expired.

Mr. Dave Nickerson (Western Arctic): Mr. Speaker, thank you for these few short minutes. I guess I will have to do a very major editing job on my speech. Unfortunately the first thing to go will have to be the congratulations to yourself. The second thing to go will be the geography lesson. We now get down to the main body of the speech.

A hundred years ago it was important that if Canada was to survive as a distinct nation the southern border be secured. Through the actions of great statesmen such as John A. Macdonald, this was achieved and it was Canada, not our

friends from the south, that took possession and developed the vacant prairies.

This having been done, it was then necessary to turn our eyes northward. However, it was not until that equally great Canadian statesman, the Right Hon. John George Diefenbaker, gave us his vision of the north, that Canadians as a whole began to realize that the destiny of this country lies in the effective use and occupation of Canada north of that narrow belt along the United States border.

Unfortunately the vision was transitory and became blurred when new governments took office, governments with a concept of Canada restricted to the limited geographical areas of central Quebec and Ontario from which they drew their political support. With a new and progressive government in office, we can look forward to a resurrection of the Diefenbaker vision, and we in the north, who have so much to offer, can look forward to playing our full role within the Canadian confederation.

His Excellency the Governor General in his throne speech outlined the two main fields in which progress has to be made in the northern territories. They are, of course, industrial and resource development on one hand, and constitutional development on the other.

There is no sound reason why prosperity should stop at the 60th parallel. The distribution of resources does not respect political boundaries. Resources extend on both sides of the border. There is no sound underlying economic reason why Alberta enjoys the highest standard of prosperity in this country whereas a few yards over the border the state of the economy is one of neglect and stagnation.

It is necessary that the Government of Canada help in the development of resources in the Northwest Territories, resources which it holds in trust for eventual Canadian provinces to be established in the north.

The throne speech refers specifically to the minerals industry. If you let us develop our oil fields and our gas fields, if you let us develop our uranium mines, if you let us harness our extensive hydro-electric resources, we can help Canada achieve its goal of energy self-sufficiency. If you allow us to develop our deposits of base and precious metals, our fishing industry and our fur industry, by exporting these products we can help Canada balance its books and reduce its international balance of payment deficit, and help restore international confidence in the Canadian currency.

If you allow us to develop our agriculture, our forests and our tourist industry, we will generate our own sources of revenue and become less dependent on the largesse of the southern Canadian taxpayer. All we want is the opportunity to do these things, and to be treated fairly and honestly in the same way as Canadians living in the southern provinces.

For these great things to happen, Canada must be prepared to invest in the provision of the necessary infrastructure. Roads have to be built, harbours and airports constructed, electric power made available at reasonable costs. What is probably more important is that present disincentives to investment in the north have to be removed. Our taxation policies and regulatory environment should be both certain, free from arbitrary measures, and designed to encourage northern investment by Canadians. Our system of land tenure must ensure security of title, and our transportation policies must be designed so that products shipped both from and into the north can reach their destinations without being priced out of the marketplace.

In the very few minutes left I will turn to the subject of responsible government and the fact that northern Canadians to this very day are denied the full rights and privileges of Canadian citizenship. Is it conceivable that in the last quarter of the twentieth century Canada still governs part of its own country in this semi-colonial fashion?

Because we have to finish in about 60 seconds, I will dispense with the other things I had to say on the very important subject of constitutional development in the north. I would like to end by saying this. In the Northwest Territories the paternalistic socialism of the previous government has failed, and failed miserably. I am pround to stand here today as part of a new government, one unencumbered by the mistakes of the past, a government devoted to the active development of the Canadian north, a government that holds dear the principles of individual liberty and of private ownership, and most of all a government that recognizes the right of all Canadians, whether they live in the south or the north, to be masters of their own fate and controllers of their own political destiny.

Some hon. Members: Hear, hear!

The Acting Speaker (Mr. McCain): It being five o'clock, it is my duty, pursuant to an agreement reached earlier this day, to interrupt these proceedings and forthwith put every question necessary to dispose of the main motion.

Is it the pleasure of the House to adopt the said motion?

Some hon. Members: Agreed.

Motion (Mr. Fretz) agreed to.

● (1700)

Hon. Walter Baker (President of the Privy Council and Minister of National Revenue) moved:

That the Address be engrossed and presented to His Excellency the Governor General by Mr. Speaker.

Motion agreed to.

* * *

BUSINESS OF THE HOUSE

Mr. Turner: Would the government House leader tell us the business for Monday?

Mr. Baker (Nepean-Carleton): Yes, Mr. Speaker. The first piece of legislation by the new government is the bill standing in the name of the Minister of National Health and Welfare to correct an inequity in old age security legislation.

The Acting Speaker (Mr. McCain): Order. It being after five o'clock p.m. this House stands adjourned until Monday next at two o'clock p.m., pursuant to Standing Order 2(1).

At 5.03 p.m. the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Monday, October 22, 1979

The House met at 2 p.m.

• (1405)

ROUTINE PROCEEDINGS

[*Translation*]

NATIONAL UNITY

RECOMMENDATIONS OF SPECIAL COMMITTEE ON REVIEW OF PERSONNEL MANAGEMENT AND THE MERIT PRINCIPLE—MOTION UNDER S.O. 43

Mr. Jean-Robert Gauthier (Ottawa-Vanier): Mr. Speaker, under the terms of Standing Order 43 I request the unanimous consent of the House to present a motion dealing with an important and urgent matter.

Considering that the Quebec referendum campaign is now under way; considering that federal civil servants, as first-class citizens, will be called upon to participate actively in that campaign; considering that the employment act restricts the political participation of civil servants in the normal election process but gives no indication as to the legality of their active participation in partisan referendum activities; considering that the Progressive Conservative government cannot continue to waffle on this matter and must give clear and specific instructions with regard to this important matter, I move, seconded by the hon. member for Gatineau (Mr. Cousineau):

[*English*]

That this House requests the government to amend the Public Service Employment Act and, in doing so, adopt the recommendations of the special committee on the Review of Personnel Management and the Merit Principle so as to allow some public servants to participate freely in political activities during elections and referendum campaigns and, secondly, to allow public servants for whom the duties of their positions vary from the first group, to participate in elections and referendums subject to request by the employee and decisions by the Public Service Commission and, thirdly, to prohibit senior executives and senior management, whose duties can be considered sensitive if they participate in elections or referendum campaigns; the foregoing to allow Canadians working in the public service to participate in good conscience and in defence of their country in the upcoming referendum.

[*Translation*]

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

Some hon. Members: Agreed.

Some hon. Members: No.

[*English*]

HUMAN RIGHTS

REQUEST THERE BE OPEN TRIAL FOR HUMAN RIGHTS ACTIVISTS IN CZECHOSLOVAKIA—MOTION UNDER S.O. 43

Mr. Chas. L. Caccia (Davenport): Mr. Speaker, I rise, under Standing Order 43, on a matter of pressing and urgent necessity for which there seems to be support in all parts of the House.

In view of the fact that today the trial of a number of human rights activists begins in Prague, Czechoslovakia, in view of the fact that the activities of these people are apparently the result of a civil rights movement which led to the creation of the movement known under the name of "Charter 77", and in view of the fact that Law No. 120 of the Czechoslovak Collection of Laws of October 13, 1976, includes the text of the International Covenant on Civil and Political Rights and the International Covenant on Economic, Social and Cultural Rights, which were signed on behalf of the Czechoslovak Socialist Republic in 1968 and confirmed at the 1975 Helsinki Conference, I move, seconded by the hon. member for Peace River (Mr. Baldwin):

That this House register with the Parliament of the Czechoslovak Socialist Republic, the concern and the hope of the Canadian people that these trials be conducted publicly, be open to observers and that the human and civil rights of those being tried be upheld and respected according to the spirit of the Helsinki Act.

Mr. Speaker: The presentation of such a motion for debate at this time can be done, pursuant to Standing Order 43, only with the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Mr. Speaker: The House has heard the terms of the motion. Is it the pleasure of the House to adopt the said motion?

Some hon. Members: Agreed.

Motion agreed to.

Some hon. Members: Hear, hear!

* * *

EMPLOYMENT AND IMMIGRATION

ISSUANCE OF WORK VISAS TO FOREIGN NATIONALS—MOTION UNDER S.O. 43

Mrs. Margaret Mitchell (Vancouver East): Mr. Speaker, I rise, under the provisions of Standing Order 43, on a matter of urgent and pressing necessity.

S.O. 43

In view of the fact that a dangerous precedent has been set by the issuing of work visas in Edmonton to foreign nationals working on the dredge *Aquarius* under charter to Dome Petroleum, while seamen are unemployed in Vancouver, and in view of the Prime Minister's weekend statement in New Brunswick favouring future movement of Arctic resources on Canadian vessels, I move, seconded by the hon. member for Cape Breton-East Richmond (Mr. Hogan):

That the Minister of Employment and Immigration rescind work visas issued to foreign nationals and require the *Aquarius* and Dome Petroleum to hire Canadian ships' crews henceforth.

Mr. Speaker: The presentation of such a motion for debate at this time can be done only upon the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

EXTERNAL AFFAIRS

IMPORTATION OF ARTICLES MANUFACTURED BY POLITICAL PRISONERS—MOTION UNDER S.O. 43

Mr. Peter Stollery (Spadina): Mr. Speaker, I rise, under the provisions of Standing Order 43, on a matter of urgent and pressing necessity.

In view of the evidence presented this morning by members of the Helsinki monitoring groups in exile, visiting Ottawa, that many articles imported into Canada are, in fact, manufactured by political prisoners in forced labour camps, and particularly steering-wheels for the Lada motor vehicle sold throughout Canada, in Camp No. 3 in Mordovia, I urge the minister to investigate and report back to the House within 90 days so that this House may consider a Canadian boycott of these kinds of goods. The motion is seconded by the hon. member for Matapédia-Matane (Mr. De Bané).

● (1410)

Mr. Speaker: Order, please. Perhaps further consideration can be given to the form of the motion, but I do not think the motion in this form can be presented to the House at this time.

* * *

[*Translation*]

CONSUMER AFFAIRS

REQUEST FOR INQUIRY INTO POSSIBLE COMBINE ON LUMBER PRICES—MOTION UNDER S.O. 43

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, I rise under the provisions of Standing Order 43 to ask for the unanimous consent of the House to move a motion on a matter of urgent necessity.

[Mrs. Mitchell.]

Given the fact that the building industry is experiencing serious difficulties, especially in the residential housing field, because the retail prices of lumber have reached a record high in Canada; given the fact that people are getting concerned because the wholesale lumber trade has become a near monopoly, I move, seconded by the hon. member for Beauce (Mr. Roy):

That the House recommend to the government an immediate investigation to find out if indeed there exists such a cartel, and report to the House at the earliest opportunity.

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

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

[*English*]

THE ENVIRONMENT

ELDORADO NUCLEAR—DISPOSAL OF NUCLEAR WASTE—MOTION UNDER S.O. 43

Mr. Maurice Foster (Algoma): Mr. Speaker, I rise, under the provisions of Standing Order 43, on a matter of urgent and pressing necessity.

In view of the recently announced plan by Eldorado Nuclear to ship 5,000 gallons of radioactive acid waste across Ontario from its refinery in Port Hope to Elliot Lake, in Algoma district, considering that this decision was taken without consultation with the town council of Elliot Lake or any other elected representative, and in view of the plan by this government to locate its new uranium refinery in Hope township, on the doorstep of metropolitan Toronto, thus increasing the nuclear waste that would have to be handled in this way, I move, seconded by the hon. member for Cochrane (Mr. Penner):

That if Eldorado wishes to transfer its nuclear waste from its refining operations in Ontario to Algoma, then this House instructs the company to locate its refining operations in the Algoma district.

Mr. Speaker: The introduction of such a motion would require the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

NORTHERN AFFAIRS

CALL FOR COMMITTEE STUDY OF NORTHERN MINERAL ADVISORY COMMITTEE REPORT—MOTION UNDER S.O. 43

Mr. Peter Ittinuar (Nunatsiaq): Mr. Speaker, I rise, under the provisions of Standing Order 43, on a matter of urgent and pressing necessity.

In view of the fact that the Northern Mineral Advisory Committee was formed by the previous government to help formulate northern mining policies, and that this committee was comprised solely of the mining industry and government representatives and did not allow the participation of other interest groups in the north, and in view of the fact that the report of this committee is inaccurate and inconsistent in many ways and that the government intends to carry out the recommendations of this committee, I move, seconded by the hon. member for Nickel Belt (Mr. Rodriguez):

That the Minister of Indian Affairs and Northern Development refer the report of the Northern Mineral Advisory Committee to the appropriate standing committee of the House with a request that the committee seek representation from the broad range of interests involved in or affected by mining in the north.

Mr. Speaker: In accordance with the terms of Standing Order 43, the presentation of this motion for debate at this time can be done only with the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

GOVERNMENT EXPENDITURES

ANNUAL TAX EXPENDITURE BUDGET AND REPORT—MOTION UNDER S.O. 43

Mr. John Evans (Ottawa Centre): Mr. Speaker, I rise, under the provisions of Standing Order 43, on a matter of urgent and pressing necessity.

In view of the fact that federal government tax expenditures represent a large and growing proportion of federal transfers and have a significant impact on the progressivity of the income tax system, and in view of the fact that these transfers are largely invisible to the public, I move, seconded by the hon. member for Windsor West (Mr. Gray):

That this House instruct the President of the Treasury Board to introduce, first, an annual tax expenditure budget which will indicate the size and nature of projected federal tax expenditures in each year; and, second, a tax expenditure report to be published each year as a part of the government's accounts which will show the tax revenues actually forgone in the form of incentives, exemptions and deductions to taxpayers.

Mr. Speaker: The presentation of such a motion for debate at this time can be done only with unanimous consent. Is there unanimous consent?

Some hon. Members: Agreed.

Motion agreed to.

[*Translation*]

HOUSE OF COMMONS

PRESENCE IN GALLERY OF SECRETARY OF INTERNATIONAL ASSOCIATION OF FRENCH LANGUAGE PARLIAMENTARIANS

Mr. Speaker: Before the question period, I wish to mention the presence of a distinguished guest in our visitors' gallery, Mr. Xavier Deniau, Parliamentary Secretary General of the International Association of French Language parliamentarians.

Some hon. Members: Hear, hear!

• (1415)

ORAL QUESTION PERIOD

[*English*]

ENERGY

FUTURE PRICE OF OIL—AGREEMENT WITH PROVINCES

Hon. Marc Lalonde (Outremont): Mr. Speaker, my question is addressed to the Minister of Energy, Mines and Resources. In the last two weeks we have attempted, in this House, to get the government to tell the Canadian public what it is entitled to know, that is, the kind of oil price increases with which it is proposing to hit the public. Today we heard stories that an agreement had been reached on the weekend between the minister of energy for Alberta and the Minister of Energy, Mines and Resources. The agreement was for a $4 per barrel increase in the price of oil, which would mean that the average Canadian consumer will be taxed an additional $180 for gas and home heating oil next year.

My question is as follows: Can the minister tell the House whether an agreement or understanding, formal or informal, has been reached with the government of Alberta? Is the agreement for an unbelievable $4 a barrel more next year and, if that is not so, what were the exact figures arrived at between the two ministers on the weekend?

Hon. Ray Hnatyshyn (Minister of Energy, Mines and Resources): Mr. Speaker, I appreciate the opportunity the hon. member's question has given me to indicate again that these stories are of a highly speculative nature.

With respect to the question of consultation, clearly there is ongoing consultation with the affected provinces; indeed, with all the provinces. There has been an attempt, which the hon. member will know was not the case with the previous government, at having this consultative process.

Some hon. Members: Oh, oh!

Mr. Hnatyshyn: The fact of the matter is that we are carrying on. There is no agreement. In fact, the reports indicated that we met in Calgary. I was not in Calgary this

weekend. That will give the House an idea of exactly the accuracy of those particular reports. In fact, I know the hon. member will appreciate the fact that these consultations must take place, that whatever increase in the price of oil takes place in due course, one must always remember the consequences to our country if we do not go to energy self-sufficiency, and the cost of reliance by the people of this country upon offshore imports.

In a matter of a few years from now, I know the hon. member's party will flip-flop in respect of this energy policy. I know his concern with respect to this particular matter is very intense.

Some hon. Members: Hear, hear!

Mr. Lalonde: Mr. Speaker, perhaps the minister was not in Calgary during the weekend, but he was in Ottawa last Thursday when he gave the brush-off to the minister of finance and the minister of energy for Ontario.

Some hon. Members: Oh, oh!

Mr. Lalonde: Yet the minister of finance for Ontario has stated that the proposed energy package that was discussed could cost Ontario alone 20,000 jobs and over $1.2 billion. One hates to think what this would cost all the country if the proposed package were to be adopted.

Can the minister tell the House what package he discussed with the minister of finance and the minister of energy for Ontario on Thursday which would lead to such horrendous results if it were to be put into effect?

Mr. Hnatyshyn: Mr. Speaker, again the hon. member puts a proposition before us which is patently absurd. There was no question of anything but the most generous reception that I had from the province of Ontario with respect to my discussion with them of energy options.

Some hon. Members: Oh, oh!

Mr. Hnatyshyn: Of course, the hon. member would not understand this because he never experienced worth-while discussions in federal-provincial relations with the provinces when he was minister.

Some hon. Members: Hear, hear!

Mr. Hnatyshyn: That previous minister does not understand consultation. He does not understand the give and take of discussions with the provinces. I can tell the hon. member that the discussion was one which was very productive, and was acknowledged to be productive by the province of Ontario and its very worth-while representatives.

Mr. Lalonde: Mr. Speaker, I have noticed that the hon. Minister of Energy, Mines and Resources has called the two Ontario ministers liars.

[Mr. Hnatyshyn.]

Some hon. Members: Oh, oh!

• (1420)

Mr. Lalonde: My suggestion is that he need only look at the press report and the television interview with Mr. Miller last Friday.

[*Translation*]

REQUEST DATE OF FIRST MINISTERS' CONFERENCE BE ADVANCED

Hon. Marc Lalonde (Outremont): My question is for the right hon. Prime Minister. Again according to press releases, Premier Davis of Ontario is reported to have asked the Prime Minister to postpone any decision concerning the oil price increase until after the first ministers' conference scheduled for early December, so that all first ministers may discuss this issue together and in public. First of all, is it true that the Prime Minister has turned down Premier Davis' request and, if so, is he willing to set up the first ministers' conference at an earlier date so that all our first ministers may discuss this issue together and in public, and not simply once in a while during bilateral secret meetings or episodical telephone conversations?

[*English*]

Right Hon. Joe Clark (Prime Minister): Mr. Speaker, I should say, first of all, that the practice of calling provincial ministers liars went out of style when the hon. gentleman's party went out of office.

Some hon. Members: Hear, hear!

[*Translation*]

Mr. Clark: If I may try to reply with a measure of precision to a precise question, I should like to say to the hon. member that I have, indeed, received a telegram from the Ontario premier to the effect that before making a decision it would be preferable if all first ministers had the opportunity to discuss in a public forum a consensus concerning energy-connected issues. Premier Davis suggested that a federal-provincial conference be held in December. During the press conference I held last Friday, I indicated that December would be too late. We are looking into several other options, including holding before December a special meeting with all provincial premiers.

[*English*]

USE OF ADDITIONAL REVENUES DERIVED FROM INCREASED ENERGY PRICES

Mr. John Evans (Ottawa Centre): Mr. Speaker, I have a question for the Minister of Energy, Mines and Resources. Given this government's professed commitment to extensive consultation, and the fact that the government has had five months in which to establish its energy policy, will the minister tell the House if he has consulted with the multinational oil

companies with regard to the price increases he is about to announce, and have they given him assurance that the additional revenues which will accrue to them will be used in Canada for exploration and development in the energy field?

In other words, has he been assured that the multinationals will not use these funds to expand their already substantial program of diversification into non-energy related areas?

Hon. Ray Hnatyshyn (Minister of Energy, Mines and Resources): Mr. Speaker, the fact is that there has been broadly-based consultation with all segments of the industry, including representatives from CPA and IPAC. We have had consultation at the official level. I have met with them myself and discussed energy policy and the implications of that energy policy and energy self-sufficiency.

We will require the co-operation of Canadian and foreign corporations in this country in order to achieve our goal of energy self-sufficiency. In fact, a monitoring process has been taking place in respect of the profits of the oil companies, and this indicates that something in the vicinity of 95 per cent of the profits of the oil companies has been reinvested in Canada.

Our intention is to encourage that kind of investment, and we will try as much as possible to bring all elements, both in respect of private industry and government involvement in that direction as well, to assure and reassure that all the resources we have in Canada are pointed toward the achievement of energy self-sufficiency in Canada, so we will not be subject to the very questionable offshore import requirements that we would face down the road if we carried out the policy enunciated by the hon. member's colleague, the critic for energy of the Liberal party.

• (1425)

Mr. Evans: Out of the $4 per barrel increase, and we can only assume that that will be the price increase brought forward by this government, the federal government will get something in the range of $1.20 per barrel.

Will the minister tell the House to what specific uses the government intends to put this $1.20 per barrel in revenue, and what proportion will go to each of those uses?

Mr. Hnatyshyn: Mr. Speaker, I indicated earlier to the hon. member for Outremont that there is no agreement yet as to the question of pricing. As a result, the hon. member's question is hypothetical in nature.

When a decision has been arrived at, it will be announced to this House and an indication will be given during the course of the announcement with respect to applications. We are hoping that this announcement will take place before too long. We are carrying out full consultations which will ensure the best policy for our country.

EFFECT OF OIL PRICE INCREASES ON RATE OF INFLATION

Mr. Cyril Symes (Sault Ste. Marie): Mr. Speaker, my question is to the Minister of Energy, Mines and Resources. If he will not tell the House what this projected price increase will be, I would like to ask him this question. Given the fact that his department has made projections of the economic impact of various price scenarios, can he confirm to the House that a $4 increase in the cost of a barrel of oil will add an additional 2 per cent to the inflation rate, pushing us into double-digit inflation, causing about another 80,000 Canadians to be unemployed and reducing the growth of the gross national product by at least 1 per cent or, in other words, pushing us into a severe recession?

Hon. Ray Hnatyshyn (Minister of Energy, Mines and Resources): Mr. Speaker, in fact, part of the discussions which have taken place thus far have involved the implications of an increase in pricing; and the hon. member is quite correct, that that whole matter is receiving very serious attention.

There is no question that there is a difference in points of view, and some discussions have taken place with respect to the implications of a price increase. I do not accept the figures which the hon. member has indicated as being categorical and not subject to question. However, I would ask the hon. member, in consideration of his position and his stand-pat, do-nothing approach which he is now suggesting, to consider the implications of such a policy to a country in which the production of oil is now reducing and going downhill to the point where, unless we take some very important initiatives in terms of energy policy—

Mr. Broadbent: By keeping Petro-Canada.

Mr. Hnatyshyn: Mr. Speaker, the Leader of the New Democratic Party has interjected again, without any substance, as usual. He refers often, in the case of Petro-Canada, to the question of the—

Mr. Speaker: Order, please. With all due respect, the hon. minister is taking quite a long time to answer.

Mr. Hnatyshyn: In answer to the Leader of the New Democratic Party—

An hon. Member: Sit down.

Mr. Speaker: Order. The hon. member for Sault Ste. Marie.

Mr. Symes: Mr. Speaker, that was a lot of talk, but there were no precise figures and there was no answer to the question. Would the minister table those projections, so we can see for ourselves what the negative impact would be?

By way of a supplementary question, considering that the government is moving toward major price increases in oil, which will mean even higher profits for the oil companies, while at the same time it is concluding a six-year investigation into those very same oil companies for price-fixing, I wonder if the minister will give a commitment that before any price increase proceeds, the report of the combines investigation branch will be made public, so that we will not have the case of just adding extra money to the coffers of these companies which are ripping off the consumer?

Some hon. Members: Hear, hear!

Mr. Hnatyshyn: Mr. Speaker, I am very sorry that the hon. member, for whom I have a great deal of respect, would use the protection of the House of Commons to make allegations before an investigation has been completed. The fact is, and it is no secret that there is an investigation taking place, that until those conclusions are brought before us and the director of prosecutions has been able to assess whether or not charges will be laid from the standpoint raised by the hon. member, I myself would not want to draw any conclusions in this House.

Upon the conclusion of our consultations, we will be bringing forward a comprehensive policy with respect to energy which will take into account the macro-economic effects of an increase in prices. It is also my intention, in the course of a report to the House after the consultations have taken place, to table in the House, by way of a green paper, a statement with respect to the results of the discussions which have taken place concerning certain assumptions, including the effects, economic and otherwise, of our policies.

Mr. Lalonde: Why not a blue paper?

• (1430)

Mr. Symes: Mr. Speaker, I suggest that the government does not undertake a six-year investigation unless it is pretty sure it has charges that will be laid. I understand those charges will be pending.

My final question is this: How does the minister reconcile privatizing Petro-Canada so that it will play by the same rules as the private sector, when this private sector has not acted in the public interest, as witnessed by the fact that charges of price-fixing will be laid shortly? Would the minister not agree that Petro-Canada, as a Crown corporation, would help ensure that there is real competition and fair market practices are being carried on in this vital industry?

Mr. Hnatyshyn: Mr. Speaker, all I can say is that the hon. member's leader keeps talking about an analogy with the Arrow situation that took place under the Right Hon. John Diefenbaker. Unfortunately, the Leader of the New Democratic Party has got the bow turned around.

I only want to say that the assumption the hon. member makes with respect to charges is one that he can only make on the basis of assumption, under the protection of this House. There have been no charges laid, and until such time as they are, I am not going to comment on that kind of speculation. The second point, with reference to Petro-Canada, is simply irrelevant with respect to the question he raised relating to our energy policy.

[Mr. Symes.]

SOCIAL SECURITY

POSSIBLE AMENDMENTS TO PROGRAM—GOVERNMENT INTENTIONS RESPECTING MEANS TEST

Hon. Roméo LeBlanc (Westmorland-Kent): Mr. Speaker, I believe the rules will not allow me to question a minister on his former responsibility, if he had any.

I should like to ask the Prime Minister, possibly the Minister of National Health and Welfare, and perhaps the minister responsible for the social envelope and, God help us, the President of the Treasury Board, who assumes the responsibility for the speech made in Montreal by the former minister of state for social affairs in which he indicated that his government was looking seriously at the possibility of modifying the old age pension plan to introduce the odious means test, which everyone in this House over age 30 remembers very well and knows what it means?

Right Hon. Joe Clark (Prime Minister): Mr. Speaker, I gather the former minister, who is not quite accustomed to being on that side of the House, although he will have 15 or 20 years to grow accustomed to it, was trying to ask whether the statement attributed to the Minister of State for Science and Technology represented government policy.

First, the statement attributed to the minister by the press was an inaccurate attribution and, second, it does not reflect the policy of the government.

FUNDING OF SPOUSE'S ALLOWANCE PROGRAM

Hon. Roméo LeBlanc (Westmorland-Kent): Mr. Speaker, may I put a supplementary question to the Minister of National Health and Welfare?

Since this envelope system presumes, or assumes, that expenditures within a department or within an area will be covered by cutting down programs in other areas, may I ask where he will take the money from, or what he will cut or reduce to cover the costs of Bill C-6, which is some $4 million per year; that is, the spouse's allowance?

Hon. David Crombie (Minister of National Health and Welfare): Mr. Speaker, as the hon. member may know, the bill will be before us this afternoon. That was a commitment by this party during the election. It is a commitment which this government will keep as a consequence. Its effect on the over-all resources available for retirement income are not affected.

* * *

SOCIAL DEVELOPMENT

BUDGET FOR PROGRAM—POSSIBLE SAVINGS

Mr. Paul E. McRae (Thunder Bay-Atikokan): Mr. Speaker, I have a question for the President of the Treasury Board. It has been rumoured fairly well through the press that he has instructed the incoming new deputy minister for social de-

velopment, when this department is set up, to look for savings of about $1.5 billion in the whole area of social development.

I would ask the President of the Treasury Board if this rumour is true, and where he expects to find this particular type of saving.

Hon. Sinclair Stevens (President of the Treasury Board): Mr. Speaker, I can assure the hon. member that the rumour is just not true.

* * *

[*Translation*]

YOUNG CANADA WORKS

INQUIRY WHETHER MINISTER WILL MEET PROVINCIAL COUNTERPARTS TO ESTABLISH PROGRAM

Mr. Arthur Portelance (Gamelin): Mr. Speaker, I have a question for the Minister of National Health and Welfare. During the electoral campaign, the present Prime Minister promised to pay the provinces $15 million to boost home care for the elderly. Has that amount already been paid to the provinces, or does the minister intend to meet with his provincial counterparts to discuss the matter and establish a similar program which would rectify an intolerable situation?

Finally, if that is not the case, would he meet with his colleague, the Minister of Employment and Immigration, in order to revise the amounts to be paid and make a more equitable distribution of Canada Works' money so that all ridings may receive the minimum which is essential to maintain similar programs which the Liberal party had already established throughout the country?

[*English*]

Hon. David Crombie (Minister of National Health and Welfare): Mr. Speaker, the hon. member may know that we have, both within the ministry and, indeed, with provincial counterparts, opportunities to discuss just that matter.

I will be meeting with my provincial counterparts in November, and again perhaps in the new year. We have a whole range of matters that need to be discussed which were left over from the previous administration.

* * *

ENERGY

REQUEST PRICE OF NATURAL GAS NOT BE INCREASED

Hon. George Hees (Northumberland): Mr. Speaker, I have a question for the Minister of Energy, Mines and Resources. As there never has been—

An hon. Member: Good luck.

Mr. Hees: You are now going to get a constructive question.

Some hon. Members: Hear, hear!

Mr. Hees: As there never has been any economic justification for increasing the price of natural gas when oil prices are increased following OPEC oil price rises, will the government give very serious consideration to not increasing the price of natural gas when the price of oil is increased in the future, so that natural gas from our present sources of supply and from the more than 7,000 shut-in gas wells in this country will become more attractive for heating homes, stores, office buildings and industrial production, and in this way help a great deal to bring about self-sufficiency in oil for use in transportation and plastics at the earliest possible moment?

Hon. Ray Hnatyshyn (Minister of Energy, Mines and Resources): Mr. Speaker, I should like to thank the hon. member for his usual good question, constructive as it is. I recommend to the hon. member for Outremont, the hon. member for Ottawa Centre and the hon. member for Sault Ste. Marie that they take a lesson from him with respect to the kind of constructive question that is asked in this House.

I, naturally, take any suggestion made by the hon. member very seriously and will give consideration to matters raised by him.

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[*Translation*]

REGIONAL ECONOMIC EXPANSION

QUEBEC—GOVERNMENT INTENTIONS RESPECTING ITT-RAYONIER RESUMING OPERATIONS

Mr. John Rodriguez (Nickel Belt): Mr. Speaker, I have a question for the Minister of Regional Economic Expansion.

Last September, there was an announcement by ITT Rayonier, an American multinational, that the company had the definite intention of closing its plant in Port Cartier, which meant that over 1,300 workers would lose their jobs. Considering that that multinational company has already received over $119 million in subventions from the federal and provincial governments since 1972, over $20 million from DREE, and considering also that the deputy minister, Mr. Robert Montreuil, declared in September that his department was prepared to give financial support to any group or firm interested in the ownership of that plant, could the minister tell the House if his department has made some attempts to find buyers, which would make it possible to reopen that plant, save these workers' jobs and also millions of dollars already invested?

[*English*]

Hon. Elmer M. MacKay (Minister of Regional Economic Expansion): Mr. Speaker, may I compliment my friend for his facility in the other official language.

Some hon. Members: Hear, hear!

Mr. MacKay: He is correct, Mr. Speaker, in his statement that we are very concerned about the matter and are working

with the province of Quebec, perhaps through a subsidiary forest agreement, to see if something can be done to alleviate the situation. No final decision has been made, but we are sympathetic and will do everything we can through my department to alleviate the situation.

[*Translation*]

QUEBEC—GOVERNMENT INTENTIONS RESPECTING ITT RAYONIER RESUMING OPERATIONS—REQUEST FOR INQUIRY

Mr. John Rodriguez (Nickel Belt): Mr. Speaker, my supplementary is for the Prime Minister.

In view of the far-reaching effects that the closing of this plant will have on the economy of that part of the North Shore, ITT being one of the main employers in that area, and in view of the obvious mismanagement on the part of the government and the multinational which was granted over $100 million in public funds, does the Prime Minister, together with the Quebec government, intend to ask for a public inquiry to shed light on this matter and also under the Quebec-Ottawa agreement on the modernization of the paper industry in Quebec, does he intend to take over, jointly with Quebec, the management of this company?

Right Hon. Joe Clark (Prime Minister): Mr. Speaker, with regard to the first question, we do not intend to conduct such an inquiry. I want to wait until I have the reply of the minister responsible in order to have all the details. As he indicated, the government is presently considering all the aspects of this truly serious situation. As for the possibility of a co-management arrangement involving the government of Quebec and the Government of Canada, this is not something we are considering at this point.

* * *

● (1440)

SOCIAL SECURITY

DATE OF PUBLICATION OF REPORT ON PENSION REVENUE POLICY

Mr. René Cousineau (Gatineau): Mr. Speaker, my question is directed to the Minister of National Health and Welfare. Does the government intend to make public the report of the interdepartmental task force on pension revenue policy?

[*English*]

Hon. David Crombie (Minister of National Health and Welfare): Mr. Speaker, as the hon. member will hear in the debate on the bill this afternoon, I will be informing the House that the report will be published.

[Mr. MacKay.]

[*Translation*]

Mr. Cousineau: Mr. Speaker, if the minister intends to make the report public, could he tell me when, and whether it will be referred to a parliamentary committee?

[*English*]

Mr. Crombie: Mr. Speaker, as I indicated on an earlier occasion, the report is in translation and as soon as the translation is completed, it will be published. Along with a number of other studies, it will be brought forward to the parliamentary committee that considers pensions and retirement income.

* * *

AIR TRANSPORT

REQUEST FOR PROGRESS REPORT ON NEGOTIATIONS IN RADIO OPERATORS DISPUTE

Mr. William Rompkey (Grand Falls-White Bay-Labrador): Mr. Speaker, my question is for the Minister of Transport. I am sure the minister is aware of the inherent dangers caused by the air radio operators strike.

In view of the fact that there have been no regular flights in and out of Wabush, Labrador, since Friday, causing undue delay and stoppage to passenger travel, mail and freight movement, and in view of the fact that this same scene is repeated across northern Canada and rural Canada, can the minister advise the House the present status of negotiations between his government and the employees, and when he expects there might be a resolution of this difficulty?

Hon. Don Mazankowski (Minister of Transport): Mr. Speaker, I, too, regret the inconvenience and delay that is occurring because of the strike. The mediator met with both parties on Saturday. He is meeting again with union and management officials, and we hope there will be a resumption of the bargaining process in the very near future.

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SHIPPING

GOVERNMENT POLICY RESPECTING SUBSIDY TO CLARKE STEAMSHIP LTD.

Mr. Russell MacLellan (Cape Breton-The Sydneys): Mr. Speaker, my question is for the Minister of Transport. Is it the intention of the minister's department to pay a subsidy to Clarke Steamship Limited to compete against CN Marine, which is a Crown corporation operating in north Sydney, an area of high unemployment? If so, why is this the policy of his department?

Hon. Don Mazankowski (Minister of Transport): Mr. Speaker, the particular contract to which the hon. member refers is something which has been in place for quite some time. It is a matter that I and my departmental officials are currently placing under review.

THE ADMINISTRATION

STATEMENT OF PRIME MINISTER ON LEGALITY OF BREAKING LAW WITH PERMISSION OF CABINET MEMBER

Mr. Maurice Harquail (Restigouche): Mr. Speaker, my question is for the Prime Minister. It is a question on which I have been hoping to have an opportunity to get some information since May 22. It touches on the fundamental principles of justice in this country.

I would like the Prime Minister to tell the House and Canadians what, exactly he meant when he advised the press soon after the election that the law could be broken in this country provided it had the permission and approval of a cabinet minister.

Right Hon. Joe Clark (Prime Minister): Mr. Speaker, that statement was made in the context of discussions on how we can ensure that any activities that might be seen to be beyond the law, by law enforcement agencies are, in fact, maintained within the context of law by giving consideration to the adaptation in Canada of a practice that exists in other jurisdictions requiring the approval by a minister responsible to Parliament of any extraordinary activities by a police agent.

Mr. Harquail: Mr. Speaker, in view of the fact that the Minister of Justice is nowhere near this House to answer questions of this nature, might the Prime Minister confirm if, in fact, the law has been broken under those circumstances; and, if so, how many times since that statement was made?

Mr. Clark: Mr. Speaker, the former government established the McDonald royal commission, which had as part of its mandate to look into this broad question. The report of that commission is expected some time, I believe, in June of next year and we look forward to receiving the report.

If the hon. member is asking me a question as to whether or not there have been any activities authorized by ministers of the Crown since June 5, the answer is that there have been none.

* * *

IMMIGRATION

POLICY RESPECTING FUTURE IMMIGRATION

Mr. Bob Kaplan (York Centre): Mr. Speaker, my question is for the Minister of Employment and Immigration: it has to do with the Vietnamese refugees.

Last summer, the minister announced that to provide leadership and challenge to the Canadian people in sponsoring boat people, it would match private sponsorships on a one-to-one basis, but it vastly underestimated the response of the Canadian people. In fact, the 50,000 quota is virtually accounted for at present.

I ask the minister, in view of that, whether the government intends to provide any continuing leadership and challenge to the Canadian people; or was the parliamentary secretary to the minister speaking accurately on Friday night when he indicated that nothing more would be done by this government until the 50,000 boat people had arrived in Canada?

Hon. Ron Atkey (Minister of Employment and Immigration): Mr. Speaker, the reference made by the hon. member opposite to the grand success of the private sponsorships of the Indo-Chinese refugee program is welcomed by this government. Indeed, this is one of the great success stories and an example of a partnership between government and people. The fact that approximately 19,897 private sponsorships have already been arranged is living proof of the fact that the program is a great success. However, I would say to the hon. member opposite that we are only halfway home in terms of the efforts of both the people of Canada and the government to make this program work.

It is quite one thing to have close to 20,000 private sponsors arranged; it is quite another thing to actually, physically, get the refugees from Southeast Asia to Canada: I refer to the transportation, the processing, the staging centres and, most important, the resettlement endeavour which require the efforts and co-operation of the private sector. As I have said on many occasions—

Mr. Speaker: Order, please.

Mr. MacEachen: It is not a debate; the Address is over.

* * *

AGRICULTURE

MUTILATION OF CATTLE—STEPS TO DETERMINE CAUSE

Mr. Gordon Taylor (Bow River): Mr. Speaker, my question is for the Minister of Agriculture, but first a short explanation is required.

A strange mutilation of excellent cattle has been occurring in Alberta. Cattle have been mysteriously killed, sex organs have been removed, and sometimes the eyes and tongues have been removed, many times by an expert knife-man.

Some hon. Members: Oh, oh!

Mr. Taylor: To date neither the cause of death nor the culprits have been ascertained. My question to the minister is this: Are the federal Department of Agriculture and the federal veterinary surgeons co-operating with the Alberta government to determine the cause or causes of these deaths and to apprehend the culprits?

Hon. John Wise (Minister of Agriculture): Mr. Speaker, in response to the hon. member's question, I certainly share this concern. It is my understanding, after consultation with my colleague, the Solicitor General, that this situation started first of all in the United States and then moved into the province of Alberta. The latest report that I have indicates that this situation is now occurring in the province of Saskatchewan.

I can assure hon. members that the RCMP are investigating the situation, and I have been in contact with officials in my department to help the health of animals branch and we will certainly co-operate in any way that we possibly can to resolve this very serious and bizarre situation.

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THE ENVIRONMENT

CANADA-U.S. DISCUSSIONS ON WEST COAST OIL PORTS

Mr. Ian Waddell (Vancouver-Kingsway): Mr. Speaker, I wish to direct a question to the Minister of the Environment. It is not quite as earthy as the last question, but it concerns the matter of west coast oil ports which the hon. member for Skeena and I first raised in the House on October 11.

My question is this: In light of the fact that the United States department of energy released a report in Washington just last week entitled "Petroleum Supply Alternatives for the Northern Tier and Inland States for the Year 2000", which questions the need to build any sort of west to east transportation system—whether pipeline or tanker route—is the minister familiar with the report, and what specific dealings has the minister had with the Americans on the subject of an oil port since October 11, 1979?

• (1450)

Hon. John A. Fraser (Postmaster General and Minister of the Environment): Mr. Speaker, I am not familiar with the report and I have had no direct dealings with any American officials.

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SMALL BUSINESS

FUNDING OF SMALL BUSINESS INTERN PROGRAM

Mr. Robert Bockstael (St. Boniface): Mr. Speaker, my question is addressed to the Minister of State for Small Businesses and Industry. It has been reported that the funding of the small business intern program has been exhausted, despite the fact that the program does not expire for several months.

Since the ongoing needs of Canadian small business owners for essential management education will, accordingly, not be met, would the minister tell us whether the premature termination of the small business intern program funding is simply the result of Conservative cutbacks, or whether it is the direct consequence of the sucess of that program?

Hon. Ron Huntington (Minister of State for Small Businesses and Industry): Mr. Speaker, the small business intern program is one of the successes of the ministry. It was allocated $5 million of funding; the applications cleaned that allocation out in the very early stages of the program and we are out of funds: there are no funds available for it at the moment.

[Mr. Wise.]

This program has a very high priority with the ministry and we shall be making application for its extension.

[*Translation*]

REQUEST FOR CONTINUATION OF PROGRAM

Mr. Robert Bockstael (St. Boniface): My supplementary is directed to the same minister. Because of inflation, does the government intend to provide additional funds to ensure that the program is maintained until its completion, or shall we conclude that that worthy program will be completely scrapped like so many others?

[*English*]

Hon. Ron Huntington (Minister of State for Small Businesses and Industry): I think my previous answer covers the supplementary. The funds originally allocated to the program have been expended. Our experience with the program is that it is a very popular and successful one. We shall be seeking additional funding for it.

* * *

[*Translation*]

INTERNATIONAL TRADE

REQUEST FOR INCREASED FUNDS FOR DIP

Hon. Pierre De Bané (Matapédia-Matane): Is the minister aware that the DIP program, which is aimed at supporting Canadian businesses that want to export in the high technology, communications and transport fields, is presently short of funds? The committee responsible for processing the various applications in the Department of Industry, Trade and Commerce has approved many of those applications from Canadian businesses which want to export but unfortunately DIP is short of funds. Can the minister give the House some hope that he will be able to obtain an additional amount from the Treasury Board to help those Canadian industries which sell their products on international markets?

[*English*]

Hon. Ron Huntington (Minister of State for Small Businesses and Industry): Yes, Mr. Speaker, the ministry is devoting a great deal of time to studying the resources available in the economic development envelope. These resources are naturally limited and we want them applied as much as possible to the winners among our industries. The DIP program is a very successful one and a very needed program. It retains a high degree of interest and thrust from the department.

CULTURAL AFFAIRS

POLICY ON FUNDING OF PROGRAMS

Mr. Jim Fleming (York West): Mr. Speaker, in the absence of the Secretary of State, my question is directed to the Prime Minister. I am sure it will be of interest to him because I know that for a number of years he was a member of the committee on Broadcasting, Films and Assistance to the Arts as I was. It concerns a statement made about a year ago by the new Secretary of State that federal cultural institutions were starved for funding, and a further statement made shortly after that by the then secretary of state, Mr. Roberts, promising $24 million of Loto Canada funds to support federal cultural institutions.

Can the Prime Minister confirm reports that out of the total of $24 million which will be forthcoming under the new agreement in 1980, $12 million will be going to cultural institutions, for a net loss of $10 million on the basis of the promise made by the previous government?

Right Hon. Joe Clark (Prime Minister): I will have to await the return to the House of the Secretary of State, who is in Toronto today meeting with provincial ministers of education, and ask him to comment on the details of any disposition of revenue from Loto Canada.

* * *

POST OFFICE

DELAY IN SERVICES AT CALGARY, ALTA.

Mr. John Kushner (Calgary East): Mr. Speaker, I wish to direct a question to the Postmaster General and Minister of the Environment. Has he any information to give the House about the serious situation which has developed in the Calgary post office sorting station, where over 35 semi-trailer trucks carrying mail have been backed up? Has this situation been corrected?

Hon. John A. Fraser (Postmaster General and Minister of the Environment): If the hon. member, in his question, is referring to a back-up in the last few days, I am not aware of it. I am aware that there was a serious situation in Calgary for a number of weeks. It arose as a result of some people leaving and the difficulty of replacing them. There was co-operation between the unions involved, extra staff and extra hours were employed and the situation was corrected. I understand it is well under control at the present time.

* * *

TRANSPORT

MOVEMENT OF GRAIN—GOVERNMENT ACTION TO RECTIFY DELAYS

Mr. Maurice A. Dionne (Northumberland-Miramichi): Mr. Speaker, I have a question for the Minister of Transport who is the minister responsible for the Canadian Wheat Board. It relates to the Second Narrows bridge accident in Vancouver harbour last week and the consequent slowdown in grain movement. I understand that steps have been taken to move products to North Shore shipping positions via B.C. Rail and, in some cases, by barge directly across the harbour.

Can the minister assure the House that grain is getting its fair share of the traffic on the BCR and on the barges? At the moment it appears as though grain is being allocated a lower than appropriate proportion of BCR space and is being allotted no space at all on the barges. What is the government, or, in particular, its new grain co-ordinator, doing to ensure that grain movement gets a high priority in the allocation of space on B.C. Rail and on the barges?

Hon. Don Mazankowski (Minister of Transport): I can assure the hon. member that grain is getting a priority classification. I can assure the hon. member, also, that the newly-appointed grain transport co-ordinator is working very actively with all the components within the grain handling transportation system; as a matter of fact he met with officials of the Canadian Wheat Board immediately after the accident occurred and has been monitoring the situation very closely.

Mr. Dionne (Northumberland-Miramichi): The question of added costs becomes important in connection with the arrangements made to move grain by alternative means to the two major terminals on the North Shore. Can the minister say who will have to bear the added costs? Will it be the government, the CNR, or the farmers? Will the minister ensure that the farmers are not burdened with the extra shipping costs and, further, not burdened with any unusual demurrage charges which might accrue as a result of the bridge accident?

Mr. Mazankowski: The determination of liability would have a direct bearing upon who pays the additional costs. Needless to say, our approach was to get the grain moving and sort out questions of cost and liability at a later stage. I may say that all components of the grain delivery and transportation industry have indeed co-operated and that the disruption has been minimal.

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HAZARDOUS PRODUCTS

REMEDIAL ACTION BY CHIP TO PROTECT HOME OWNERS FROM HAZARDOUS INSULATION MATERIALS

Mr. Simon de Jong (Regina East): Mr. Speaker, my question is directed to the minister responsible for the Canadian Home Insulation Program. Since it appears home fuel oil prices will again increase this winter, and that parts of Canada might even experience oil shortages, the importance of home insulation both for the consumer and the country becomes ever more critical. Yet during the past several weeks numerous articles have appeared in the press concerning the failure of various home insulation materials—

Mr. Speaker: Order, please. If the hon. member has a question, perhaps he will put it.

Mr. de Jong: Yes, Mr. Speaker. Have other materials, such as styrofoam and treated wood-shavings been subject to testing methods, and are there any testing procedures to ensure that urea-based foams do not give off highly toxic formaldehyde gas after insulation? Further, what remedial action is the CHIP program prepared to take in cases where hazardous products have been installed in Canadian Homes?

● (1500)

Hon. Elmer M. MacKay (Minister of Regional Economic Expansion): Mr. Speaker, I thank the hon. member for that very timely question. I want to tell him that at the present time the matter of home insulation has been dealt with by my colleague, the Minister of Consumer and Corporate Affairs. It has now been classified, as he knows, under the Hazardous Products Act. The testing has been done in the past for CMHC by the Ontario Research Foundation. CMHC in itself has not taken part directly in the testing but has had to take their word for the results obtained.

We are looking into all aspects of this very important program. It has been generously funded. We hope to improve its administration as more experience is gained.

Mr. de Jong: Since the responsibility and the technical knowledge regarding home insulation, as the minister mentioned, is spread over various departments, and as it is my feeling that the CHIP program has not lived up to its great potential, will the minister consider recommending to the House that a special committee of the House be set up to investigate home insulation practices and materials and the CHIP program?

Mr. MacKay: Mr. Speaker, that is a very interesting suggestion. I would not be prepared to turn it down out of hand. All of us can use all the expertise we can get from elected members and, indeed, from those affected in the housing industry and insulation industry. It is a program that has been generously funded. There are administrative problems with it. It is of great concern to Canadians in this high-cost energy era. I will consider this and report to the hon. member.

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[*Translation*]

PENITENTIARIES

DATE OF TABLING OF SUBCOMMITTEE REPORT

Mr. Claude-André Lachance (Rosemont): My question is directed to the Solicitor General. I would like to ask him whether he intends to present as soon as possible to the Standing Committee on Justice and Legal Affairs an updated periodical report on the implementation of recommendations made by the subcommittee on the penitentiary system?

[Mr. de Jong.]

[*English*]

Hon. Allan Lawrence (Solicitor General and Minister of Consumer and Corporate Affairs): Yes, Mr. Speaker.

[*Translation*]

INQUIRY WHETHER FIVE-MAN COMMISSION WILL BE APPOINTED TO STUDY POLICY

Mr. Claude-André Lachance (Rosemont): Mr. Speaker, I should like to put a supplementary question. In view of the fact that two of the main actors involved in the activities of the subcommittee are members of the cabinet, that is, the Minister of Public Works and the Minister of Federal-Provincial Relations, can we expect a review of the recommendations approved and rejected by this government and, more especially, does the minister intend to reconsider the setting up of a five-man committee on penitentiary policies?

[*English*]

Hon. Allan Lawrence (Solicitor General and Minister of Consumer and Corporate Affairs): Mr. Speaker, that basically is a question for the House, or perhaps for the committee to decide. I think it would be very valuable to the House to have an ongoing committee dealing with correctional services. If the committee or the House so decides, I do not think there would be any objection whatsoever from the government side of the House.

* * *

[*Translation*]

POINTS OF ORDER

MR. ROY (BEAUCE)—ALLEGED CONTRAVENTION OF STANDING ORDERS RESPECTING MOTION ADOPTED

Mr. Fabien Roy (Beauce): Mr. Speaker, I now rise on a point of order because I think that a motion passed by the House was out of order. To confirm that opinion, I did some lengthy research and this is why I waited several days before drawing the attention of the House to the matter. I have of course consulted the following authors on parliamentary rules: Erskine May, Bourinot and Beauchesne. I am also referring to Standing Order 1 and I quote:

1. In all cases not provided for hereafter or by sessional or other orders, the usages and customs of the House of Commons of the United Kingdom of Great Britain and Northern Ireland as in force at the time shall be followed so far as they may be applicable to this House.

Mr. Speaker, I have here copies of the following rulings made on February 23, 1939 by the House of Commons of the United Kingdom, and I draw the attention of all my colleagues on both sides of the House specially to this fact, since the point of order I am raising is extremely important for all parliamen-

tarians. Here is actually what appeared on page 96, on February 23, 1939:

[*English*]

Ordered, that the proceedings relative to the motion relating to unemployment subsequent to the division on the question, 'That the words proposed to be left out stand part of the question,' be null and void.

[*Translation*]

And, Mr. Speaker, on May 21, 1957, another ruling was also made by the House of Commons, and I quote:

[*English*]

Ordered, that the proceedings on the third reading of the National Health Service Contributions bill yesterday be null and void, and that the bill be read the third time tomorrow.

[*Translation*]

And a little further, on page 196, on April 25, 1963, one finds this, and I quote:

[*English*]

Ordered, that the proceedings relating to the Mr. Speaker's Constituency bill subsequent to the division be null and void.

[*Translation*]

Mr. Speaker, we could refer also to an important ruling to which reference is made regularly when questions like this arise in parliaments. The reference is to a point of jurisprudence made on April 3, 1604:

The rule was urged—

And I am quoting the ruling to which reference was made not so long ago in British types of parliaments.

—that a question, being once made and carried in the affirmative or negative, cannot be questioned again, but must stand as a judgment of the House.

There is also that earlier ruling of the government in the House of Commons of Canada on March 24, 1873.

Mr. Speaker, the motion introduced by the right hon. Prime Minister and member for Yellowhead (Mr. Clark) is out of order, and I remind hon. members of the terms of that motion:

That a committee be appointed to prepare and report, in accordance with Standing Order 65, lists of members to compose the standing and standing joint committees of this House; and that the committee be composed of Messrs. Baker (Nepean-Carleton), Kempling, Friesen, MacEachen, Lefebvre and Knowles, and that the provisions of Standing Order 65(1) be suspended in relation to the number of members on the said committee.

That is where, Mr. Speaker, I say this motion is not receivable, as the motion itself talks about suspending a provision of the Standing Orders. Indeed, the authors are unanimous, Mr. Speaker: suspending a provision of the Standing Orders requires unanimity or a notice on the order paper and, as you know, a notice of this kind cannot be put on the order paper the first day of the opening of the session since under parliamentary law that day is not considered as a regular day of sitting. That is why that very motion to suspend a rule of the House could not be put on the first day of the session. I quote an authority on parliamentary law, A. Beauchesne, citation 13, at page 7, on unanimous consent:

13. 1) Within the ambit of its own rules, the House itself may proceed as it chooses; it is a common practice for the House to ignore its own rules by unanimous consent. Thus, bills may be passed through all their stages in one day, or the House may decide to alter its normal order of business or its adjournment hour as it sees fit.

2) The House is perfectly able to give consent to set aside its Standing Orders and to give its unanimous consent—

You will have noticed, Mr. Speaker, "and to give its unanimous consent"—

—to waive procedural requirements and precedents concerning notice and things of that sort.

Mr. Speaker, I would like now to quote from Bourinot, on page 214:

Each House is bound by every consideration of self-interest and justice to observe strictly its rules and Standing Orders, and to rebuke—

I repeat "to rebuke—"

—every attempt to evade or infringe them.

Consequently, the Senate and the House of Commons never permit—

Mr. Speaker, it is well defined in Bourinot—

—their rules and Standing Orders to be suspended, unless by unanimous consent.

Mr. Speaker, I can never overemphasize the necessity to comply with the rules. All authorities are explicit on that point, and allow me to quote again from Erskine May.

● (1510)

Here is what we find in the chapter

Breaches of Privilege and Contempts—

—under the heading

Disobedience to Rules or Orders of either House

Disobedience to the orders of either House, whether such orders are of general application or require a particular individual to do or abstain from doing a particular act, or contravention of any rules of either House is a contempt of that House.

Those are not the words of the hon. member for Beauce. I am simply quoting from the experts in parliamentary procedure.

The rules of this House are in contempt of Parliament, especially when one considers the origins of the Standing Orders. I should like to quote once more from Bourinot in his chapter on the rules and regulations, in the section on the origin of the rules, where we find the following:

To protect the minority and restrain the improvidence and tyranny of the majority—

—even though there is not absolute majority in the House—

—to secure the transaction of public business in a decent and orderly manner.

Mr. Speaker, this is what we find when we refer to the various experts.

Mr. Speaker, I am not criticizing anything that you have said or done. Indeed, from the very beginning of the discussion

on the motion in question, you said "pursuant to the provisions of the Standing Orders", and you then asked for the vote.

However, Mr. Speaker, the purpose of my motion was actually to try to obtain the unanimous consent of the House in order to straighten out the matter.

On the other hand, Mr. Speaker, you could not foresee the result of the vote. It is only after the vote that yourself, the House and all members or Parliament learned that opinions were divided on this matter. It is only after the vote that it could be known, provided, of course, the matter was drawn to your attention.

Mr. Speaker, I would like to refer you to the term of Standing Order 51, and I quote:

Whenever Mr. Speaker is of the opinion that a motion offered to the House is contrary to the rules and privileges of Parliament . . .

—and I am doing just this—

—he shall apprise the House thereof immediately, before putting the question thereon—

. . . if a vote is in fact required, before putting the question thereon . . .

. . . and quote the Standing Order or authority applicable to the case.

Mr. Speaker, it is therefore your duty to inform the House that an order has been taken contrary to our rules.

Mr. Speaker, what are the possible avenues? Since that famous April 2, 1604, even if they have the power, members have always been reluctant to rescind theirs orders. This stands from the judicial nature of the British-type parliament.

We therefore recommend that an order do issue declaring the proceedings null and void. We find in May the following quote:

That an order do issue declaring procedures to be null and void where procedures have been violated, even inadvertently.

—and I quote specifically Mr. Erskine May:

An order declaring proceedings to be null and void is employed where there has been an inadvertence or some form of irregularity in procedure (*u*). The reason for resorting to it is either (i) that there is no resolution which can be rescinded or order which can be discharged

And Mr. Erskine May goes on to say:

The proceedings are declared null and void.

Since the British House of Commons in similar circumstances does this, and I am referring to the three dates I have given earlier in my remarks, when emphasizing that this is how they had proceeded on February 23, 1939 by declaring the carried motions null and void, they did the same on May 21, 1957 and again on April 25, 1963.

As in the case of all the other rulings, this last case is interesting because all proceedings following an irregularity were declared null and void.

In conclusion, Mr. Speaker, the lack of action or decision, when an irregularity provides an exception to our Standing Orders in the case of the setting up of a committee, constitutes a precedent of grave consequence. That would mean that a simple majority, without notice, could henceforth make exceptions to our rules on any topic whatsoever since they are included in and subordinated to so important a matter as the creation of a committee.

[Mr. Roy (Beauce).]

Mr. Speaker: Order. The hon. member for Beauce (Mr. Roy) rose on a point of order that is interesting but, to my mind, there are at least three or four serious difficulties. First of all, before putting the question he brought up this afternoon, I explained to the House that the motion was in order in so far as the procedure is concerned. Only after that did I put the question to the House. Secondly, we are dealing with a decision reached by the House in the past, and it is therefore impossible to solve the problem now. Finally, I also feel that the point the hon. member for Beauce has brought up, that is the right of the House to change the rules by a simple majority, and not by unanimity, is also a suggestion I cannot fully accept. However, the hon. member for Beauce has indeed brought up an important matter. He studied the program envisaged for tomorrow, and he prepared something for this afternoon; I feel therefore that I must take his arguments under advisement and, tomorrow, I shall give my opinion more formally on the points the hon. member for Beauce brought up this afternoon.

[*English*]

MR. STEVENS—CANADA SAVINGS BONDS—COST TO GOVERNMENT OF INCREASE IN RATES

Hon. Sinclair Stevens (President of the Treasury Board): Mr. Speaker, I rise on a point of order. You will recall that on Friday, the hon. member for Windsor West (Mr. Gray) asked me how much the increase in the rates paid on Canada Savings Bonds would cost the Government of Canada, which increase had been announced the previous Thursday. I promised him an answer today and I wish to put it on the record now.

It has been projected that the increase in the rate on the new series of Canada Savings Bonds from 10.25 per cent over seven years to 11 per cent in the first year and 10.5 per cent over the remaining six years, plus a similar yield adjustment to all outstanding issues, will cost the Government of Canada an estimated $215 million over the full term to maturity of these issues. In the initial year, that is the 1980 bond year, the extra cost to the government of these yield adjustments is expected to amount to $62 million.

ROUTINE PROCEEDINGS

[*English*]

FEDERAL-PROVINCIAL CONFERENCE

TABLING OF CORRESPONDENCE REGARDING FIRST MINISTERS' MEETING

Right Hon. Joe Clark (Prime Minister): Mr. Speaker, I would like to lay upon the Table of the House copies of correspondence from myself to the premiers of Canada suggesting the dates of December 4 and 5 for a first ministers' meeting.

* * *

WAYS AND MEANS

TABLING OF MOTION REGARDING PETROLEUM ADMINISTRATION ACT

Hon. Ray Hnatyshyn (Minister of Energy, Mines and Resources): Mr. Speaker, pursuant to Standing Order 60(1), I wish to table a notice of Ways and Means motion regarding the Petroleum Administration Act. Pursuant to Standing Order 60(2), I request that you designate an order of the day for consideration of the Ways and Means motion just tabled.

* * *

• (1520)

THE ECONOMY

TABLING OF ANNUAL ECONOMIC REVIEW

Hon. Sinclair Stevens (President of the Treasury Board): Mr. Speaker, pursuant to Standing Order 41(2) I wish to table in both official languages copies of the Economic Review for the fiscal year ending March 31, 1979.

* * *

ATOMIC ENERGY

TABLING OF ADMIRAL CASTRO MADERO'S STATEMENT RESPECTING CONTRACT DECISIONS

Hon. Ron Huntington (Minister of State for Small Businesses and Industry): Mr. Speaker, on behalf of my colleague, the Minister of State for International Trade (Mr. Wilson), and in accordance with Standing Order 41(2), I wish to table in both official languages copies of Admiral Castro Madero's statement on contract decisions for Atucha II and heavy water plant of October 1, 1979.

Acid Rain

THE ENVIRONMENT

ACID RAIN—GOVERNMENT POSITION

Hon. John A. Fraser (Postmaster General and Minister of the Environment): Mr. Speaker, last week a scientific report was released, and as a consequence some members of the House asked that a statement respecting the present government position on acid rain be made in the House. I agreed to make that statement, and as a consequence I am here today.

Mr. Knowles: Mr. Speaker, I rise on a point of order. May I ask whether copies of this statement have been given in advance to the spokesmen on this issue for the other parties?

Mr. Fraser: Mr. Speaker, I understand that in both cases statements were given in advance. I am surprised that the hon. member who raised the issue in the House of Commons is not here this afternoon, and I have no explanation for that.

The gradual increase in acidity of precipitation in eastern North America and in Europe has been of concern to the scientific community for some time. It was not, however, until the findings of an OECD study were released in 1976 that the potential magnitude and seriousness of the problem in western Europe were first grasped by a wider public. The concern was carried to all of Europe through the implementation of a scientific study under the United Nations Economic Commission for Europe. Indeed, next month numerous European countries, as well as Canada and the United States, are expected to sign a convention on long-range transboundary air pollution which was developed last year under the ECE. This convention represents the first step being taken to address the problem of acid rain in Europe and is indicative of the concern for the problem. While the Government of Canada actively participated in the development of the convention, the convention is very general in nature and is insufficient to deal with the situation in eastern North America.

Early awareness of a potential acid rain problem in eastern North America was heightened by the OECD report. Recognizing that convincing presumptive evidence indicated that the long-range transport of a variety of polluting substances, particularly acid pollutants, was undoubtedly occurring within and into Canada, Environment Canada embarked on a comprehensive scientific program to develop a clearer understanding of all aspects of the complex problem.

Members of the House will recall that in June 1977 the then minister of fisheries and environment gave a strongly worded speech to the Air Pollution Control Association meeting in Toronto in which he referred to the problem of acid rain as an "environmental time bomb". The speech was aimed at focusing the attention of the federal and provincial governments on the problem and indicating Canadian concern for the first time to the United States. With the increased knowledge which we have acquired in the past two years, it is now evident that the time bomb is much bigger than anything envisaged in 1977.

Recognizing the international dimensions of the problem and the need for international co-operation in the development of a mutually agreed scientific data base from which to

develop solutions, the Government of Canada and the United States in 1978 established the Canada-United States bilateral research consultation group. The initial results from Environment Canada's scientific program, together with results from provincial and United States scientific investigations, were described in the first report of this group which was released on Monday. The report indicates that large areas of North America are sensitive to damage from acidic precipitation.

Decreased productivity and diversity of fish species have been observed in lakes and rivers in Ontario and in the Atlantic provinces. While we do not have as detailed data for Quebec, there is every reason to believe that the situation is similar in that province. Spawning failure of Atlantic salmon in streams in Quebec and the Atlantic provinces has been linked to acid precipitation. The precise extent of the damage being done is difficult to determine but the continually emerging evidence indicates ever more serious concerns, as well as increasing geographical extent. For example, various pieces of evidence suggest agricultural and forest productivity are at risk. While some of the potential damage cannot be irrefutably proven at present, by the time it has manifested itself the damage could be irreversible.

Continued pollutant loading of sensitive areas of eastern Canada at present levels will result in continued degradation with extensive irreversible acidification occurring during the next decade or so, particularly in aquatic ecosystems. Increased loading will accelerate the rate of deterioration. The report also notes extensive damage in the northeastern part of the United States where there is strong concern about the problem.

In anticipation of the contents of the research consultation group report and aware that the situation was serious, the Government of Canada and the United States issued a joint statement and communique on transboundary air pollution on July 26, 1979. In these documents the two governments outlined the basis of existing co-operation and indicated their intention to develop a co-operative agreement on transboundary air quality. The release of the joint statement and communique followed meetings of officials from both countries on December 15, 1978, and June 20, 1979.

While I welcomed the work which had been done in this regard by officials of my department and the Department of External Affairs, I recognized that a commitment at the highest level was needed to set in motion the reduction in emissions necessary to ameliorate the problem. On August 8, 1979 I went to Washington and met with the hon. Cecil Andrus, Secretary of the Interior, the hon. Douglas Costle, Administrator of the U.S. Environmental Protection Agency, and the hon. Gus Speth, Chairman of the President's Council on Environmental Quality. I made it clear to my U.S. colleagues that the Government of Canada attaches a very high priority to the rapid reduction of acid-causing pollutants. I emphasized the fact that both countries were polluting each other and that effective control could best be undertaken on a co-operative basis.

[Mr. Fraser.]

I found complete acceptance of this view and a willingness to examine specific strategies designed to put in place the needed controls. I undertook to accelerate the process of developing with the provinces concerned appropriate Canadian control strategies and I was assured that a similar effort will be made in the United States. The next Canada-U.S. meeting on acid rain, this time involving both federal and provincial officials, takes place October 24 in Washington. Needless to say, this important matter also will be discussed during President Carter's visit to Ottawa November 9 and 10.

Immediately following my return from the United States I met with Dr. Parrott, the Ontario minister of the environment. I was much heartened by this meeting. We have a mutual understanding of the importance of the problem and a desire to address the necessary solutions. Dr. Parrott made it clear that Ontario will apply diligently any requirements agreed by the Canadian and U.S. governments in a future agreement. I will be meeting with Mr. Leger soon and I hope to achieve a similar understanding with him on the need for action. I have spoken to Mr. Bacon of Nova Scotia who is also the current chairman of the Canadian Council of Resource and Environment Ministers. I recognize the importance of discussing this matter with other provincial colleagues as well.

A federal-provincial committee on control strategies for long-range transport of air pollutants has been set up to focus on solutions to the acid rain problem. This committee originally contained provincial representatives from Ontario and Quebec only. Its formation was strongly endorsed at the June 1979 meeting of the Canadian Council of Resource and Environment Ministers, and Nova Scotia, as current CCREM chairman, was added to represent the other provinces. The CCREM recognized the seriousness of the problem, endorsed federal leadership in seeking solutions and gave strong support to the federal government in undertaking negotiations with the United States.

The focal point of the committee's first meeting on September 25 was a conceptual work plan of the tasks necessary to identify, develop and evaluate alternative abatement strategies. The plan is designed to provide recommendations to governments of the cost effectiveness of various control options. I am pleased to report that there was agreement on the general thrust of the plan by all in attendance. Despite the complicated nature of the problem, and competing environmental, economic and social factors, the initial output of this activity should be available by spring.

This initial output, which would assess the application of specific abatement technologies with preliminary cost estimates, would not however tell us much about specific environmental benefits that might result from a particular level of reduction. It would take much longer to produce precise data for this purpose although clearer understandings of effects are continually emerging. The extent to which we need precise data on expected environmental benefits would depend in part on how costly the controls might be. Similarly, should the direct control costs appear very high, extensive additional economic analysis designed to help us understand the broader

effects of these costs on society would be needed to guide us in selecting the optimum means of control. For these reasons it is not yet possible to estimate with certainty the time needed before firm recommendations for ultimate control strategies will be forthcoming.

Let me illustrate further. Members will be aware of some early general estimates made by my officials suggesting that a 50 per cent reduction of emissions of sulphur dioxide in eastern Canada would result in direct costs to polluters of $350 million to $500 million annually over the remainder of the century.

The figures which have yet to undergo detailed analysis do not, for example, take account of possible offsets arising from the effective marketing of by-product sulphuric acid in Canada or for export, nor do they reflect impacts on other sectors of society ranging from electricity bills to balance of payments. Obviously informed judgments will have to be made about these matters before committing ourselves to a particular course of action. However, lest I be misunderstood, let me make it perfectly clear that there will have to be major reductions in the release of acid causing pollutants in North America, and this government is determined to ensure that Canada meets this challenge.

● (1530)

As I have indicated in several statements on this subject, it is our present intention to rely on the provinces to put in place the needed control requirements. I am counting on my provincial colleagues and I am confident that they will do what must be done. However, members of the House have asked what will the federal government do should the provinces fail to act. The federal government has the constitutional authority to act for the good of the country in respect of controlling the interprovincial and international flow of pollutants. We would not shrink from this responsibility. Indeed, it is very much my view that the federal government ought to have at least residual authority set out in legislation to deal, as needed, with interprovincial and international pollution problems, which is something we currently do not have, in both the air and water fields. I have instructed my officials to examine this matter in the context of our current review of the federal government's role in environmental protection.

Given the time sensitivity of the issue, it is obviously important to look at interim measures to retard the problem. While it is not clear at this time what these might be, I have instructed my officials to investigate all possibilities. As an absolute minimum I believe it would only be wise to ensure that there be no further increase in emissions of sulphur dioxide in central and eastern Canada. I will be discussing this with my provincial colleagues. In addition, I plan to hold discussions with the chief executive officers of the corporations in Canada principally responsible for the problem.

Members of the House are fully aware that, however rigorous our domestic control strategy may be, it cannot alone overcome all the effects of acid rain. May I therefore conclude by stating that I have instructed my officials to ensure that, in co-operation with the provinces, all of the necessary preparatory work is completed in time to allow signature of an effective Canada-U.S. abatement agreement as soon as possible after the U.S. election next year.

Throughout this century Canada and the United States have led the world in effectively dealing with transboundary pollution, whether in water or air. In this the provinces have consistently been our partners. I am confident that this long-standing partnership, both domestic and international, will continue.

Mr. Chas. L. Caccia (Davenport): Mr. Speaker, on this side of the House we thank the minister for his thoughtfulness in providing us with a copy of his statement this morning, and we also wish to congratulate him on his decision to make a statement on acid rain in this House and to hear the comments and questions of interested parliamentarians.

We agree with the minister that the situation is very serious and that we are dealing here with what has been described as an "environmental time bomb". Here ends the positive part of our message on this side of the House, Mr. Speaker, and I will explain briefly why.

If, as in the words of the minister, "the damage could be irreversible", and there are indications in the environment that this could be the case, then several questions come to mind as to why this government is tackling the matter of acid rain so slowly. For instance, why did six weeks go by from the date when the minister came back from Washington before the first meeting was held by the federal-provincial committee on control strategies for long-range transport of air pollutants? Why is it that the initial output of the work of this committee can only be available next spring? Why, two and a half months after the minister's visit to Washington, is there no indication in his statement today of the specifics of the Canadian control strategies, on the eve of the next Canada-U.S. meeting on acid rain scheduled to take place this coming Wednesday? Why has a meeting not yet taken place between the minister and his counterpart in the province of Quebec?

Why, considering the gravity of the situation described by the minister himself, is there hesitancy, to say the least, in making the polluters pay by charging them the estimated cost of $350 million to $500 million annually, or any sum for that matter?

Why does the committee on control strategies for long-range transport of air pollutants, which supposedly reports to the minister—and we hope the deliberations of this committee will not be as long as its name—have to be concerned with "the cost effectiveness of various control options", when life around us—the ponds, brooks, rivers, lakes and perhaps even our fields and forests—is being poisoned to the point where human health might be affected too, in the long run?

Really, what is $350 million annually if we are to deal with this "time bomb" described by the minister? What is $350 million today if, by all estimates, costs can only increase if action is delayed?

Why is it that if, as he says today, the minister thinks he can prevent present levels of pollutants causing acid rain from

increasing, the technology needed to do this cannot be used to decrease levels of emission? Why cannot his so-called "interim measures" be used to decrease levels of emission if they can be used to prevent increases?

Why is it that the minister informs us again today that the signing of the agreement has to wait for a new president to be installed, 16 months from now, when by all accounts President Carter is a well-known politician for his commitment to the cause of a clean environment?

What is at stake here, Mr. Speaker, and not in respect of acid rain alone, is the credibility of the political system at the international, national and provincial levels, namely, whether or not in the eyes of the public we, the elected representatives, are capable of delivering in response to the gravity of a situation threatening the survival of the ecology of our planet.

We on this side of the House cannot believe or accept that the concern of U.S. citizens vis-à-vis acid rain is any less than that of Canadians. We on this side of the House cannot believe or accept that the concern of residents of Ontario is any less than that of residents of Quebec or of the Atlantic provinces.

If elected representatives in provincial legislatures and their governments engage in jurisdictional games instead of offering their fullest co-operation, they do so at their own political peril and will have to be judged by their own constituents accordingly. While acid rain continues to do its insidious damage, we cannot wait for jurisdictional duels to take place at the peril of our environment. The solution to a serious threat to our environment, which as we all know unfortunately knows no boundaries, cannot be allowed to become the victim of ineptly handled federal-provincial relations.

On the other hand, there is ample evidence, at least in this House today, that the minister and members of all parties are very worried about this invisible death creeping around us. What we cannot understand then, given these elements of urgency and the desire to co-operate, is why the responsible officials, be they provincial or be they federal on both sides of the border, cannot be locked up in a conference room and given, say, 60 days to come up with standards required and with the text of an agreement for the signature of the U.S. president and our Prime Minister (Mr. Clark). Representatives from industry and from labour could be added so as to facilitate and expedite the work of these officials.

The minister's statement today reminds us of someone who, at the site of a burning building, cried "Fire!" but tells the occupants they have to wait a year and a half for the fire trucks to come to their rescue.

Canadians, as we all know, are in the forefront of all nations as being known for their sensitivity to the quality of their environment. They cannot be reassured by the government's actions so far and by today's statement, because the minister has not been able to explain why we have to wait so long for the United States and, in an equally serious matter, why we have to wait so long for the provinces to move and to take vigorous action, particularly—and on this I will conclude—in the light of this passage contained in the long-range transport

[Mr. Caccia.]

of air pollutants report, which is at the base of today's statement and which states on page 25 that "the greater portion of total sulphur deposition in each country is probably the result of domestic emissions".

• (1540)

Mr. Derek Blackburn (Brant): Mr. Speaker, I, too, would like to thank the Minister of the Environment (Mr. Fraser) for getting his statement to my office well in advance of question period today. Also, I would like to thank him for the detail of the statement which runs approximately ten pages in length.

A lot has been said and written about acid rain in recent weeks and months. I will be brief in my response and concentrate on asking the minister if he would do everything in his power to get some action from this moment on, instead of speeches, words and statements to the press. In saying that, I am not levelling my criticism directly at the new minister responsible for the environment, as was alleged or stated a few moments ago by the member from one of the Toronto ridings. After all, the previous administration was well aware of the implications and the most serious fears with respect to acid rain fall-out for approximately a year, the last year that they were in office.

I would like to state at this point that I believe it is grossly unfair for a Liberal member of this House to condemn outright, or to a considerable degree, the present administration when in fact his own party had plenty of time to investigate and bring in some remedies.

Some hon. Members: Hear, hear!

Mr. Blackburn: Having said that, I would like to reiterate once again what has been said in this House with respect to the seriousness of acid rain itself. As the minister knows, it is the most serious environmental threat that we have today in Canada and in North America. Indeed, it is very common in central and western Europe and in Scandinavia. Acid rain is a very insidious thing in that one cannot see it, taste it, touch it or smell it. It is not like the Don River in Toronto oozing its sludge into Lake Ontario; you can see and smell it and say, "Yes, that is pollution."

None of these elements are available to the human senses. Therefore, it is difficult to marshal public opinion as well as corporate action with respect to acid rain because, as I have discovered in the last few weeks, most people are not even aware that it exists, and therefore are not aware of the horrendous potential damage that it may have for all of us.

In the province of Ontario alone we have lost approximately 140 lakes as far as aquatic life is concerned. They are what we call dead lakes, yet they still look very attractive. The water looks very clear and one can go boating and sailing, but the sport fishing industry is finished in those lakes. When one looks at the statistics with respect to sport fishing and angling in Ontario, one discovers that of a $600 million a year tourist industry approximately half of the income relates directly to sport fishing. The other half, of course, is divided up among winter sports, such as hunting, skiing and such.

If this acid rain situation continues, we will lose virtually all our lakes in Ontario and most of the lakes in Quebec. Time is running out. However, it may not be until the most serious consequences of acid rain are known that the public will really become angry if the government does not act and act very quickly. I am referring to the report that was released, I believe, just last week, the joint report of Canadian-United States scientists in which they are now discovering that acid rain is definitely having irreversible effects, limited as they may be, at the present, on crops through the soil. The effects on the soil will lead to crop reduction.

At this point I would like to put a question to the minister which he perhaps will answer in a few moments after he has had a few moments to think about it, if he has not already. It has come to my attention informally that the Athabasca tar sands are posing a very serious sulphuric threat to the Canadian breadbasket, the prairies, in so far as grain production is concerned. The threat is not in the immediate sense, but unless something is done about the Athabasca tar sands emission of sulphuric acid into the atmosphere— because as the minister knows, it does not have to rain down; it can simply fall down out of the atmosphere on to the Canadian prairies—it could become a serious threat.

Think of the magnitude and the consequences if we were to allow the Canadian prairies, and no doubt the American plain states, to become wastelands while we dither, talk and argue as to whether or not it is a provincial responsibility or a Canadian federal initiative and whether or not President Carter is running or not running for re-election. The whole thing becomes not only serious, but could foster cynicism because of the political implications of the whole problem.

The minister has outlined a rough time frame. He has not been specific. No doubt he cannot be specific in terms of actual dates, days or weeks or months, but I implore the minister, as he states in his statement, to use the powers that the federal government presently has. I implore the minister not to wait for Dr. Parrott and to stop listening to Inco executives telling him, "Us poor folks up here in Sudbury just can't afford emission control standards or else we will have to lay off two or three thousand Inco workers", all of which is balderdash and Dr. Parrott should know that. I am rather disgusted at Dr. Parrott's statements as quoted in the press last week.

The minister's statement at page 8 reads:

> The federal government has the constitutional authority to act for the good of the country with respect to controlling the interprovincial and international flow of pollutants.

The minister admits in this statement that he can take the initiative. We on this side of the House and, indeed, the whole country is waiting for the minister to take that initiative. What I would like to suggest is that he begin here in our own backyard in Ontario by calling in the chief executive officer of Inco and saying, "Look, give me your timeframe for cleaning up the emissions".

The Ontario Conservative government has allowed these emissions to continue at the rate of 3,600 metric tons a day coming out of the Inco smelters, when it should be down to 750 metric tons a day, which is still disastrous. Yet Dr. Parrott at Queen's Park says, "Well, we can't force them because we don't want to do anything to upset Ottawa-Washington negotiations on this matter, so we will just sit back and go easy with Inco or any other polluter in the province of Ontario until my federal counterpart has done all the work with his counterpart in Washington". In other words, Parrott, I think, is being a Pontius Pilate and simply washing his hands of the whole thing, at least for the time being.

I repeat, time is of the essence in respect to acid rain. No doubt there will be questions asked by other members. In closing, I implore the minister to call in the chief executive officer of Inco and ask him for a timeframe for clean-up. If it is not satisfactory to the minister responsible for the environment, then let the minister bring into the House the necessary legislation. I can assure him that it will be given very fast passage as far as members on this side are concerned.

● (1550)

If Inco can prove to the federal government that it cannot afford what it could have afforded in 1975, somewhere in the neighbourhood of $300 million for emission control mechanisms, then let Inco come to the federal government and explain why. I am not referring to rapid tax write-offs; in my opinion that is the wrong way to go about it. At the same time that the chief executive officer of Inco brings his balance sheet to the federal government, however, I hope the minister will say to him, "I do not want to see your Sudbury balance book; I want to see your multinational balance book—what your total world assets are and what your total financial picture is, worldwide." The taxpayers of Canada should not have to subsidize a multinational corporation that has millions or billions of dollars stashed away somewhere else in the world when its one operation in this country might not at any given moment be in a strong financial position.

I welcome the statement, Mr. Speaker. I called for it in the House last week when the minister was apparently quite simply making a statement to the press. It has given the Liberal critic an opportunity to stand on his feet and has given me an opportunity to bring these matters to the attention of the House. I am sure hon. members will want to question the minister on his statement. I hope we will get action on this. The minister's heart is in the right place, Mr. Speaker. I am convinced he is extremely concerned about this. I am also aware that he may have—and I hope I am not imputing anything here—opposition within his own party or within cabinet.

Some hon. Members: No, no.

Mr. Blackburn: I said he "may" have, I did not say he had. I am almost convinced, though, that he is facing very stiff opposition from the corporate sector which is responsible for this acid rain catastrophe, Mr. Speaker—and it is in fact a catastrophe.

Some hon. Members: Hear, hear!

Acid Rain

Mr. Maurice Foster (Algoma): Mr. Speaker, I must say the statement by the minister concerning acid rain and the impact it is having on our country is a very sobering one. This is especially so in the areas of the Canadian shield not buffered by limestone rock, like some other areas of the province of Ontario and other parts of the country.

I wonder if it would be possible for the minister to provide members with maps showing the areas affected by the various polluting industries, whether they be in Canada or the United States. One press report indicated that there were about 140 lakes in the Sudbury area that are dead and will not support fish because of the acid rain. I wonder if the minister could provide a map showing that.

I notice that the Minister of Regional Economic Expansion (Mr. MacKay) is sitting beside the Minister of the Environment (Mr. Fraser). I wonder if he could speak with the Minister of Regional Economic Expansion, because many of the industries causing acid rain would be located in northern Ontario. Perhaps he could require that industries receiving grants under DREE instal the proper anti-pollution equipment. This might even be broadened to include all other federally regulated industries.

We appreciate that there is difficulty in regulating those under provincial jurisdiction and those under international jurisdiction or located in the United States. Those regulated by Canadian standards and those receiving federal grants could surely be required to provide immediately the proper environmental standards.

Mr. Fraser: Mr. Speaker, in response to the hon. member's question about providing maps and other information, it is my intention some time soon—and the time has not yet been set—to make available to all members a full and complete briefing by officials of the Department of the Environment, including scientists, so that all members will have a better technical understanding of the difficulties we are facing.

With respect to the other matter the hon. member mentioned regarding my colleague and the Department of Regional Economic Expansion, that is one of the things which is being looked at with respect to the economic implications of any control strategy.

I wonder if I could have your permission and the permission of members of the House, Mr. Speaker, to apologize to members of the Social Credit Party who did not receive a copy of my statement this morning. I regret that; it was not intentional and I can assure them that at any other time I make a statement a copy will be sent out of courtesy to my friends.

Mr. Maurice A. Dionne (Northumberland-Miramichi): Mr. Speaker, I should like to follow up my colleague's question about the availability of maps showing the distribution of this acid rain across the country. Does the minister have any data on the effects of acid rain on Atlantic salmon? If so, could this data be made available to the public so that those of us in Altantic Canada who are concerned about the very survival of Atlantic salmon will know what the situation is and what action has to be taken?

Mr. Fraser: Mr. Speaker, I thank the hon. member for his question. We have some data and I can make arrangements to have it made available to the hon. member and other interested members.

The evidence we have to date indicates that the acidic precipitation in the form of snow that builds up during the winter melts very quickly in the spring. It is this acid shock into the streams that is causing the very serious damage. Ultimately, as the acid precipitation builds up in the lakes it makes the situation even more difficult.

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, my question to the minister is with respect to the potential damage to the food supply in Canada which is very grave and which was referred to by the hon. member for Brant (Mr. Blackburn). There is the possibility of prairie grain crops being virtually wiped out in 15 years, and also the effects will be felt in southern Ontario.

What kind of input is the minister getting from the Department of Agriculture and the Department of National Health and Welfare regarding food production in the country? I understand that acid rain destroys the nutrients, the nitrogen in the soil, and therefore diminishes the crop yield. It also interferes with photosynthesis—the effect of sun on the leaves of the crops—and thereby affects the reproduction of those plants and certainly the quality of the plants. I am also concerned about nutrition, and I know the Minister of National Health and Welfare (Mr. Crombie) is very concerned about it.

Is the Minister of the Environment receiving input from the Minister of National Health and Welfare and the Minister of Agriculture (Mr. Wise) about productivity and the security of our food supply in 12 or 15 years? I think this is one of the most important problems facing us.

Mr. Fraser: I thank the hon. member for his question. Last week the hon. member for Brant raised privately with me the potential problem that may arise from the development of the tar sands. I instructed my department over the weekend to see what reports are available at present and to concentrate on the potential problem, especially in view of the fact that the scientific report released one week ago today indicated, I think with some considerable clarity, that the acid rain problem is not just with lakes and the depletion of fish and higher forms of life, but is affecting the soil.

I might also say to hon. members that some of the opposition in the United States to doing anything about the clean-up—and I am not suggesting there has not been some opposition here as well—has been because that part of the United States most obviously affected, the Adirondack area, is a relatively small part of that country geographically. If the scientific evidence is clear that the agricultural sections of the United States are also being hit, it will make it much easier politically for governments to act.

Mr. Paul E. McRae (Thunder Bay-Atikokan): Mr. Speaker, I would like to congratulate the minister on his statement and also the former minister for bringing this whole thing to light and terming the problem a real "time bomb". The minister is going to have considerable difficulty within his own party given the predilection to the strong private sector, and also to supporting the provinces.

● (1600)

Certainly there has been a new dimension to the whole problem with the Canada-U.S. biological group. The Ontario Great Lakes Advisory Board statement in July indicated that the province of Ontario was responsible for half of the acid rain itself; it was not just an American problem. In northern Ontario we are particularly concerned because the shield area does not have built into it—

Mr. Baker (Nepean-Carleton): Question.

Mr. McRae: —the kind of protection that some other areas with limestone might have. Therefore, the acid is not as easily neutralized.

I would like to mention to the minister a new coal-fired hydro plant being put up in Atikokan, very close to the U.S. border. In Minnesota I understand there are 39 of these plants which are spilling forth sulphur dioxide. It seems there has been an agreement at this point not to add scrubbers to this plant. This is a brand new plant which will not go into operation for two or three years, so there is still plenty of time to get the scrubbers.

I ask my question partly on behalf of Atikokan and partly because I think it has a bearing on where I think we are going in the future. As I understand it, the scrubbers cost approximately $3 million to $4 million for a $1 billion operation; in other words, about .3 per cent to .4 per cent of the total operating cost.

Will the minister be providing some funding and assistance to these new plants so that he can insist that the scrubbers, which will remove the sulphur dioxide and therefore remove the potential sulphuric acid from lakes, will be installed? I want him to bear in mind that this is a great fishing area—

Mr. Baker (Nepean-Carleton): Put a question, please.

Mr. Speaker: Order, please. The hon. member has put his question.

Mr. Fraser: Mr. Speaker, briefly the federal government has not yet decided in what way and to what extent any government aid should be given to industry in order to encourage the clean-up. Those are matters that are being discussed. The whole economics of the clean-up control program is being discussed now. We hope to have a report in the spring, as I said in my statement. It is not an option that is being set aside, it is just that a decision has not been made in that respect.

Hon. Roméo LeBlanc (Westmorland-Kent): Mr. Speaker, as a former minister who has a few scars to show in dealing with the provinces on these matters, will the minister, if necessary, come back to this Parliament for authority to proceed if he finds that provinces, possibly hiding behind international negotiations, are not willing to face the issue? If my memory is correct, a good percentage of the deposits, around 40 per cent to 50 per cent, are from Canadian sources, and that we do not need to use international agreements, which are difficult.

The hon. member for Thunder Bay-Atikokan (Mr. McRae) is right when he underlined that some new plants in Canada are not being equipped properly. Will the minister forget this fetish that his Prime Minister has to constantly get agreement with the provinces, but in fact act, if he has to act alone?

Mr. Fraser: Mr. Speaker, I want to tell hon. members that unless I have evidence that the provinces are not prepared to co-operate, I do not intend to use the constitutional power of the federal government at this time.

I have indicated that we have the constitutional power to act unilaterally. It would require additional legislation in this House which does not presently exist, but the constitutional power does exist. I have made it very clear to our American colleagues that Canada does have the constitutional power to act, and will act. However, until I am persuaded—and I am not persuaded today by any means that the provinces will not co-operate—I intend to move in co-operation with the provinces.

There has been some comment about the minister of the environment for the province of Ontario, Dr. Parrott. Not only has he made a commitment to me but he has also made a public commitment that Ontario will apply, and apply stringently, those standards required by any international agreement that we are able to put into place with the United States.

I think it is important, and I say this to all hon. members, that no increase in total emissions take place. No increase can be guaranteed by the provinces if they do not issue permits for an increase. It does not even require any immediate cost of pollution abatement equipment.

Mr. Speaker: I advise hon. members who have been seeking the floor up to this point that I should conclude questioning with the hon. member for Cape Breton-East Richmond (Mr. Hogan) and the hon. member for Churchill (Mr. Murphy).

Mr. Andy Hogan (Cape Breton-East Richmond): Mr. Speaker, I want to put a question based upon what the hon. member for Thunder Bay-Atikokan (Mr. McRae) asked the minister relative to the cost of scrubbing operations and cleaning up sulphur dioxide emissions from plants that are burning coal, and so on. I would not want to contradict him, but it seems to me he is inaccurate. I would be interested in getting the latest information that is available to the minister. I realize that it is extremely tricky in that there are a lot of disagreements, but certainly as guidelines to our decision in the House it will be very important. Therefore, I ask the minister to provide that data or any other data relative to specific areas that are compiled by his department.

Mr. Fraser: Mr. Speaker, I thank the hon. member for his remarks. I would advise all members of the House that the data available to me and my department can be obtained. I ask hon. members to please put a request in to me directly and I will try to arrange for it to be dealt with as quickly as possible.

Mr. Rod Murphy (Churchill): Mr. Speaker, in light of reported accounts in "Scientific American" of the significant role of Inco Limited's Sudbury operations as the largest single source of sulphur pollution—approximately 1 per cent of the world's annual emissions—and because of the significant effect of acid rain on fish and forest products, could the minister undertake immediately to study the effect of the Sudbury operation?

Also, could the minister undertake to do a similar study of Inco's Thompson operation, especially in view, first, of the importance of fishing and forest operations in northern regions; and second, research in this area, where the Thompson operation is more isolated, would be much better to prove a cause and effect relationship between sulphur emissions, the resultant acid rain, and the result of this pollution on fish and forest products.

Mr. Fraser: Mr. Speaker, I can assure the hon. member that all emission sources are being studied.

As the hon. member will remember, I said in my statement that I am planning to meet with the chief executive officers of companies with the most serious emission sources in Canada, which include the particular company the hon. member mentioned, and others.

Mr. Speaker: Introduction of bills. In respect to the introduction of bills, members are aware that there are a number of private members' public bills on today's order paper for the usual introduction that we give to all private members' public bills in this way. However, I understand that there has been consensus that this process be deferred until Wednesday of this week. Is that agreed?

Some hon. Members: Agreed.

Mr. Speaker: Agreed and so ordered.

* * *

● (1610)

QUESTIONS ON THE ORDER PAPER

[*Translation*]

Mr. David Kilgour (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, I ask that the questions be allowed to stand.

[Mr. Hogan.]

Mr. Speaker: Is the House agreed?

Some hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

OLD AGE SECURITY ACT

MEASURE TO AMEND

Hon. David Crombie (Minister of National Health and Welfare) moved that Bill C-6, to amend the Old Age Security Act, be read the second time and referred to the Standing Committee on Health, Welfare and Social Affairs.

He said: Mr. Speaker, it is with great pleasure indeed that I rise on second reading of this bill in the House. The amendments to the Old Age Security Act contained in this bill fulfil a clear commitment made by the members on this side during the last election.

There are two parts to the bill. Both deal with the removal of certain provisions contained in the Old Age Security Act which were the source of financial hardship and despair to people affected by it.

The first and broadest amendment deals with the spouse's allowance program. This bill will remove the provision whereby the allowance is cut off six months after the pensioner spouse dies. Up to now the spouse's allowance program has led financially dependent persons into a false sense of security on the basis of income received under the program. Then, at a time when their personal bereavement is still fresh, and their financial prospects have, if anything, dimmed, the financial rug was pulled out from under them.

I am proud to say that this government will no longer tolerate this situation. Within this bill is contained an amendment which will ensure that a person receiving the spouse's allowance will never again have to worry about losing it simply because the older pensioner spouse has passed away. As long as he or she continues to be in need, the continued protection of the spouse's allowance program will be assured.

There is another part to this bill. It is not nearly so significant as the spouse's allowance amendment in terms of the number of persons involved, but in its own way it is also very important. I am referring, of course, to the removal of the provision whereby old age security benefits are suspended if the recipient is sentenced to prison for a term of over 90 days.

Mr. Speaker, hon. members will recall that it was announced in the Speech from the Throne that the government will be inviting a parliamentary committee to review the retirement income needs of Canadians in the 1980s. This announcement reflects the fact that this government regards the pensions as a priority area.

I want at this time to review in brief some of the issues which have led us to look at pensions in this light. First of all, I want to assure you, Mr. Speaker, this House and all Canadians that this government, while it will be seeking efficiency and economy in government, will nevertheless have a strong interest in the social policy sector. In particular, we want to alleviate the situation of low-income Canadians, and our senior citizens certainly have more than their share of persons in the lower income levels. Broadly speaking, we are after a pension system that provides adequate income protection and fair treatment to all.

More specifically, the issues include the difficult situation faced by many old age pensioners; second, the level of protection provided to women by the pension system; third, the performance of the private sector in the pension system; fourth, the introduction of greater flexibility in the age of retirement; fifth, the position of the disabled and the handicapped in the pension system; finally, the protection offered the families of deceased persons, and, for all of these, the maintenance of the purchasing power of benefits paid out.

In reviewing these issues, we will not be starting without some background. We will be drawing upon the numerous pension studies and reports conducted at all levels of society in the last several years. We will be consolidating this information and adding to it from extensive consultation with people in general, with the pension industry, with provincial governments and with special interest groups.

We are all well aware of the review that has been going on for the past three years. That was an interdepartmental study carried out largely by officials under the last government. We in this new government recognize the value of that study as a major background piece of work that has been done, and we will take whatever advantage there is in it although we will not be bound by it.

There are other groups in the pension field to whose work we will be referring, such as the "COFIRENTES" report from the province of Quebec, the Ontario royal commission, the Economic Council of Canada and the Senate committee on retirement age. The federal and provincial ministers of finance have also been sponsoring a study by their governments during the past few years of the funding of the Canada and Quebec Pension Plans. "Canada at the Pension Crossroads" by the Research Foundation of Financial Executives Institute and "Pensions and Survival" by Geoffrey Calvert are just two of the studies conducted in the private sector.

I want to stress in discussing the process which I am describing that this government will be looking at the pension sector with a fresh perspective. If this review should reveal that a major overhaul of the pension system is necessary to create an effective, fair and efficient structure, then we will be free to develop and carry out such an overhaul.

Nor is this process going to be strictly related to the bureaucracy or even the government alone. In keeping with the open government policies of this side of the House, we want to involve Parliament in the process through the participation of a parliamentary committee. The members of this committee will be able to reach out to Canadians on particular issues in the pension field and obtain and evaluate views from every part of the land and from very broad terms of reference.

Great emphasis will be placed upon consultation and co-operation with the provinces and the private sector. By this means we will be able to seek joint solutions which we can all accept as being the best avenues for meeting the future pension needs of Canadians.

In this context, let me refer again to the specific provisions before us. While this bill may represent a small step, it is an important one for those who will benefit from it, and it is important also to demonstrate this government's concerns for the pension sector in general, and for the problems faced by Canadian women in particular. I look upon this bill as an expression of good faith by this government that what can be done quickly will be done.

When I speak of continued spouse's allowance protection, I do not just mean the continuation of the same amount of benefit payable before. It is significant that over 85 per cent of our spouse's allowance recipients receive less than maximum benefits because they or their spouse have some income aside from old age security benefits. For most of these couples the income received is money coming to the older pensioner spouse, money which will drop dramatically or cease altogether if the older spouse dies. Clearly, it is unrealistic and unjust to continue to pay the same amount of allowance after the spouse's death when we know the allowance recipient's other income has considerably dropped.

For this reason, the spouse's allowance for widowed recipients will not only be extended but will also be recalculated on the basis of the personal income of the surviving spouse—the actual income which he or she has available to meet daily living expenses. The extended allowance will continue to be paid until the beneficiary reaches age 65—when the regular old age security pension is available—or until he or she remarries or dies.

● (1620)

I expect that some 2,200 allowance recipients will receive extended benefits in 1980-81 as a result of these provisions. The cost will be about $4.3 million in that fiscal year or some 2.7 per cent of the total cost of the spouses' allowance program.

This provision will go far in ensuring some financial security for a very vulnerable segment of our society, the newly bereaved, near aged widow. The vast majority of our spouse's allowance recipients are women, many of whom have been out of the paid labour force for years, and others who never sought paid employment. At the age of 60-plus it is clearly unreasonable to assume that they would be able to go out and fully sustain themselves on the labour market.

If I may refer now to the provision which will end the suspension of the OAS benefits for prisoners, this is also an improvement of some significance. I might point out that when an OAS pensioner has the pension suspended, any allowance paid to that pensioner's spouse must also be suspended.

This is a problem which has been raised by many in this House but in particular I would like to thank the hon. member for Kingston and the Islands (Miss MacDonald) for her strong stand on the matter during the last session.

This provision has, over the course of years, proven both difficult and unfair. When OAS pensioners are imprisoned and their benefits are subject to suspension, any delay in effecting the suspension can result in overpayments which must be collected when the pension is released. Even if there is no overpayment, the lack of benefits during imprisonment can mean that these people are released with little money at an advanced age and few prospects for making a living.

There are fewer than 100 persons affected by this provision in any given year. The cost of maintaining payment of their OAS benefits is a small fraction of a per cent of program costs. However, if even one prisoner is able to find a better life as a result of this change, and one prisoner's spouse is not deprived of her allowance, it will be well worth the effort.

In conclusion, I look upon this bill as a first step which this government intends to take, while considering other possibilities for achieving an improved pension system in this country. I invite the support of all members of this House for this particular step, to improve the humanity of a program now in place, and for the broader examination which we hope to carry out, in co-operation with provincial governments and the private sector, to ensure that we have the best possible pension system that we can afford to provide retirement protection for all Canadians.

Some hon. Members: Hear, hear!

Mr. Axworthy: Mr. Speaker, I wonder if the minister would accept a question on his statement.

Mr. Crombie: I would be pleased to, Mr. Speaker.

Mr. Axworthy: I just want to know if the minister could explain whether the provisions of the bill contain any retroactivity for those spouses under the provisions of the bill.

Mr. Crombie: Mr. Speaker, I am not sure whether that should be done in committee, not being familiar with the procedure. Let me suggest that the only retroactivity in the bill relates to the six months they may have already got with the extension which was passed in the last session.

Hon. Roméo LeBlanc (Westmorland-Kent): Mr. Speaker, I wish to begin by congratulating the new minister on the presentation of his first legislation in this House. I express the hope that this will be the first of many. Meanwhile, I hope the Prime Minister (Mr. Clark) will clarify the minister's mandate. We on this side keep hearing about ministers responsible for the social policy envelope. There is now to be a super minister of social development. We hope very much that the Minister of National Health and Welfare (Mr. Crombie), who is responsible for a very major slice of the budget voted by this Parliament, will occupy a very senior position and be heard by his colleagues.

[Mr. Crombie.]

I may say that if the new minister has a slight nervousness, this is shared by his critic. The other day the Minister of Fisheries and Oceans (Mr. McGrath) commented on the fact I had moved into a new field. I must confess that the more I read about this field, the more I think it would have been wiser to stay with fisheries and oceans for a while yet. Be that as it may, I am gratified that I have the support and share the co-chairmanship with my colleague, the former minister of national health and welfare, the hon. member for Saint-Léonard-Anjou (Miss Bégin). She brought, as did her predecessor, the hon. member for Outremont (Mr. Lalonde), a level of awareness and discussion on social policy matters which I hope to rival.

I might also say that physically located in the House on my left is the formidable veteran for Winnipeg North Centre (Mr. Knowles), an expert to whom we will listen very carefully.

[*Translation*]

Mr. Speaker, first I must say that we have very few reservations concerning Bill C-6, which will help an important group of our population. At the committee stage, we will put some questions of detail and make some suggestions and I am sure that a number of my colleagues in the House will want to voice their opinion. The fact is that this bill, as the minister admitted himself, is only a first step. It is a modest effort to better the situation of some 2,400 Canadians, according to the figures I saw. However, there is no doubt that this bill will leave many Canadians between 60 and 65 years of age with the impression that they are not treated fairly.

[*English*]

When this legislation was introduced by this party while in office, it was made clear that this spouse's allowance bill was to be seen in the context of a guaranteed annual income program. This in fact was a first step toward this goal. When he was minister of national health and welfare in 1975, the hon. member for Outremont undertook a massive series of consultations with the provinces to achieve this end. Two provinces, Ontario and Alberta, both with Tory provincial governments, prevented the establishment of the basic guaranteed income plan.

It is not without interest that I found in the clippings a quote in the Calgary *Herald* of December 22, 1977 by the then leader of the opposition, now Prime Minister. The last sentence reads:

So our present plan is certainly not to proceed with a guaranteed annual income program or even to propose one.

There is no doubt that the unfair features of this program would have been and could still be corrected by an enlightened approach in the area of guaranteed income. It is still the basic position of this party that a guaranteed income plan or a plan using the approach of negative income tax is highly desirable. As was the case in medicare, slow progress should not mean that we abandoned the goal we want to reach.

The first group in this country which has a form of guaranteed income are senior citizens over 65 years who are eligible for the guaranteed income supplement. The next obvious

group are those between 60 and 65, especially women, whose earnings power and training and educational opportunities are often limited. This is the group with which we should now be concerned.

● (1630)

It is important to remember that the citizens who are now in their early sixties were the teenagers of the depression, a time when educational opportunities outside the cities were meager, if existent at all, when training for women was extremely limited and often those young people who did not serve in the forces, which was the majority, went into jobs which became obsolete and where opportunities for advancement, for such things as private pensions, and so on, were almost unheard of.

These workers were the sons of the marginal farmers in depressed fishing villages, the sons of unskilled workers in our cities. At present they number approximately one million and, according to the statistics I have seen, almost 50 per cent of them would require some assistance under an income tested benefit plan.

The government today introduced a bill which would distribute some $4 million to approximately 2,400 Canadians. It is a small step and we hope the minister will come forward with more measures. We hope he will have access to more funds. In fact, he has contributed to his own argument in an article of July 14, 1979 in the Ottawa *Journal* when he said:

> I'm opposed to any plot to dimish the amount spent on the social well-being of citizens.
>
> Spending on health and welfare is not swollen beyond its rightful place.

To which we say, "hear, hear" to the minister. We hope he will pass that clipping around to some of his colleagues. Not only will we support the minister when he brings forward new plans, but we will support him when some of the social programs will be under attack, as they have already been, by some who would sacrifice them on the altar of Tory dogma. In fact, it may be that the minister will want to look to this side for support, and he will have that support when the time comes to arrest the efforts at mutilating some of the social programs, in particular medicare, child credit, family allowances and old age pensions.

After years of effort by successive governments—and Liberal ones have been in office during the passage of most of these major pieces of legislation—there are still, in spite of all these efforts, thousands of people in Canada who live under the poverty line, whatever definition or yardstick is used.

If the Minister of National Health and Welfare brings forth legislation such as Bill C-6, we will support him, even if we do not feel that it goes far enough. As I said earlier, some of my colleagues will suggest some improvement, some changes, that the minister might want to consider.

[*Translation*]

Mr. Speaker, I would like to conclude this brief statement, my first as critic of social affairs, with a quotation from the great writer and philosopher Georges Bernanos who wrote admirably on world poverty, at a time when it was even worse than it is now. When somebody came to him with the following objection: "But you forget, sir, that the poor will always be with us", he answered simply: "Yes, alas, they will always be. But the question is to know who will choose them".

[*English*]

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I begin my remarks today by extending my congratulations to the minister not only on introducing this, his first piece of legislation, but on his being invited by the Prime Minister (Mr. Clark) to take charge of one of the most important departments in the federal government, the Department of National Health and Welfare. At this point I want also to welcome my friend, the hon. member for Westmorland-Kent (Mr. LeBlanc), to this very important field. I look forward to his assistance on social matters along the lines he has already indicated in his remarks today.

The Minister of National Health and Welfare described this bill very well when he said it was a small step. Sir, we shall support Bill C-6 although we shall try to have it amended in committee in one or two respects. However, even if we do not get those amendments, we shall support the bill as it is a step in the right direction, as has been said. It does something for about 180 persons a month, and anything that does something for six persons a day is worth taking the time of Parliament to pass.

However, even with all the good will I feel toward the minister because he is in this important department and is trying hard, I simply cannot let him get away with the notion that he is doing something wonderful in the bill he has brought forward today. It is so small a step that he must really have been embarrassed in putting it forward.

In a moment I shall explain why I am critical of the government's going only this far, but before I do so I want to say that I welcomed the minister's use of a certain phrase when he was talking about improvements in our pensions and social legislation. I think his words were: "We want to keep alive the humanity of a program already in place." That is true. In spite of all the faults and shortcomings there might be in the Old Age Security Act, in the Canada Pension Plan, the family allowance program, the unemployment insurance program, and all the rest, we have, in the course of 40 years or 50 years, built a certain amount of humanity into our social programs; and what is most important is that we have made them programs which are such that people do not feel a stigma when they receive the benefits.

I know that, perhaps more often than is comfortable, I have spoken about the days which I remember when a person who was receiving an old age pension preferred to keep quiet about it. There was attached to it a means test as long as your arm and it was somewhat of a stigma to be on the old age pension. But from the day we established the principle of universality, from the day when the right hon. Louis St. Laurent said that even though he did not need it he would go along with universality in taking the pension, it became a mark of honour.

We extended this into a good deal of our legislation. In some cases we have developed a double-barreled proposition such as in old age security where the basic amount is universal and the guaranteed income supplement is on a needs test basis. I have had a lot to say about this that is critical, but the fact of the matter is that we have established so much humanity and dignity about old age pensions that Canadians feel a lot happier getting old age security and the guaranteed income supplement than they would if they were getting a form of provincial or municipal welfare. The same is true about the spouse's allowance. It is a form of welfare, but those who get it are getting something that comes from the Department of National Health and Welfare, something which, even though it is not called an old age pension, is related to that pension.

I am trying to impress upon the minister that the words he used when he spoke about the humanity of a program that is already in place were very significant, and I hope he will stand on guard in these studies about our pension programs against those who would destroy or take away the basic element of that humanity, namely, the degree of universality which we have now achieved.

Some hon. Members: Hear, hear!

Mr. Knowles: I was happy to hear the hon. member for Westmorland-Kent talk about our social programs, and I do not mind his making the reference which is made so often, that the Liberals were in power when most of these bills were brought in. Yes, the Liberals were in power, but some of us were over here all the time, prodding whatever government was over there.

So I welcome the statement that the minister made today about the study, about their concern and about the various problems that need to be considered and, as someone said today about another minister, I am sure his heart is in the right place. However, I hope he will realize that his allies in respect of a good pension program and a good social program are not necessarily those behind him who keep calling for free enterprise, that they are not in the business community that fights against higher pensions and indexation. Some of his best allies are over on this side of the House. He will have our support if he tries to maintain a social program on the basis of the humanity to which he has referred.

● (1640)

Now let me come to what this bill does. The minister left, until the second part of his speech, the part which affects only a few, namely, the change regarding those who are imprisoned. As he said, it affects only 100 persons a year. But I suspect in terms of spouses that it affects very few—half a dozen or a dozen—in the course of a year where the spouse at home is cut off from her spouse's allowance because the old man did something he should not have done and landed in jail. It was inhuman that this situation was there, and I am glad it is being corrected.

The major thing this bill does is to make a change with respect to the position of the spouse in the 60 to 65 age bracket when the older spouse dies. I know this bill works both ways. The spouse in the 60 to 65 age bracket can be the husband and the older spouse can be the wife, but in 90 per cent or more of the cases it is the other way around. So we are talking about a program which is concerned mainly about women.

The other day when I asked the President of the Privy Council (Mr. Baker) when we would get some legislation implementing our ideas about treating women as persons, he referred to Bill C-6 which was to be brought in today as evidence of the concern of this government for the women of the country. This bill has not moved one inch from the concept which the Privy Council had to reverse 50 years ago. So far as this bill is concerned, women are not yet persons.

Some hon. Members: Hear, hear!

Mr. Knowles: Women in the 60 to 65 age bracket get a pension or an allowance not because they are persons, not because they are in need. They get a pension on the basis of being able to answer the question: "Have you got a man? Dead or alive, have you got a man?" If they do not have a man, dead or alive, by definition of the bill they do not qualify. But this is being brought in by a government which told us on Persons Day last week that this was to help women.

Let us go back and talk about this legislation. It was first proposed by the present Leader of the Opposition (Mr. Trudeau) in the election campaign of 1974. I remember it very well. I remember being at home that night and hearing on television that he was going to bring in a spouse's allowance which would provide a pension to the younger spouse where the older spouse was over 65 and had a pension. I heard him say on the night he announced it that it would, of course, create some problems, but that it was a step.

Certainly it has created problems. When it was brought in in 1975, coming in effect that fall, it provided that where the spouse between 60 and 65 was married to and living with an older spouse who was on the pension, the younger spouse gets the spouse's allowance, and that it can be in total the equivalent amount of the old age security and the guaranteed income supplement. But the provision of course was that if the older spouse died, then the allowance of the younger spouse was cut off at that very moment. That was corrected earlier this year, when the Liberals were still in power, by extending the allowance six months. Of course, at that time the Tories said, "Why not extend it to age 65?" That is what the government is now doing.

None of these arrangements—the first one, the one for the continuation of six months or the one which now provides for the allowance to be continued to age 65—does anything about the fact that they do not do a thing for a woman between 60 and 65 who is a spinster. Is she not a person just as much as the woman who has a husband, or the widow of a husband who died within the last six months? The bill does not do a thing for the hundreds of widows in the country who were widows before they reached the age of 60. If a woman's husband dies the day the woman is 59 years, 11 months and 29 days old, she does not qualify. She only qualifies if she gets over that point

before the husband dies, and only if she can pass the means and needs tests and gets family allowance.

I could talk about the other side of it. The same is true for bachelors and widowers who are left. But statistics show that that is not the problem. The problem is the position of women. Recently we had the report from the National Council of Welfare which underlined how serious the income problem is for older women. When I raised this with the previous minister of national health and welfare, she and her predecessor used to say, "What about those between 55 and 60?" Yes, I think they need help too, and I feel very strongly about that. But in this legislation we are talking about a particular age bracket, 60 to 65. In that age bracket we say to women, "You will get help not because you are a woman, not because you are a person, not because you are in need, but on the basis of marital status". It was wrong in its conception in the first place. It should never have been brought in in those terms. Although this fixes it up for 180 persons a month, it does not do away with the fact that all those others out there are not going to get it at all. My answer to this has been made many times and I say it again: We should really have a pension available between 60 and 65 to all persons who are out of the labour market.

Some hon. Members: Hear, hear!

Mr. Knowles: I welcome the applause for that position, but I note that it is coming from my own colleagues, not from the rest of the House. Much as I feel that that is what it should be, I could be persuaded into accepting, as a beginning, a pension in the 60 to 65 age bracket to all persons in need. I am a lifelong fighter against means tests and needs tests, but I would accept a needs test a thousand times over a marital test. This is inhuman, this is degrading, and this is as antiquated as the Supreme Court decision back in the twenties before the Privy Council turned it over.

I think the minister should really go to work on this. He should not wait until he is able to revise the entire pension program. He should concentrate on the area between 60 and 65. For those over 65 at least we have our universal program, the supplement, health services, senior citizen housing and so on. Things are not rosy for those over 65, but they are a lot better than they were when we started fighting for these things a half century ago. But in the 60 to 65 bracket the position of women is really quite intolerable, and this bill does not touch it. It touches it for 2,200 people. I thought it was 2,400, but I accept the minister's statement that it would touch 2,200 people a year. That is 180 persons a month, or six persons a day.

The fact of the matter is that every day in this country six women in the 60 to 65 age bracket who are on the allowance become widows. They are taken care of by this legislation, but all the spinsters in that bracket, all the women who were widowed before they reached 60, or under this bill widowed six months before this bill passes, are not covered at all. Tell us this is a small step, tell us we must vote for it. Of course we will, but the minister should not stand up and brag, in light of what he is leaving undone by this bill.

A moment ago I referred to the six-month provision. The hon. member for Winnipeg-Fort Garry (Mr. Axworthy) asked an appropriate question just as the minister sat down. I hope something will be done about that when we get into committee.

The bill provides that its terms shall be effective, after it has royal assent, for those who become widows after it has had royal assent or for those who became widows not more than six months before the date of royal assent. That means that if we have passed this bill by the end of October, persons who became widows at the end of April will qualify, but those who became widows in the middle of April do not qualify. If the government switches to the borrowing authority tomorrow, then goes on to the tax bills and does not bring this bill back until some time in November, then those who became widows in the first part of May will not qualify.

● (1650)

That is really a form of blackmail against this House. We were into the bit last session when that six-month clause was being added. Perhaps I was doing some of the blackmailing. I was insisting that the Tories should let that go through because every day we delayed meant another six or seven did not get it. I blamed the Senate for delaying it a day or two as well. Surely that can be fixed up. Surely we can provide that any woman, any person if you want—as I say, the number of men affected in that lower age bracket is not great—who has been on spouse's allowance at all since the program began, and who is still under 65, should have it reinstated under the provisions of this bill. It started in 1974 so we cannot go back all the way, but let us not leave out any widows not yet 65.

I move on to say that I like the minister's four-thirds provision, which is such that the widow who survives will get not just the same amount, the half that she was getting before, but would get an amount based on her income. Surely when the government is doing this it is unthinkable to leave that provision there, because the widows of today whose husbands died five or six months ago will be looking at Parliament and asking how long it is going to take to get this through. There is a deadline in there that is really most unfair and most unkind. I know this, that if the government does that and makes it available to all those who have been on the allowance, I will still be pointing out how unfair that is to all the other widows, and to all spinsters or bachelors, if you like. As long as you have this marital provision in this legislation you are in effect saying that these people do not get their rights, do not get their benefits, because they are persons; they get it on the basis of a marital test, and that just does not make any sense in this day and age at all. I hope that much of the bill will be corrected.

As I say, even if we win that—and we will be glad that we won that little bit so that the number helped will not just be 2,200 in a year but might be a few more—that still does not get away from the fact that we have not yet really done

anything about the general need for income maintenance that applies in the 60 to 65 age bracket.

I note that the draw the other day in respect of private members' notices of motions was a fairly good one for me. I believe my pension motion is number six, so it will not be very long until we get to that. This is not a new motion. It has been there right along. The only difference is that I keep raising the figure as to what the basic old age pension ought to be. This means that when we do get to it I will have an opportunity in another debate to talk about the needs of our older people as a whole.

The minister took some time today to refer to these other matters. I believe the basic amount of old age security must be increased. I believe we have to do something about indexing. I was pleased to note, that the President of the Treasury Board (Mr. Stevens) was agreeing outside the House to something I had asked for, namely, a special cost of living index for senior citizens. That formula by which it is always five to eight months behind is not only unfair, it denies all of the modern capacities we have with computers to work things out. You know, Mr. Speaker, it would not take long to devise an index that would give people a pension based on the cost of living in the month they get the cheque instead of a pension based on the cost of living of five to eight months ago.

The Canada Pension Plan needs to be improved in a number of respects. One of the most important respects, and I think it is appropriate for me to speak to it today because supposedly we are talking about women, is the position of women in the home. I know all of the arguments about the Canada Pension Plan being an earnings related pension plan. I was in on the work that led up to the plan and had a good deal to do with the passage of that bill. I accept the basic principle that it is an earnings related plan, but there is no reason in the world why there could not be an equivalent to the Canada Pension Plan for housewives working in the home.

Let me refer back again to last week; women are persons. We decided that 50 years ago, or the Privy Council decided it for us when our own Supreme Court could not see it that way. However, in terms of pension rights the woman who goes out and works in industry, works in the office or works outside the home has certain pension rights which do not apply at all to the woman who does a terribly important piece of work in this country, staying at home raising a family and so on. There are some, of course, who do both.

I noticed with interest that my friend the hon. member for Bellechasse (Mr. Lambert) has a motion on the order paper which is fairly high on the list calling for pension rights for women who remain in the home. The other day when we discussed persons and so on, the Prime Minister expressed the hope that it would not take us another 50 years to move as far as we have moved in these last 50 years. A good deal of that rests on the shoulders of this very minister. It is on the shoulders of some other ministers as well. The Minister of Veterans Affairs (Mr. McKinnon) has a few reforms he must make. The President of the Treasury Board is responsible for the Public Service Superannuation Act which needs some reforms as well. The Minister of National Defence has to do with the pensions of retired armed forces persons, and the Solicitor General (Mr. Lawrence) has to do with the pensions of retired members of the RCMP. There is the whole question of what happens to railway pensions and private pensions, but the lead in all of these things has been taken by this department.

Mind you, the old age pension got started in the first place before there was any Department of National Health and Welfare, but that helped to bring on the department and since then the lead in terms of pension humanity, to use the minister's word, has come from the Department of National Health and Welfare. I refer to lowering the age, getting rid of the means test, expanding the amount and all these other things our people need. I hope this minister will really get to work on this.

I like the idea of further studies. I have been through a good many of them, and most of the ideas are really there. I do not like the talk about "in the eighties". I know it will be 1980 in two or three months, but "the eighties", that is a decade; that is ten years down the road. Many of these people we are concerned about will not be living then. Some of us intend to go a lot longer than that, but many of them will not be here.

There are some things, such as the indexing bringing it up to date and making it fit the costs the old age pensioners have to meet, covering women for their services in the home and dealing with the problems of widows and veterans and so on, that require attention, and these are things in respect of which action could be taken soon. I hope the minister will get to work on them without delay.

Rather than take the floor again at eight o'clock I shall conclude my remarks now by saying again that I am pleased the minister is in this spot. As I look over the crowd on that side of the House I believe he has probably got as much of a heart as any of them over there. There are many on that side who go the other way, on the basis of the speeches they made last week. I am glad the minister has some changes in mind and I hope he realizes that the hon. member for Westmorland-Kent (Mr. LeBlanc) and I are really supporting him, really backing him up when we say we will surely vote for this bill. But it is such a small step he should not expect us to continue to sing the minister's praises until he deals with these other issues. In terms of what we are talking about today, let us do something fast to treat women in terms of pensions as though they are really persons and not just individuals who get their pensions, in many instances only because of their attachment to a man. Surely that day has gone.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

Mr. Deputy Speaker: Order, please. It is my duty at this time, pursuant to Standing Order 40, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: The hon. member for Mississauga South (Mr. Blenkarn)—Canada Mortgage and Housing Corporation—Mortgage insurance underwriting practices; the hon. member for Papineau (Mr. Ouellet)—Combines Investigation Act—Difficulty in obtaining newsprint—Request for minister's intervention; the hon. member for York Centre (Mr. Kaplan)—Immigration—Government policy respecting future immigration.

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

It is my understanding that motion No. 1 in the name of the hon. member for Renfrew-Nipissing-Pembroke (Mr. Hopkins) will stand by unanimous consent.

Some hon. Members: Agreed.

● (1700)

PRIVATE MEMBERS' MOTIONS

[*English*]

THE CONSTITUTION

SUGGESTED MEASURE TO AMEND

Mr. Deputy Speaker: Motion No. 2. The hon. member for Edmonton East (Mr. Yurko), seconded by the hon. member for Dartmouth-Halifax East (Mr. Forrestall) moved:

That an humble Address be presented to Her Majesty the Queen in the following words:

To the Queen's Most Excellent Majesty:

Most Gracious Sovereign:

We, Your Majesty's most dutiful and loyal subjects, the Commons of Canada in Parliament assembled, humbly approach Your Majesty, praying that You may graciously be pleased to cause a measure to be laid before the Parliament of the United Kingdom to be expressed as follows:

AN ACT TO PROVIDE FOR THE AMENDMENT IN CANADA OF THE CONSTITUTION OF CANADA

Mr. Deputy Speaker: Shall I dispense with the reading of the three remaining pages?

Some hon. Members: Agreed.

[*Translation*]

Mr. Deputy Speaker: The hon. member for Bellechasse (Mr. Lambert) on a point of order.

Mr. Lambert (Bellechasse): Mr. Speaker, I have the feeling this motion is extremely important, and although long, it should be read before the House. In fact, we cannot do otherwise unless there is unanimous consent. That is what you have asked; however, those are things that must be discussed between us at some point. We are getting more and more aggressive because of a very serious situation. If we cannot achieve good mutual understanding, we are going to live hard times. That being so, I accept that you be spared from reading the motion, but you should take good notice of what I have just said.

Mr. Deputy Speaker: Order. In short, when I suggested that the motion not be read, that was simply a suggestion. As for me, I would not object to reading it in English and in French. That would probably have taken a good part of the hour at hon. members' disposal. Just because one feels one's rights may have been infringed on does not mean one should perhaps infringe on other people's rights.

[*English*]

Mr. Bill Yurko (Edmonton East) moves:

That an humble Address be presented to Her Majesty the Queen in the following words:

To the Queen's Most Excellent Majesty:

Most Gracious Sovereign:

We, Your Majesty's most dutiful and loyal subjects, the Commons of Canada in Parliament assembled, humbly approach Your Majesty, praying that You may graciously be pleased to cause a measure to be laid before the Parliament of the United Kingdom to be expressed as follows:

AN ACT TO PROVIDE FOR THE AMENDMENT IN CANADA OF THE CONSTITUTION OF CANADA

Whereas the Parliament of Canada and the legislatures of each and every province of Canada have requested, and consented to, the enactment of an act of the Parliament of the United Kingdom in the terms hereinafter set forth, and the Senate and House of Commons of Canada in Parliament assembled have submitted Addresses to Her Majesty praying that Her Majesty may graciously be pleased to cause a bill to be laid before the Parliament of the United Kingdom for that purpose:

Be it therefore enacted by the Queen's most Excellent Majesty, by and with the advice and consent of the Lords Spiritual and Temporal, and Commons, in this present Parliament assembled, and by the authority of the same, as follows:

PART I
POWER TO AMEND THE CONSTITUTION OF CANADA

1. Subject to this part, the Parliament of Canada may make laws repealing, amending or re-enacting any provision of the Constitution of Canada.

2. No law made under the authority of this part affecting any provision of this act or section 51A of the British North America Act, 1867, or affecting any provision of the Constitution of Canada relating to

(*a*) the powers of the legislature of a province to make laws,

(*b*) the rights or privileges granted or secured by the Constitution of Canada to the legislature or the government of a province,

(*c*) the assets or property of a province, or

(*d*) the use of the English or French language,

shall come into force unless it is concurred in by the legislatures of all the provinces.

3. (1) No law made under the authority of this part affecting any provision of the Constitution of Canada that refers to one or more, but not all, of the provinces, shall come into force unless it is concurred in by the legislature of every province to which the provision refers.

(2) Section 2 of this act does not extend to any provision of the Constitution of Canada referred to in subsection (1) of this section.

4. (1) No law made under the authority of this part affecting any provision of the Constitution of Canada relating to education in any province other than Newfoundland shall come into force unless it is concurred in by the legislatures of all the provinces other than Newfoundland.

(2) No law made under the authority of this part affecting any provision of the Constitution of Canada relating to education in the province of Newfoundland shall come into force unless it is concurred in by the legislature of the province of Newfoundland.

(3) Sections 2 and 3 of this act do not extend to any provision of the Constitution of Canada referred to in subsection (1) or (2) of this section.

5. No law made under the authority of this part affecting any provision of the Constitution of Canada, not coming within sections 2, 3 or 4 of this act, shall come into force if such law in rejected by any combination of provincial legislatures representative of not less than 20 per cent of the population of Canada (according to the latest census) within a period of 24 months after its passage by the Parliament of Canada.

6. Notwithstanding anything in the Constitution of Canada, the Parliament of Canada may exclusively make laws from time to time amending the Constitution of Canada in relation to the executive Government of Canada, and the Senate and House of Commons, except as regards

(*a*) the functions of the Queen and the Governor General in relation to the Parliament or Government of Canada;

(*b*) the requirements of the Constitution of Canada respecting a yearly session of Parliament;

(*c*) the maximum period fixed by the Constitution of Canada for the duration of the House of Commons, except that the Parliament of Canada may, in time of real or apprehended war, invasion or insurrection, continue a House of Commons beyond such maximum period, if such continuation is not opposed by the votes of more than one-third of the members of such House;

(*d*) the number of members by which a province is entitled to be represented in the Senate;

(*e*) the residence qualifications of senators and the requirements of the Constitution of Canada for the summoning of persons to the Senate by the Governor General in the Queen's name;

(*f*) the right of a province to a number of members in the House of Commons not less than the number of senators representing such province;

(*g*) the principles of proportionate representation of the provinces in the House of Commons prescribed by the Constitution of Canada; and

(*h*) the use of the English or French language.

7. (1) Notwithstanding anything in the Constitution of Canada, in each province the legislature may exclusively make laws in relation to the amendment from time to time of the Constitution of the province, except as regards the office of Lieutenant-Governor.

(2) Notwithstanding subsection (1) of this section, no province, through the passage of an act of its legislature, shall partially, or totally, secede from the federation of Canada unless such act of the province is approved by the Parliament of Canada and the legislatures of each and every province of Canada.

8. Any law to repeal, amend or re-enact any provision of the Constitution of Canada that is not authorized to be made either by the Parliament of Canada under the authority of section 6 of this Act or by the legislature of a province under the authority of section 7 of this act is subject to the provisions of sections 1 to 5 of this act.

9. Nothing in this part diminishes any power of the Parliament of Canada or of the legislature of a province, existing at the coming into force of this act, to make laws in relation to any matter.

[Mr. Yurko.]

10. Notwithstanding any conditions contained within sections 1 to 9 inclusive, the people of Canada, acting in consort, can petition the Parliament of Canada to hold a national referendum on any constitutional matter. Such a petition must be signed by no less than 5 per cent of the voting population of Canada and be validated and accepted by the federal government.

On the receipt of such validated petition, the Parliament of Canada shall, before the lapsing of two full years from the date of receipt of the validated petition, hold a national referendum on the substance of the petition and shall enact into law the substance of the petition if such petition receives a 75 per cent plurality of all votes in Canada and no less than a 50 per cent plurality of all votes in each and every province of Canada.

11. No act of the parliament of the United Kingdom passed after the coming into force of this act shall extend or be deemed to extend to Canada or to any province or territory of Canada as part of the law thereof.

12. Notwithstanding the substance, rights or prohibitions, stated or implied, of the Constitution of Canada as revised, this act recognizes that Canada is a multicultural nation composed primarily of two linguistic solitudes, namely English and French. Furthermore, this act acknowledges the inherent right of self-determination of each of these solitudes respectively and that each shall have the inherent right through legal and peaceful means to secede each from the other if so desired and duly and legally expressed through a referendum supported in a near unanimous fashion by the people of the solitude seeking separation.

Furthermore, that such separation, if and when decided upon by the solitude seeking separation, shall occur not along established provincial territorial boundaries but along such contiguous territorial boundaries that are duly and legally negotiated between the two solitudes but which fully respect the rights of large minorities and their expressed option to remain with the solitude of their choice.

13. Without limiting the meaning of the expression "Constitution of Canada" in this part that expression includes the following enactments and any order, rule or regulation thereunder, namely,

(a) the British North America Acts, 1867 to 1964;

(b) the Manitoba act, 1870;

(c) the Parliament of Canada Act, 1875;

(d) the Canadian Speaker (Appointment of Deputy) Act, 1895, Session 2;

(e) the Alberta act;

(f) the Saskatchewan act;

(g) the Statute of Westminster, 1931, in so far as it is part of the law of Canada; and

(h) this act.

PART II
BRITISH NORTH AMERICA ACT, 1867, AMENDED

14. Class 1 of section 91 of the British North America Act, 1867, as enacted by the British North America (No. 2) Act, 1949, and class 1 of section 92 of the British North America Act, 1867, are repealed.

PART III
FRENCH VERSION

15. The French version of this act set forth in the Schedule shall form part of this act.

PART IV
CITATION AND COMMENCEMENT

16. This act may be cited as the Constitution of Canada Amendment Act.

17. This Act shall come into force on.....day of.....

He said: Mr. Speaker, I present this motion to Parliament to initiate a new round of discussion on constitutional reform and, more specifically, discussion on the major first step of this process which is agreement on an amending formula followed

by patriation. I trust that in the next round of discussion more debate will occur in the legislatures of this country. This process of constitutional patriation and finding agreement on an amending formula, though almost entirely the preserve of conferences by the first ministers and their subordinates, should begin to move directly into the legislatures and into this Canadian Parliament. Constitutional discussion and decision-making has to transcend what has become known as executive federalism.

First of all, I wish to commend the mammoth efforts of the former prime minister and now Leader of the Opposition (Mr. Trudeau) for his initiatives and dedication to constitutional renewal and reform. Indeed, all of the past efforts at constitutional renewal are commendable even in their failure. Though the intent of the previous government was commendable, the comprehensive, two-stage approach of total constitutional renewal proved to be too complex and too encompassing for even the most elementary agreement. It did, however, confirm the former approach of patriation with amending formula, followed by a stepwise renewal. Such an approach was pursued through the decade of the sixties culminating in near success at the constitutional conference of October 14, 1964.

The right hon. Prime Minister (Mr. Clark) is to be commended for his wisdom in recognizing the applicability of such an approach when he reached agreement with four premiers at the Kingston conference on September 16, 1977. He said in the communique resulting from that conference:

> We are all committed to the objective of bringing the constitution home, so that we can change any part of it without going through the Parliament of the United Kingdom. We are confident that a new Progressive Conservative Prime Minister at Ottawa could bring us both the new attitudes required and the necessary political co-operation among all provincial governments.

Premier Bill Davis of Ontario is recognized as a consistent and strong proponent of patriation as a paramount priority. His consistency is commendable in my estimation.

History condemns us all for failing thus far to patriate the constitution, to find an amending formula and become a whole nation in law and in fact. It was during the federal-provincial conference of 1927 that questions concerning the constitution and its amendment were first debated. The search for an actual amending formula was re-initiated and addressed under the leadership of the former prime minister, the late Right Hon. John Diefenbaker, in the 1960s. Debates emerging from that period centred on the search for a constitutional amending formula and resulted in the Fulton-Favreau formula in 1964.

At the conclusion of the federal-provincial conference held in Charlottetown on September 1 and 2, 1964, to commemorate the centennial of the conference of the Fathers of Confederation which took place in that city in 1864, the Prime Minister, the late Right Hon. Lester B. Pearson and the premiers issued a communique. In it, the late prime minister and premiers "affirmed their unanimous decision to conclude the repatriation of the BNA Act without delay". The communique added that they decided to complete a procedure for amending the constitution in Canada based on the draft legislation proposed at the constitutional conference of 1961 which they accept in principle. The attorneys general of Canada then met to complete the amending formula.

At a conference of Canadian first ministers on October 14, 1964, the first ministers unanimously agreed upon an amending formula. The communique issued by the late Prime Minister Pearson and the premiers from that conference states that when the amending procedure becomes law, all future amendments to Canada's constitution will be made in Canada instead of by the parliament of the United Kingdom. The communique added the following:

● (1710)

> As a result our constitution will have become, for the first time in the history of Canada, truly and wholly Canadian.

The text of the bill embodying the amending procedure, "An act to provide for the amendment in Canada of the Constitution of Canada", and unanimously approved by the then prime minister and all the premiers of Canada on October 14, 1964, has been used as the basis for the bill proposed in the motion that is before this House today—almost exactly 15 years later. As there was unanimous provincial agreement at that time, the preamble to this motion states that all provinces have requested and consented to the enactment of such a bill. However, I anticipate that there will be a lot more discussion.

Some changes, of course, were made to accord with the reality of the intervening events of the last 15 years. In particular, clauses 5, 7, 10 and 12 are new and unique. Nevertheless, the basic principles embodied in this motion now before the House may be summarized. Before I summarize the principles, however, I should like to say that there are some provinces that desire more extensive veto power and would argue that the 20 per cent in clause 5 should be reduced to, perhaps, 15 per cent or even 10 per cent. That is a debatable point.

The principles of the bill may be summarized as follows. First, the BNA Act of 1867, with modest amendments, has served this nation well and renewal should be a gradual and stepwise process.

Second, this bill, if passed, would effectively patriate the constitution to Canada and provide a formula for subsequent revision in Canada through parliamentary and legislature approval.

Third, this bill incorporates a constitutional amending formula which (a) requires the unanimous agreement of the legislatures of all provinces as well as the Parliament of Canada to amend existing provincial powers, including natural resource ownership and control and the use of the English and French languages; (b) generally permits the provinces to amend their provincial constitutions as they deem appropriate; (c) generally permits the federal government to amend the constitution on purely federal matters; (d) provides a mechanism for the people of Canada to initiate constitutional amendment; and (e) provides a formula for amending the constitution generally in all other areas, which gives some emphasis to population representation rather than just empha-

sizing provincial legal entities and their equality of status within the federation.

Fourth, it establishes the requirement that no province can unilaterally secede from the federation in total or in part without the unanimous agreement of all the members of the federation.

Fifth, it recognizes the basic right to self-determination of the two linguistic solitudes, English and French, in Canada.

Mr. Speaker, time does not permit me to discuss in depth the implications of the various principles embodied in the amending formula proposed in this motion. Permit me to state, though, that I do not think we should be deterred by the impending Quebec referendum from seeking a way to patriate the Canadian constitution with an agreed upon amending formula. I am of the opinion that Canadians of French origin wish to remain, and will remain, as partners with the rest of us in this Canadian federation, but only through their own willingness resulting from the respect, recognition and advantage they receive from partnership.

The partnership will not endure through force or coercion and the right for self-determination must never be denied but rather held as an unequivocal right within the constitution itself. All parts of this nation form a whole which is unique in history, with a potential to lead the world a century hence, coveted by peoples and governments the world over. Indeed, I was quite surprised to read article XI of the United States articles of confederation. Perhaps I could put that on the record, Mr. Speaker. It reads as follows:

Canada acceding to this confederation, and joining in the measures of the United States, shall be admitted into and entitled to all the advantages of this union; but no other colony shall be admitted into the same, unless such admission be agreed to by nine states.

Mr. Speaker, in closing may I say that, having been a provincial MLA, it is my intention to initiate debate on this matter in any way I possibly can in as many provincial legislatures as possible. All elected representatives in Canada must relate positively to constitutional understanding and reform. It is not the exclusive reserve of lawyers, as I have been told on several occasions.

It is also time for us as a nation to cut our apron strings, to become full masters in our own house and, indeed, to become a whole member nation in the community of world nations. It is the way of the future for a great country called Canada.

Thank you, Mr. Speaker, for the opportunity to speak in this House on the most basic law governing this assembly.

Mr. Mark MacGuigan (Windsor-Walkerville): Mr. Speaker, I have to admire the courage of the hon. member for Edmonton East (Mr. Yurko) in tackling such a subject in what I believe is probably his first address in this House and, in addition to taking on the subject, for offering some new approaches to the older Fulton-Favreau formula.

I noted that he said that we all welcome the day when Canada will have a fully Canadian constitution in the sense that the process of amending, too, will be one which is wholly Canadian. I welcome that statement from the other side of the House. I hope, however, this is not to be at any price. I hope we are not to feel that we must achieve this Canadian process of amending regardless of the content of the legislation by which it is attained. I submit that might well be a serious mistake.

There are some procedural problems with this motion. I am not going to challenge it on a procedural basis but I think I ought to mention that there are such procedural difficulties. For instance, the formula is not in the usual form for a joint address of this kind. Perhaps, more important, you will note that the words used contain a certain assumption of fact which is not true.

The address reads in part as follows:

Whereas the Parliament of Canada and the legislature of each and every province of Canada have requested, and consented to—

This is an hypothesis contrary to fact. There is no such request in this case and I doubt that there is likely to be. I am willing to go along with the hypothesis, however, and assume that this event has happened and that we are concerned with debating it. In other words, I do not want to go on debating the procedure, but would rather come to the substance. I think, however, that these points should be noted in passing.

● (1720)

Basically the hon. member has presented us with the Fulton-Favreau formula of 1964 with a few changes. In clause 5 he has changed the formula which is used, and rather than providing for a consent formula, he has provided for a rejection formula. Generally speaking, however, the approach is the same as in Fulton-Favreau. However, clauses 7, 10 and 12 are entirely new, as he mentioned. They are additions to the Fulton-Favreau approach. In clause 7, he provides the right of secession for any province, which may be exercised with the consent of all of the provinces and of the Parliament of Canada. In clause 10 he provides for referenda on constitutional matters, and in clause 12, which is the linguistic solitude clause, he also provides for referenda on the basis of linguistic groups.

I am almost tempted to sit down at this point to allow maximum opportunity for those on the government side to say whether or not they agree with these proposals. It strikes me that the hon. gentleman is being brave indeed in his own ranks in proposing the right of secession. I wonder how many of his colleagues on that side agree with him. There is one member I would like to hear from on that subject whom I see smiling at me. I would mention his constituency if I could remember it. I am told by one of my colleagues it is the hon. member for Mississauga South (Mr. Blenkarn).

It seems to me the provision regarding referenda is directly at odds with the attitude his own government has taken with respect to the referendum bill introduced by the previous government, one which was supported by members on this side for certain kinds of purposes but not in such broad terms as is being proposed here by the hon. member for Edmonton East (Mr. Yurko).

With respect to clause 12, I am not sure that I expect objections to be raised by the other side, but I am certainly prepared to raise one myself. I do not like the phrase "two linguistic solitudes". I can only think of the word "solitude" as implying an enclave, with a lack of communication. If that is sometimes true in Canada, it is not what we would wish to enshrine in our constitution, and surely it is not something that we would want to perpetuate. It is extraordinary that the translation into French of the words "two linguistic solitudes" uses the words "deux groupes linguistiques", which mean something entirely different. They mean two linguistic groups. It takes the sting out of "solitude" by transposing it to a neutral word. The second time the phrase is used in English, speaking about the right of self-determination of each of these solitudes, the French has "de ces deux entités" which means "of these two entities".

I do not intend to charge the hon. member with the quality of the translation. Either the linguistic facilities of the House have let him down or the assistance he has received from his colleagues has not been equal to this occasion. However, it is important to note the difference in flavour between the English and the French on this point. Since the hon. member in his speech, as I caught it, used the phrase "two linguistic solitudes", I think we are entitled to think that it is that notion he wants to get across. I do not know whether members on the other side will object to this phrase, but I profoundly object to this phrase as describing any part of the reality of Canada.

I have said that principally this motion which is before us incorporates the Fulton-Favreau formula. That formula was, it is true, as the hon. member for Edmonton East has pointed out, agreed upon by the first ministers of Canada in 1964. But that agreement was very short-lived. It was an agreement without ratification, if I may put it that way. There was no follow-up. It is very similar to what happened after the agreement at Victoria in 1971. It will be recalled that at that time, when Premier Bourassa returned home—I think he had learned from the previous experience of 1964 that he had to keep his options open and so he did not give a final answer at Victoria—he found public opinion in Quebec was so opposed to the agreement that he was not prepared subsequently to ratify it.

In 1964 the follow-up was not so clear-cut. There were opposition politicians in Quebec who campaigned so effectively against the agreement which had been reached by the first ministers that the first minister of Quebec did not dare to go forward. That is why this agreement never matured into actual constitutional change. The agreement was too temporary to allow the change to take place. Indeed, the fact that within a very few years that agreement could be replaced by the Victoria formula indicates a considerable change of heart on the part of the first ministers.

In fact, the two situations were almost identical. In effect, we had agreement by all the first ministers in Victoria on the amending formula. What we did not have agreement on was the total package. It was not the amending formula in particular that Premier Bourassa finally decided to reject. Although it was in a sense the adoption of the amending formula before there had been subsequent reform of the constitution, the objection was not primarily and directly to that clause as such, as I recall it; it was to the totality of the package reached at that time.

We thus have a very similar agreement seven years later which changed, I submit for the better, the provisions of the amending formula which was agreed to in 1964. Why do I say that the change was for the better, Mr. Speaker? Because a large part of the rigidity which had been incorporated into the amending formula in 1964 has been removed. The Fulton-Favreau formula, if it had been adopted, would have been the most restrictive amending formula of any federation in the world. In all other countries there is provision for amendment which does not require the unanimous agreement of all of the governments in the country in order to bring about a change.

In the United States there are two kinds of provisions for constitutional amendment. One is through Congress and one through popular vote. In Germany, amendments to the basic law require a two-thirds majority in both Houses, the Bundestag and the Bundesrat. The Länder or the states are not consulted directly but participate through their representatives in the Bundesrat. In Australia, the amending formula requires a change to be adopted by the Australian parliament and then it provides for a referendum by the people in the states—not by the governments of the states, but a reference to the people in the states.

The Fulton-Favreau formula, if one looks at it closely, would, as I have suggested, require unanimous agreement of the governments of Canada in everything that really matters in the British North America Act. Let us just look at the words as they are presented to us by the hon. member for Edmonton East. In clause 2 of the motion which is before us, the operative words are:

> No law made under the authority of this part . . . shall come into force unless it is concurred by the legislatures of all the provinces.

It reads "all the provinces", not some, not a proportion as the Victoria formula would have required, but all the provinces. That applies to the four named categories, the first being "the powers of the legislature of a province to make laws". That is obviously section 92 of the British North America Act. It is by that section that such power is established. Section 92 is the heart of provincial power, along with section 93.

Section 93 is taken care of later in the Fulton-Favreau formula and equally restrictively, but the provisions in section 92 could not be changed without the unanimous consent of the provinces. And so on through the other categories: the rights or privileges granted or secured by the legislature or the government of a province, the assets or property of a province and the use of the English or French languages.

I can hardly argue historically that this is an Alberta amendment, but it clearly is the Alberta position in constitutional negotiations today. It is the position that Premier Lougheed has been putting forward, that there should be unanimous consent by the provinces for any constitutional amendment.

● (1730)

I believe it is based on a profoundly simplistic notion of the constitution. It is based on a belief that if only this could be written into the constitution no further changes could be made. It forgets the fact that the greatest changes in the constitution are those which have been written in by the courts—decisions by the Privy Council and by the Supreme Court.

The notion that conflict could be cured, or the constitution "frozen" as it were, by provisions of this kind ignores the dynamics of the constitution; it ignores the fact that issues arise and that powers overlap, that the power over property and civil rights which is in section 92, and thereby conferred on the provinces, conflicts with almost all the federal powers, the power over trade and commerce, for example. What a court has to do when it is confronted with a situation where either of those rights could apply is to decide which has sway or how far either should be allowed to prevail. That is not a question that can be solved by saying the constitution must not be changed. You do not have to change the constitution by a formal document if a court is going to say that in such and such a case the federal power over trade and commerce is the one that applies and that provincial power over property and civil rights shall not prevail. That is the real question as to the meaning of these powers and it is one which will not even be touched.

Even if the constitution could be frozen, though, the question is whether it should be. Should we freeze our constitution for all time which is, in effect, what we are doing? The reason we have failed to reach agreement in all the many constitutional conferences which have been held is mainly that, though it is not necessary in law, we have been proceeding on the basis that there must be unanimous agreement, on the basis of a political tradition of somewhat short duration that all the provinces have to agree before anything can be done. As long as this is the basis upon which we are proceeding, I feel we will never succeed in arriving at any agreement, that we will never make any progress because there is scarcely a subject upon which all the provinces can be expected to agree.

In recent years in Canada we have seen an enormous growth of provincial power, a dramatic increase in provincial revenues and bureaucracies. Perhaps even more striking is the increase in the provincial self-image, or the self-image of the provincial governments, and particularly of the premiers. These are minor potentates, Mr. Speaker, and sometimes they regard themselves as being much more than that. They have too much power already inasmuch as they have been able to stymie any agreement on changes to the constitution. I, for one, could not accept a constitutional amending formula which would forever give every government the right to stop all progress.

All right is not on one side, Mr. Speaker. We obviously could not accept amendments to the constitution by federal decision alone even though this House is representative of every province. The fact is, of course, that since there is representation by population some areas are better represented, as they should be, than are others. So the provinces must "have a say". But they ought not to be able to have such a say that every last province has to agree to everything that is done. That, Mr. Speaker, is really the nub of it, whether we ought to freeze our constitution at this time and say, in effect, there will be no further changes or that they can be made only by a process which is so excruciatingly difficult that the process will probably never be accomplished, or whether we ought to adopt something which is more flexible and which allows more room to grow.

I think I can speak for all members in my party—I certainly speak for myself when I say that my vision is one in which there is more flexibility, more openness for the future, more opportunity to grow. It is that model, rather than the polar model, which I recommend to the hon. member for Edmonton East (Mr. Yurko).

Miss Pauline Jewett (New Westminster-Coquitlam): Mr. Speaker, first I should like to commend the hon. member for Edmonton East (Mr. Yurko) for so early in his tenure as a member of this House bringing forward proposals for the amending structure, new in at least four respects. If we do not manage to pass this measure today—and I think it is unlikely because there are many aspects which give rise to discussion—I hope the hon. member will not be discouraged from pursuing the idea that this Parliament should be engaged much more than in the past in the discussion of constitutional reform, including an amending formula.

I entirely agree with him that over the past 50 years, going back, as I believe he mentioned, to 1927, most of the discussion with regard to the British North America Act took place between the federal government and the provinces; members of Parliament were, by and large, excluded from those discussions, to say nothing, of course, of ordinary citizens. So I commend the hon. member on bringing his proposal forward for four quite substantial changes from the Fulton-Favreau formula and advocating that there should be further and more extensive parliamentary discussion of this subject.

I agree with him, too, that the previous government did make a valiant effort to address the matter, though it did so in too complex a way. Whether or not the present government intends to set up a committee of this House, or perhaps a joint committee with the other place, I do not know. Perhaps the hon. member for Edmonton East knows. In my opinion it would be a good idea. Canada is going through a very serious time. As we all know, the referendum is coming up in Quebec and I believe it would be helpful for us if we were able to address, in a relatively non-partisan way, not only the matter of an amending formula but the direction this country should take, generally.

This brings me to my own feeling that, although the BNA Act has served us very well over the years, the time has come for making changes, if not, indeed, for a new constitution. Therefore I would hope that we would not only be able to patriate the BNA Act but, almost at the same time, that we would be in a position to make very substantial changes in it.

It is a pity we cannot engage in a real debate on this subject, because I have a number of questions to ask the hon. member

for Edmonton East about his four new proposals. The hon. member for Windsor-Walkerville (Mr. MacGuigan) suggested that clauses 7 and 12 said pretty much the same thing. I do not think I agree. Clause 7, as I read it, says no province may secede from the federation unless the act of secession is approved by Parliament and the legislatures of all the provinces. The hon. member for Windsor-Walkerville referred to that as a right of secession. I really do not think it is a right of secession when the act of secession must be approved not only by the federal Parliament but by the legislatures of all the provinces.

● (1740)

More seriously, when you get to clause 12, the hon. member for Edmonton East is in fact giving what he calls linguistic solitudes—I prefer the word groups—the right to secede without the approval of any of the legislatures, simply through a referendum on the part of the group wishing to secede. I could not support this measure because I see what appears to be an inconsistency between those two clauses, on one hand saying no province can secede without the approval of the Parliament of Canada and every province of Canada, and on the other hand saying of the two major linguistic groups, either one may secede without reference to provincial legislatures or the federal Parliament.

I have already mentioned that the word "solitude" was perhaps not the best to use. I have noted that the French use different words. In French it is really groups or entities. I have been wondering, but did not have time to dash out and check, what word was used when Hugh MacLennan's book "Two Solitudes" was translated. Other hon. members may recall.

An hon. Member: Solitude.

Miss Jewett: That is interesting. Then there is a quite substantial difference here in the translation. I am not at all clear on what is meant in the second paragraph of section 12. I do not understand—

—shall occur not along established provincial territorial boundaries but along such contiguous territorial boundaries that are duly and legally negotiated between the two—

Perhaps he can explain it to me later. I am serious in saying I hope we will pursue further discussion and debate in this House on the amending formula and on the British North America Act itself.

Clause 10 is another addition to the Fulton-Favreau formula. This is an interesting proposal to initiate constitutional changes through national referenda. I was not here, nor was the hon. member, in the last House, but I understand that the Conservatives who were then in opposition opposed the use of referenda. I do not know whether the hon. member talked with any of his fellow Conservative members to see what they think of this.

In a country like Australia, which is a relatively homogenous society, there is a lot to be said for the use of referenda in constitutional reform. I am not at all sure that is the case in a country which has a very real duality in linguistic terms. Referenda under such circumstances may indeed be divisive. Although he is requiring a 50 per cent plurality of all votes in each and every province, and that would undoubtedly lessen the divisiveness, the chances of getting such a plurality on most of the matters that might be brought forward would be very limited.

It was, however, an interesting proposal. It might have answered to some extent the complaint of the hon. member for Windsor-Walkerville that the approach suggested in this resolution is not sufficiently flexible. I agree with him that basically this resolution is asking for the unanimous approval of all provinces on anything to do with section 92. Although it has been our practice by and large—not entirely—to have unanimous agreement of all provinces before an amendment is sent to Westminster, nevertheless to entrench this into the amending formula would, I agree, be extremely rigid.

My understanding of clause 10, the referenda clause, is that it tries to develop a little bit of flexibility which is not otherwise there. Although I basically disagree with the use of referenda in a country like Canada, I thought that was an ingenious way to try to get around the problem of unanimous approval of the provinces.

I hope the hon. member realizes that if a referendum did affect property and civil rights, if it were passed and so on, it would mean the provincial legislatures would not be able to veto it. At least that is my understanding of the way he has worded the referendum clause.

On the clause that is now clause 5, I would have thought that on non-critical matters 20 per cent was a reasonable percentage and it really would not need to be any lower. I hope hon. members realize clause 5 does not really touch any of the guts of the British North America Act because it does not touch section 92 at all.

I find I have a sufficient number of questions and puzzlements, particularly on what I see as a conflict between the secession clause, clause 7, and the linguistic groups clause and their rights to secession, clause 12, that I would say the bill needs a good deal of working over before it can go any further.

I want to applaud the hon. member again on suggesting that we should at least start debating some of these issues in this House. Since he has raised this matter, I am particularly interested in knowing whether he has any views about some of the proposals brought forward by the previous government, particularly the House of the Federation proposal of which we in this party were extremely critical. The hon. member will remember this was a proposal to abolish the Senate and create a new body to be called the House of the Federation. I would like to know his views on that, whether he has views not only on an amending formula but on the important substantive changes that we might see in the constitution of Canada. I look forward on some other occasion to debating those matters.

Mr. Don Blenkarn (Mississauga South): Mr. Speaker, I compliment the hon. member on bringing forward the question of constitutional amendment. It is high time we were able to

patriate our constitution. For too long, when speaking to others, Canadians have been embarrassed that we cannot in any way alter our constitution without the permission of Westminster. However, my friend has unfortunately not entirely considered some of the concerns that have been expressed by the hon. member for Windsor-Walkerville (Mr. MacGuigan) and the hon. member for New Westminster-Coquitlam (Miss Jewett).

One of the major problems in our country is that the provinces are of various sizes and economic strengths. Prince Edward Island was at one time a pretty good province in Canada in terms of comparative strength, but now has far less economic strength than my city of Mississauga, less than half its population. It is unable, except with enormous assistance from the federal government, to maintain the whole plethora of provincial obligations. To a large extent the same applies in other provinces.

● (1750)

It is impossible for large provinces with economic strength to suggest in any way that some small province, such as perhaps the province of Manitoba or the province of Nova Scotia, should have the right to veto any change in the Constitution of Canada, but indeed that is what the effect of the hon. member's motion would be. What we have to do is to rethink what we mean in terms of provinces when we talk about who should be allowed to vote and what unanimity we need in order to amend the constitution.

A number of persons analysing our constitutional problem have asked, "Why don't we divide Canada into realistic economic regions? Why can't we have an economic region composed of the Atlantic provinces, and why can't we have, for the purposes of provincial responsibilities, for the purpose of an economic base in that area, one jurisdiction?" Perhaps there is no need to amalgamate completely, but certainly in terms of how things are arranged vis-à-vis the rest of Canada, and in amending the constitution, there should be economic regions and no particular province in those regions should have a veto over the whole of Canada.

Clearly the province of Quebec forms an economic region, and so does the province of Ontario. As we proceed west there is no question, in my view, that the province of British Columbia, perhaps together with the Yukon Territory, is becoming an economic region. I should like to see Alberta, the province of the hon. member for Edmonton East (Mr. Yurko), treated as an economic region, together with her sister provinces of Saskatchewan and Manitoba. In terms of an amending formula we should decide that each economic region should have a veto in amending the constitution if together they cannot agree on it, but that no right of veto in altering the constitution should be allowed to just one province as the provinces now stand.

In going on to other matters I should like to say that the referendum proposal suggested by the hon. member is an interesting one, but when he states that an amendment proposed by referendum must be passed in toto by a plurality of 75 per cent, and by at least 50 per cent in any province, then the matter of referendum has to be virtually unanimously agreed to by all voting Canadians. The cost of carrying out such a referendum would then seem like an enormous waste of taxpayers' money. Surely members of Parliament representing their constituencies are well aware when a matter has at least 75 per cent approval and at least 50 per cent approval in the whole of the country. So the referendum proposal, while I think it is interesting and one which perhaps will help us determine whether a particular region will be in favour of an amendment to the constitution, surely deals with a matter which should be considered on the basis of a majority rather than on the basis of 75 per cent approval across Canada and a 50 per cent plurality in every provincial jurisdiction.

The hon. member for Windsor-Walkerville and the hon. member for New Westminster-Coquitlam mentioned section 92 of the British North America Act. Surely the proposal will, in some senses, make it impossible to amend the constitution at all. If provincial jurisdictional matters cannot be touched at all without the unanimous consent of ten provinces, then in effect federal jurisdictional matters cannot be touched either, and what you will have done in effect is to have a provision not allowing an amendment ever to be brought to the constitution. I bring that to the attention of the hon. member because perhaps this was not his intention.

What concerns me about this proposal is clause 12. In the debate on the Speech from the Throne I spoke last week about my concept of one Canada. This clause refers to two linguistic solitudes, a French Canada and an English Canada, a hyphenated Canadian and different kinds of Canadians. It even goes so far as to suggest that they could break up confederation and go their own way. We have been together in this omelet of confederation since 1867. Our railways have run through each others parts, our canals service each others parts, our investments, our buildings and our enterprises in all of Canada are in English and in French. What we have been trying to do is to break down that solitude so that each one of us can talk to the other.

Surely this party recognizes the separate communities right across Canada. We recognize Canadians whose culture is Italian or whose culture is Indian. What we must do is to treat all Canadians the same in one equal Canada. Any constitutional proposal which, in its very essence, contemplates the breaking up of Canada on linguistic lines, perhaps with new boundaries, as suggested in paragraph 12, is one which I and the people whom I represent would be most unhappy to contemplate. I am sure that if the hon. member thought about it he would agree that the people of Alberta also would be most unhappy with it. Surely we have one Canada, and surely we can be one Canadian nation. Surely we cannot all of a sudden try to do the Humpty-Dumpty trick, get all the king's horses and all the king's men together, and put back into two separate packages what is in that frying pan. Sir, we are Canadians.

Mr. J. M. Forrestall (Dartmouth-Halifax East): Mr. Speaker, the opportunity to participate in the debate has just

about run out. In passing, I want to make two short observations, one in respect of the comments made by the hon. member for Windsor-Walkerville (Mr. MacGuigan), and the other in respect of the subsequent comments made by the hon. member for New Westminster-Coquitlam (Miss Jewett).

First of all I think that private conversation will bring about a further explanation of paragraph 12 which is quite understandable and which simply addresses itself to the fact that man-made boundaries seldom have much impact on language and culture, and on love and hope.

My other point is addressed to the hon. member for Windsor-Walkerville. I wish simply to remind him that the narrowness of his approach to the matter placed before us by the hon. member for Edmonton East (Mr. Yurko) does not in any way serve the very real point made by the hon. member for New Westminster-Coquitlam, that this House should be addressing itself to the nature of this question. For far too long the House has not been seized with this question in a proper and direct way. I commend the hon. member for bringing the matter forward and I hope that at some future date the subject of a bill similar to this will find itself before an appropriate committee of the two Houses of Parliament so that we may enter into a dialogue as members of Parliament perhaps for the first time in this century.

Mr. Deputy Speaker: Order, please. the hour provided for private members' business having expired, I do now leave the chair until 8 p.m.

At 6 p.m. the House took recess.

• (2000)

AFTER RECESS

The House resumed at 8 p.m.

GOVERNMENT ORDERS

[*English*]

OLD AGE SECURITY ACT

MEASURE TO AMEND

The House resumed consideration of the motion of Mr. Crombie that Bill C-6, to amend the Old Age Security Act, be read the second time and referred to the Standing Committee on Health, Welfare and Social Affairs.

Mr. Gus Mitges (Grey-Simcoe): Mr. Speaker, it is a pleasure for me to contribute to this debate and to have an opportunity to say a few words on Bill C-6, an act to amend the Old Age Security Act and, more precisely, an act to amend the spouse's allowance. I will keep my remarks relatively brief so as to give as many other hon. members as possible an

opportunity to express their various views and opinions on this very important and worth-while bill.

Today there are 2.1 million Canadians over the age of 65, approximately 9 per cent of our population. It is estimated that in the year 2001 there will be approximately 3.4 million senior citizens in Canada, representing 11.2 per cent of our population, and by the year 2031 there will be approximately 6.4 million senior citizens representing in excess of 20 per cent of the population.

There is no question that the biggest problem facing many of our senior citizens today is poverty. A single person who receives no other income except that of the basic old age security and the guaranteed income supplement must live off an income of only $3,700 per year, and a couple must live off an income of only $6,800 a year. The result is that one-half of the unattached elderly, and one-fifth of elderly couples, live below the poverty line. This is twice the rate of the general population.

One may ask: what about private pensions? Well, the answer is that private pensions, as they are structured today, are not able to meet adequately the retirement needs of most Canadians. When preparing my notes I was astounded to read that over two-thirds of our elderly do not have private pensions and that almost 60 per cent of working Canadians are not covered by company pension plans. Also it is a fact that very few pension plans are indexed against inflation, and that most of these pensions do not even provide for survivors' benefits.

In view of these very serious shortcomings and inequities in our pension system, particularly as they relate to our elderly, the problem is further compounded for those spouses whose only income is the old age pension and supplement to support his or her spouse who, because that particular spouse had not yet attained the age of 65, is not eligible for old age security, and consequently both spouses are forced to live—or perhaps a better word is survive—on the inadequacy of one pension.

This very serious problem was finally recognized by the government in 1975 with the passage of Bill C-62, the spouse's allowance. Although the bill was commendable in itself and it provided serious relief to the many pensioners concerned, it did not go far enough and some serious inequities still remain. Bill C-62 did not ensure that widows and widowers would be protected in the event of a spouse's death until the survivor became eligible for regular old age security at age 65. Also under Bill C-62 spouses receiving the spouse's allowance lost it if their spouse received a jail sentence of 90 days or more, and payment only resumed when the prison term was served. Although few people are affected by this provision, its application has been the source of inequities in that old age security pensioners face double punishment for their crimes: loss of benefits and imprisonment.

There is no question that it would be considered cruel and inhumane by every compassionate Canadian to have to say that on the death of the older spouse the pension of the younger spouse is terminated after six months. Yet this is the case today. It is a shocking situation that a widow, in her distressing time of sorrow, should receive information that the

pension she has been receiving will be cut soon. How is she supposed to live with no pension income? The bereaved spouse is advised, when notified of the termination of the allowance, to apply for provincial welfare, but until application is made and approved several weeks may elapse in which time ordinary living expenses still go on and on and on. Also she is advised to apply for Canada Pension Plan survivor's benefits.

If the deceased partner had been eligible to receive Canada Pension Plan benefits, the widow would have been eligible to receive approximately 65 per cent of the pension her husband received. However, this does not come automatically. Application for survivor's benefits first must be made, and it all takes precious time. To compound the matter further, for widows in Ontario another irony exists inasmuch as she is no longer covered by OHIP, the Ontario Health Insurance Plan. While her husband who was over 65 was living, she was covered as his dependent under the free health insurance provided. Now she must apply for OHIP, and while premium assistance is ultimately available to those eligible, premium payments must be made until the application showing proof of need is approved. This is a very unjust situation when pension income has been terminated.

When Bill C-6 is passed into law it will negate some of the inequities of the present act. Spouse's allowance recipients whose spouses die will continue to receive the allowance until they themselves turn 65 and qualify for old age security in their own right, or until they remarry or die. The second amendment will remove the provision whereby old age security benefits are suspended when an old age pensioner is sentenced to prison for more than 90 days. This also meant that spouses of prisoners entitled to the spouse's allowance lost their benefits as well. The two amendments will benefit more than 2,200 persons in the 1980-81 fiscal year and will cost approximately $4.6 million a year.

While these amendments will alleviate two serious problems, they represent only a further small step forward in relation to the pension system in Canada and the possibilities which still remain for even much greater improvement. No doubt as the Canadian pension system is being continually revised for further improvements, some issues can and will be dealt with quickly, while others more complex will require more time to accomplish.

● (2010)

If I have any criticism at all about Bill C-6 it is the fact that this bill will not benefit those spouses of pensioners who will have been deceased more than six months from the time Bill C-6 receives Royal Assent and becomes law. In other words, the retroactiveness of this bill is very limited, indeed. How was this figure of six months arrived at; why six months, and why not a year or two years? Why not include all eligible widows or widowers?

I have no doubt that Bill C-6 is commendable in redressing some of the glaring inequities connected with the spouse's allowance, but surely we can afford to be a little more magnanimous and extend the spouse's allowance to all widows and widowers eligible for the allowance, and who are between age 60 and 65, until they themselves are eligible for old age security at 65. Surely this is not only fair but also just.

Therefore it is of the utmost importance that when Bill C-6 is brought before the committee concerned, the Committee on Health, Welfare and Social Affairs, a change must be sought to have it amended to include the changes I have suggested. The extra cost would be negligible compared to the long over due and much needed benefits that would be received by those concerned who find themselves today living below the poverty line.

[*Translation*]

Mr. René Cousineau (Gatineau): Mr. Speaker, I should like for a few minutes to participate in the debate on Bill C-6, and more particularly the first part that guarantees to people between 60 and 65 who receive the spouse's allowance following the death of the other spouse, whether they be widows or widowers, that the benefit will continue to be paid as long as the financial need is there.

I congratulate the Minister of National Health and Welfare (Mr. Crombie) on his first bill, a bill designed to help needy and underprivileged Canadians, and as the hon. member for Winnipeg North Centre (Mr. Knowles) said, we hope it is a step in the right direction.

Mr. Speaker, I agree with the principle of Bill C-6 and it is not my intention to oppose it, and I do not believe my Liberal colleagues intend to oppose this bill either. Unfortunately, the government did not go far enough. It is all very well to say this government is doing more now than the previous government by doing away with the additional six-month period and adding a six-month retroactive effect. If we are serious about doing something, I believe, Mr. Speaker, the government should go a little further so that this measure will apply in all cases of death prior to the legislation rather than future deaths to come or deaths that occur six months before the legislation is implemented. One could ask: why did the previous government not do it? The answer to this, Mr. Speaker, is that it was the intention of the former government to forget all that and replace this survivor's allowance with a guaranteed minimum income program for all people between 60 and 65.

Mr. Caouette: Oh, come on!

Mr. Cousineau: The Liberal party at its convention held in Montreal last week, that is this past weekend—

Mr. Rossi: Is that the best you can do?

Mr. Cousineau: If he wants to disturb me, that does not bother me at all.

Mr. Rossi: Come on, there.

Mr. Cousineau: So the Liberal party this past weekend passed a resolution incorporating the principle of a guaranteed

minimum income for anyone between 60 and 65 regardless of marital status, that is whether that person is a widow or widower, single or divorced, but between 60 and 65. The minister felt that the total cost of benefits paid to spouse allowance recipients as a result of that amendment would increase by $400,000 in 1979-80 and $4.3 million in 1980-81. This is not quite accurate since the federal government pays 50 per cent of the welfare benefits given out by provincial governments. The provincial governments will not claim the part of the welfare payments granted to widowers and widows between 60 and 65 who had applied for it. In my opinion this will therefore mean a reduction in the claims of the provincial governments of between $1.5 and $1.7 million. It would therefore be more accurate to talk about a real expenditure of between $2.3 and $2.5 million for the federal government.

In its electoral campaign, the Progressive Conservative government did promise that it would take care of older people. As I said earlier, $4 million may appear in the books as expenditures under Bill C-6 but in fact $2.3 million will be paid in direct assistance. Yet the federal government will spend $2.3 billion for its famous mortgage interest deduction program while everyone knows—and it is a sad fact that the Progressive Conservative members are the only ones who refuse to admit this—that the great majority of older people no longer have a mortgage on their houses.

We often hear about this famous program, Mr. Speaker. We have said often and we will go on saying that this program is discriminatory since older people in general will not benefit from the mortgage interest deduction.

Unfortunately, I must say that Bill C-6 is also discriminatory since it will apply only to spouses and not to single or divorced people.

Mr. Speaker, the minister estimates that more than 2,200 people will benefit from this measure during the current fiscal year, and I can only hope that this will not be to the detriment of other Canadians.

[*English*]

We hope it is a step in the right direction.

This is what worries me, Mr. Speaker. The President of the Treasury Board (Mr. Stevens) has declared many times that he would cut jobs, cut expenses, with no increase whatever in expenditures. With such a policy, and I have asked this during my campaign and during my maiden speech, with decisions and declarations made without studying the consequences, who will suffer among those included in the budget for social welfare as a result of this increase of $2.3 million or $4 million? This money has to come from somewhere. Will the President of the Treasury Board ask the minister to cut some of the family allowances? Will he ask the minister to reduce benefits under the UIC? Will the President of the Treasury Board ask the minister to cut his budget for medicare? A lot of other questions could be asked about this matter, and a lot of questions remain to be answered. Where will the cuts be? Will the minister answer that?

This bill is such a tiny parcel, and represents such a tiny portion of the total budget. I trust the minister will not consider this bill as the great social reform of the Conservative government.

[*Translation*]

Mr. Speaker, in closing I want to thank the hon. Minister of National Health and Welfare for having given me the summary of this bill. However, I would like to tell him in a very friendly way not to be overly concerned about his personal stationery even if the Minister of Employment and Immigration (Mr. Atkey) had to destroy his own, as reported in the *Ottawa Citizen* on October 15 last.

• (2020)

[*English*]

Hon. Flora MacDonald (Secretary of State for External Affairs): Mr. Speaker, as one who has spoken often in this chamber and, indeed, across this country on the plight of elderly women and the poverty in which too many of them live, I am pleased that my first remarks in this chamber as a member of the government are in support of a bill which will go a long way toward removing the discriminatory aspects of the spouse's allowance legislation.

It has been a long fight, and my interest in it has been shared by many members, notably, the hon. member for Winnipeg North Centre (Mr. Knowles). I think that he and I have received more letters on this subject than all other members of Parliament. I am sure that the hon. member for Winnipeg North Centre is saying that he only heard from women on the matter, whereas I told him on one occasion that I had received letters from several men who had been left in that particular circumstance as well.

Mr. Knowles: That is what I was saying. I get them from the widows; you get them from the widowers.

Miss MacDonald: He is absolutely right. I endorse that.

This bill is not a minor piece of housekeeping legislation that we should easily gloss over. To me this bill symbolizes the compassion, the common sense, and the instinct for justice and individual dignity that we, as members, must have. I am proud to be associated with this bill, but even more so, with a government that so early in its mandate has moved to eliminate one of the lingering injustices in our pension system. How different was the attitude of the previous government.

This particular bill should have been enacted many years ago. By failing to act, the previous Liberal government caused untold hardship among those least able to protect themselves, widows and widowers between the ages of 60 and 65. The origin of that hardship goes back to Bill C-62 of the Thirtieth Parliament, debated in the spring of 1975. I said then, and have said many times since, that certain provisions of that bill were conceived in a spirit of meanness and callousness. Here we had a piece of legislation which enabled the younger spouse of an old age pensioner to receive old age security, on the basis of need, between 60 and 65 years of age. But then what? As

soon as the older spouse died, the younger partner lost not only her husband but her pension as well.

[*Translation*]

The reactionary approach of the former government regarding older women was evidenced in the legislation on spouse's allowance which was tabled in 1975. I clearly remember the remarks I made to the then minister of national health and welfare when he appeared before the committee. I asked him, among other things, what he and his government had against widows. What really irked us was that the younger spouse who received regular allowance cheques was faced, upon the death of her spouse, not only with the loss of a loved one but also with an immediate stoppage in her allowance. By arguing for the suspension of payments, the hon. member for Outremont (Mr. Lalonde) gave a very clear idea of his government's attitude towards women, in particular, older women. The bill we have before us today, Mr. Speaker, will right this wrong.

[*English*]

The victims of such action have overwhelmingly been women. Statistics have shown that in 90 per cent of marriages the younger spouse is female and that females live longer than males. These women, who in their younger years remained in the home looking after children, with no access to continuing income or pension plans, are the same women who in their later years too often become the victims of a society which has not yet come to terms with equality in the work place.

While women have been "persons" for 50 years, society continues to discriminate against them, and the elderly woman is doubly prejudiced. It was all too easy for the previous government, in the name of saving a few dollars, to have denied and opposed the repeated attempts by my party and the NDP to correct the discriminatory aspects of the spouse's allowance program.

The sums involved have never been great.

An hon. Member: Oh, oh!

Miss MacDonald: No, I would say to the hon. member in the opposition that the sums involved were never large and the victims were not many but the government of that day would not pay attention. Moreover, this group is anything but highly organized with all the means of professional lobbyists. It is estimated that each month roughly 200 recipients of spouse's allowance have their benefits cancelled. In a full year of operation, the extension proposed today will cost the treasury only $4.5 million. It is not much when human dignity and justice demand it.

I want to take this occasion to salute the many women and, indeed, the men who have insisted, by their letters and their pleas, that this legislation be changed. No issue has so consistently dominated my correspondence or gripped my conscience as the shortcomings of the spouse's allowance.

An hon. Member: Oh, oh!

[Miss MacDonald.]

Miss MacDonald: The hon. member in the official opposition laughs about this sort of thing, but I can tell him that there are many elderly women in this country who have had cause for tears because of this legislation.

Mr. Hnatyshyn: It is not a laughing matter, and the hon. member for Gloucester (Mr. Breau) should know better.

Miss MacDonald: What these women have done by continuing their efforts in letter writing and in representations has been a real exercise in grassroots politics—the efforts, disorganized though they might have been, of the elderly, the poor and the destitute who have been subjected to the callous and frustrating treatment of a government that chose not to listen. The great thing about it is that these people never gave up. In their own quiet and persistent way they knew that common sense and fair play would prevail, even if it took an election and a new government to realize it.

One of these persons was a widow from British Columbia who wrote to me just recently. She enclosed an earlier letter I had sent her in which I had pledged myself to press for the continuation of the spouse's allowance after the death of the older partner. The lady did not have an organization to protect her economic interests. She did not have a lobbyist in Ottawa. She probably did not have a degree in political science or law, but I can tell you she knew where common sense lay, and she is now calling on the government to respond. The support and active encouragement of people such as this widow from British Columbia, regarding the spouse's allowance, is the democratic system working at its best.

• (2030)

This bill removes one inequity, Mr. Speaker. It does not profess to tackle all of the discrimination and injustice that has been allowed to become encrusted in our pension system. Too many of the elderly people who built our schools, our bridges, our roads, and reared our children—too many are living their last years in poverty. And of these poor, it is the women who are the poorest. As the recent study on women and poverty undertaken by the National Welfare Council states:

> Most Canadian women become poor at some point in their lives. Their poverty is rarely the result of controllable circumstances, and it is seldom the outcome of extraordinary misfortune. In most cases, women are poor because poverty is a natural consequence of the role they are still expected to play in our society.

The report goes on to conclude:

> In our study of low income women in Canada, we found that old women, and especially widows, are more likely to experience poverty than any other group in this country. After a lifetime spent taking care of their spouses and children, these women who had no opportunity to become financially self-sufficient are now abandoned by the generation that benefited most from their work.

That, sir, is an analysis of the plight of elderly women in Canada today. I am delighted that the attitude this government displayed in moving so quickly to extend the spouse's allowance has led us to take two further steps on this difficult road to end poverty among and discrimination against women.

[*Translation*]

First, the minister responsible for the status of women is currently working with his colleagues on the establishment of an employment strategy for women. That program will tackle the immediate problems women have to face on the job market and, in the longer run, will alleviate the disproportionate burden older women must bear.

Second, as was announced in the Speech from the Throne, a standing committee of Parliament will soon examine the question of financial needs of pensioners in the eighties. I hope that those who will be affected by the conclusions of that study will express their points of view as persistently as and even more vigorously than all those who contributed to maintain the spouse's allowance. I urge hon. members who will be involved in this study to come to grips with the problem of the inequalities which still exist in our pension plan and to consider the sensitive questions relating to those Canadians who are not protected by the present laws. What happens to single people, divorced couples, and those who have recently lost their spouses? That question will obsess us as long as women will not be equal partners in the labour force and will not enjoy equal access to pension and old age security plans.

[*English*]

This bill, sir, is both real and symbolic. It is real in that it corrects an inequity. It is symbolic in that it demonstrates that this government will tackle the problems of the elderly poor with vigour and with compassion. Only through this process can we achieve a humane, sensible, and broadly-based public policy capable of meeting the needs of Canadians.

Some hon. Members: Hear, hear!

Mr. Paul E. McRae (Thunder Bay-Atikokan): Mr. Speaker, I am pleased to be able to support this bill. I should like to congratulate, first of all, the hon. member for Kingston and the Islands (Miss MacDonald), as I know she has fought many many years to have this inequity reversed. I hope that when the bill has passed through committee many of the changes will have taken place, as I think we still have many inequities. Certainly some of the people who have been writing to her, and for whom she has been crusading over the last few years, will not be re-instated, as the bill only goes back six months. I am sure the hon. member for Kingston and the Islands will appreciate that. Certainly the hon. member for Grey-Simcoe (Mr. Mitges) indicated that he would like to see that changed in committee. We would like to see that changed, and the hon. member for Winnipeg North Centre (Mr. Knowles) indicated that his party would as well. I think there is a mood to make the change to ensure that those who have drawn this in the past will be re-instated.

I should like to congratulate the Minister of National Health and Welfare (Mr. Crombie) on his new job and let him know there is a mood on this side of the House to support him. I know he will run into a good deal of difficulty because of the government's disposition to cut back, to privatize and turn things back to the provinces. This is going to make his job very difficult. His job will also be difficult because I get the impression, as do many members on this side of the House, that his department has been downgraded to some kind of a post office arrangement—that the power that was formerly in that department has given to some kind of committee with a super minister of social development. At this point we do not quite know to whom to put our questions as we are not sure who is responsible in the inner cabinet which makes the decisions on what happens in respect to health and welfare. About one quarter of all government expenditures are made through this department.

We will stand behind this minister. I think he is doing his best, and he will have a lot of support for measures of this kind. I am also pleased that the minister has instituted a pension review. I hope this review will make things better, although it was indicated by another minister who held a job which does not exist any more, that there was some question whether old age pensions should continue to be universal. I do not know whether this is the case, but we keep hearing such things. Someone makes a statement that universality is at stake, or that we have to look at universality because we cannot afford to keep doing what we are doing.

I am not sure whether at this point the government is sending up a lot of trial balloons. Last week the press was writing about gasoline costing $1.45 per gallon, but at the weekend they were writing about gasoline coming down to about a dollar or $1.20 per gallon. The press reported that the Minister of Energy, Mines and Resources (Mr. Hnatyshyn) had a meeting in Calgary with the minister from Alberta and they talked about a different price range. The minister has said that he did not have a meeting with that minister in Calgary, but then we found out that he had the meeting in Saskatoon. This type of thing goes on and on, Mr. Speaker.

I get the feeling that the government thinks it can frighten people with talk of $1.45 per gallon for gas and then those same people will think they are on a good thing when the government starts talking about $1.20 per gallon. I feel that is exactly what has happened with the talk about pensions. Is it a trial balloon for the press? As an example, the President of the Treasury Board (Mr. Stevens), or his office, gave the press the idea that there would be a cut of $1.5 billion in social services, or in the whole area known as social development. This would cover unemployment insurance, social welfare, medicare, pensions—the whole area that would fall under one particular super minister. I asked him a question today and he said that that rumour was certainly not true. Unfortunately, I was not able to ascertain what the cut was going to be, but we keep hearing about a cut. It may be the same kind of cut. We may start with $1.5 billion, then everyone says that we cannot have that. If we end up with a cut of a billion, everybody says that that is much better, it is $500 billion less. It is this kind of thing that I think is going on.

● (2040)

I am not sure whether this government is doing this deliberately, so that when the axe falls it will look benevolent, or

whether it is accidental. I do not know if it can mount a conspiracy of this kind. Conspiracy takes a lot of thinking. Brains are needed to mount a conspiracy. Perhaps this is giving too much credit where it is not due. But, I am not sure, and I am concerned.

I am concerned when we talk about universality of pensions. If pensions are to be cut back, and people are told that the old age pension—the pension that you and I and my constituents have been counting on for the last 20 years, counting on getting when we are 65—is not going to be there any more, then plans people have made will be for naught. People plan that this security will be available.

I am very disturbed when I hear ministers make this vague reference about universality. I am very disturbed when I hear there are debates taking place around the country on universality. I think this whole area of social security has a formidable principle, that is, universality and extra assistance where needed. These are the two cardinal principles to all of these things.

Universality in medicare, is another example. Are we getting to a point where that is going? I do not know. I really hope it is only that "trial balloon" that I am talking about, that the government is playing some kind of game and that it will get out of that when it is a little older. After all, we are not very good in opposition either. It takes a while to get used to these parts. I am most concerned that at some particular point somebody is going to pop this one on us. Somebody is going to say that we are going to get rid of universality. This is the beginning of this particular debate.

I wish this bill was going further. At times I was embarrassed by the fact that we did not make this move that the government is making today. I think that move could easily have been made, but there was a reason. We wanted to move into a guaranteed kind of annual wage situation, certainly for those people over 60. As the hon. member for Winnipeg South Centre—

Mr. Knowles: It is Winnipeg North Centre.

Mr. McRae: Winnipeg North Centre, I am sorry. As the hon. member for Winnipeg North Centre (Mr. Knowles) indicated, and I agree with him, he would like to see that we return to the age of 60 as being a flexible age by which people can move out of the working force. In the long run this makes a great deal of sense. I believe that if you free people from their jobs at that point, those who want voluntarily to be free, a lot of job openings would be created and there would be a considerable saving at the other end, that is in UIC.

I think we should be moving into an area with some kind of guaranteed annual wage which would permit people to retire at an earlier age if they are not well—or for any other reason. If they need support, this would give them some support. The reason that we steer away from this kind of thinking is that it is too costly and we cannot afford it. The NDP steers toward it but, never having been in power nationally, it has never had to face up to the other side. This is the reason that I am not a member of the NDP, because at some particular point one has to face up to paying. When we talk about moving in these directions, earlier retirements, extending programs, a complete medicare program—which is costly—we have to spend some time talking about how we raise the money. Certainly when the government is faced with a deficit of $11 billion, $12 billion or $13 billion in a year, there is a grave problem facing it.

We should look at how we got into this situation. Inevitably the Canadian people think that we got into it because we had too many social programs, that too much was being paid out for this, for that, and for the other thing, to name a few, medicare, welfare, pensions for people who have needs, and so on. They think it is because of these programs the government is in a deficit situation. I think that is wrong. It is wrong to make that simple an assumption.

If we take a look at the revenue curves of the past government through the years up to about 1974, 1975, hon. members will find that the revenue and expenditure curves rise at roughly the same rate. One goes up a little more than the other in one year, but the next year it is reversed. But all of a sudden we got into some very significant increase in revenue when we indexed. This is something that we had to do because of inflation. As this government is now finding out, inflation is not a local phenomenom but a world problem. We indexed some things, but then we did something that got us into a lot of trouble. We indexed exemptions on income tax and a whole series of other things which became known as tax expenditures. So the expenditure curve went up this way, and the revenue curve went out like that. If one looks at those curves one can almost find the day and the hour when we indexed exemptions in income tax.

If this government wants to continue some of these programs and give the people the kind of social security that Canadians can expect—because we are a wealthy country in many ways—some of these tax expenditures will have to be examined. There are a whole series of them. The National Council on Welfare in a book written in 1977, I believe, called "The Hidden Welfare System Revisited", mentioned the year 1975 to 1976. This was the last year that figures were available. In that book it indicated that the tax expenditures increased by 17.9 per cent that year and government expenditures increased by only 10.4 per cent. Basically there was about a 27 per cent spread there. These things will have to be examined.

When exemptions are indexed to the cost of living, which is a desirable thing—there is no question about that—each year one has to add to the exemption created in the last year. For example, if it is $1.5 billion this year, over four years it is probably $5 billion a year that we are talking about. This is another area about which we should think seriously. I would hope that this minister, even though he may be in a somewhat lower echelon than the Minister of National Health and Welfare should be, will be elevated to the inner circle. Also I hope, before cutting back on these programs we can begin to start paying for them by increased taxation of some sort or other, and we should look at some of those tax exemptions.

They may have been justified for a short period of time but they are not justified now. We should try to pay for these particular types of programs because they are real programs for people with real problems.

● (2050)

Mrs. Margaret Mitchell (Vancouver East): Mr. Speaker, I, too, would like to congratulate the Minister of National Health and Welfare (Mr. Crombie) on his new post. A minister who comes from cabbagetown can't be all bad. I hope his reputation for encouraging citizen involvement at grass roots will extend to his new ministry as well.

My party and I face a dilemma with regard to Bill C-6 in that we must support a bill that we oppose. We must support this bill because we know that 180 people will benefit from it each month, widowed people who need a pension very badly. Therefore, we want no delay. At the same time we are opposed to this bill for two reasons—first, it is based on sexist principles, or, as my hon. friend from Winnipeg North Centre said this afternoon, a spouse has to be dependent upon having a man, alive or dead. Second, it does not go far enough to protect those aged 60 or over.

As my hon. friend from Winnipeg North Centre pointed out this afternoon, it is particularly ironical that the Prime Minister (Mr. Clark) and the minister of health should hold up this bill as a celebration of the fiftieth anniversary of recognizing women as persons. In my opinion Bill C-6 is based on an out-dated attitude that Emily Murphy and her colleagues abhored. It denies the basic right of women to be treated and respected as individuals in their own right, entitled to pensions equal to men's regardless of age or marital status. Also, it ignores single, divorced, and separated women, and those who live common law, making them third class citizens with no right to a pension at all until they qualify for an old age pension.

We agree that widows, and widowers too, should have an adequate pension adjusted to their income. As other hon. members have pointed out, the National Council on Welfare reports that one widow in four can expect not to benefit from the employer of her dead husband, and 45 per cent of all widows in the 55 to 64 age group are poor.

Many women who become widows before 65 have worked as homemakers for perhaps 40 or more years. In their earlier years they probably worked 12 hours a day, seven days a week, and all this without pay. After their children had grown up they found they had few marketable skills so they were unable to seek employment in today's market. Unlike working men, they are not entitled to the Canada Pension. Surely these women are entitled to an adequate pension at age 60, or earlier, if one is needed, regardless of whether they are widowed or whether they are legally married.

Mr. Speaker, I hope the minister of health will take action now to prevent the need for spouse's pensions in the future. The former member for Vancouver-Kingsway, Grace MacInnis, strongly advocated that we needed pay for homemakers, and also pensions for homemakers. She recognized that homemakers should be entitled to equal pay for work of equal value, with a full Canada Pension when the time came for retirement. What work is more valuable to society than child care and home making? Why shouldn't it be recognized as an essential job worthy of pay? Even our kids get allowances for helping in the home these days.

I cannot stress too strongly that Bill C-6, while necessary as an intermediate step, treats women, and widows particularly, as inferiors, while ignoring many other woman. Eligibility is based on a dependency relationship to a spouse; it treats the woman as an aging sex symbol rather than treating her with dignity as an independent person with rights in her own name. An even greater injustice in this bill is the fact that it completely ignores the needs of single, separated or divorced people who have no other source of income. Again, the majority of these people are women in the 60-65 age group.

More than 50 per cent of the women between 55 and 65 earn less than $4,000 a year, compared to 11 per cent of men in this age group. So we find that single, poor women under 65 are the most deprived group in our society. Many of them live as lonely outcasts in substandard rented rooms. They are not eligible to get into public housing. Many of them have a high incidence of mental health problems and physical health problems, as a result. They live on fixed welfare incomes of less than $200, in British Columbia at any rate, and the cost of living is going up every day. Such single, poor women, and also 11 per cent of single, poor men, have just as much right to an adequate pension as widowed spouses who at least may have a home. I resent having to categorize people in this way.

Band-aid token programs for a very small segment of our society cost a great deal and benefit very few. Bureaucratic welfare programs should be replaced by a social insurance system for those in need. We must aim at an adequate guaranteed income, or perhaps the term "social insurance" is better these days, with cost of living adjustments for all those who cannot afford to work, who are unable to work. As a first step, of course, the target group should be elderly citizens aged 60 and over who have contributed so much to Canada, and who deserve a life free from financial worries. Social insurance should be their right, just as old age pensions are. I should like to point out that in British Columbia during the golden years of 1972 to 1975—

Some hon. Members: Hear, hear!

Mrs. Mitchell: —we could afford this. We had a "mincome" program which was introduced for all unemployed persons aged 60 to 65. This program was paid for—and I hope members on the government side are listening to this—from the profits of the British Columbia Petroleum Corporation, which was B.C.'s version of PetroCan. Incidentally, "mincome" was so universally popular that it is being continued by the British Columbia Social Credit government. So it can be done, and I would say the profits of PetroCan might go a long way toward paying the costs of a federal "mincome" program, if we had sense enough to keep it and develop our oil resources.

In conclusion, let me suggest the following priorities. First, let us approve Bill C-6 making it retroactive to include all eligible spouses whether legally married nor not. Second, let us begin now to initiate a "mincome" quaranteed income program, with a COLA clause, for all unemployed persons aged 60 or over. Finally, I say this to the minister, let us plan to set up a guaranteed income system to replace our obsolete welfare system by 1985.

[*Translation*]

Mr. Eudore Allard (Rimouski): Mr. Speaker, I am pleased to participate in this debate which has been taking place for many years during each Parliament because, particularly when it comes to the elderly, our social policy is indeed found wanting. The Secretary of State for External Affairs (Miss MacDonald) indicated in her speech a while ago that the hon. member for Winnipeg North Centre (Mr. Knowles) and his party have always participated actively in debates on underprivileged people and I congratulate them for doing so. But I want to insist on the fact that the minister, voluntarily or not, did not allude to the very active part that my party and myself have always played on such issues as retirement at 60 and the guaranteed annual income. I suggested many times the idea of optional retirement at 60 and I defended the interests of those who live in poor conditions. I shall come back to that later.

First, Mr. Speaker, we must commend the introduction of this bill by the government. I congratulate the Minister of National Health and Welfare (Mr. Crombie) for having introduced this bill among the first legislative measures to be considered by the House.

I should like to remind the House that as soon as the spouse's allowance was introduced, I pointed out the problems raised by the death of the spouse and by the withdrawal of the allowance from the surviving spouse. In March, 1977, I moved a motion under Standing Order 43 asking the government to pay at least two-thirds of the allowance to the surviving spouse. The House is surely aware that quite a number of older persons are faced with acute survival problems. Those people are found especially in the 60 to 65 age bracket. As a matter of fact, Mr. Speaker, employers no longer want to hire those in that age group at a time when they are unable to work because of ill health, and their only financial resort in many cases is social welfare. It is a sad end to have to make do with a small welfare cheque each month after a lifetime of work.

Bill C-6 will be welcomed by senior citizens who were deprived of their allowances. I hope, as they do, that the bill is only a step towards an old age security program at the age of 60. Last year, the hon. member for Kingston and the Islands, now Secretary of State for External Affairs, brought forward an opposition motion on the same subject as the present bill. The former government did not budge. I am happy the present government did not make only crazy promises during the campaign. This bill, as I said before, is not an end in itself but a step towards lowering pensionable age to 60. At least, I hope so. The problem goes beyond that.

The economic situation of our pensioners is precarious. Statistics Canada figures that 43 per cent of those who live below the poverty line are people who live alone. Most of them are old people. Pensioners without investment income have no protection against contingencies. Where the constant rise in the cost of living is concerned, they only have the quarterly indexation to help them. That is why, at the time of the debate initiated by the Secretary of State for External Affairs last year, I suggested a plan providing voluntary retirement at 60, a plan to be implemented progressively by lowering retirement age to 60 and making retirement voluntary. In other words, those who can work and want to do so could in fact keep on working. Besides, a study by the department of psychology at Western University, prepared for the national symposium on aging, held here in Ottawa on October 25, 1978, indicated a clear tendency towards early retirement at 60. We would therefore not be imposing early retirement since most of the aged would dearly love to retire sooner.

In Canada at the present time, there are over 2 million pensioners, half of whom receive the guaranteed income supplement. Last year, that old age and guaranteed income supplement program cost the treasury $4.3 billion. There is no doubt that a retirement plan stipulating voluntary retirement at 60, even if it were to be implemented progressively, would cost at the outset considerably more. On the other hand, such a plan would in fact free a number of jobs estimated at something like 287,000 in 1977. That is to say then that opening up those jobs would save considerable amounts in unemployment insurance. It therefore boils down to reorganizing financial outlays within the existing framework. Over the short term, it would mean considerable outlays. But over the medium and long terms, society as a whole would benefit greatly.

I recognize, Mr. Speaker, that outside the framework of a guaranteed annual income it is difficult to propose final and global solutions. Referring back to the meeting of the welfare council held last fall, I would like to quote from a report submitted by Queen's University which stated:

> Adequate revenue, decent housing and means of transport are essential not only for senior citizens but for all citizens.

This quotation shows the merits of a guaranteed annual income system of which we, of the Social Credit Party, have been the most ardent champions since the beginning of our movement. Until now, old age security benefits have fallen short of ensuring peaceful retirement to our senior citizens. They are faced with many problems, from the deterioration of their health to their isolation from the rest of society.

We no longer live in an era when a citizen could some day pretend to enjoy his retirement. What is in store for the elderly is uncertainty and even poverty in certain cases. Therefore we must look far beyond the measures that have been proposed to

us today because any program designed to improve the living conditions of the elderly will be without positive impact if it does not get translated into adequate revenue and guaranteed financial security.

Our population is aging which means that because of a declining birthrate and the greater availability of health services, the elderly will make up a growing segment of the Canadian society. It is therefore now that we must prepare to face this situation. We should not wait until that time has come before we react. Some day elderly people will be in a position to organize and ask for their fair share of the riches which belong to them. Future generations of elderly people will have experienced affluence and education. These people will not tolerate as easily their regression into poverty.

The logical solution to the problems which will arise in the future is undoubtedly a guaranteed annual income. In January, 1977, I made the same representations that were listed in my speech today to the then minister of national health and welfare who is now sitting in the opposition side of the House as the hon. member for Outremont (Mr. Lalonde). The minister told me in his letter dated February 9, 1977, that it was impossible to bring any over-all solution to the problems faced by senior citizens, and that the problems plaguing the disadvantaged and the senior citizens could be resolved to a large extent through the implementation of a guaranteed annual income plan, a program which could be ushered in with the provinces, as had already been done for hospital insurance and medicare plans.

Therefore, it is my hope, Mr. Speaker, that the government will consider very seriously that most important proposal concerning the guaranteed annual income in order to respect the right of all Canadians to a decent standard of living.

• (2100)

[*English*]

The present situation is bad enough in our country, so Parliament should pay attention to its members. This is especially important in healing our fractured national unity. The essence of unity, after all, is that all Canadians should feel they share in running their country through the elected representatives whose views are heard with respect and effect.

Some hon. Members: Hear hear!

The Acting Speaker (Mr. Scott (Victoria-Haliburton)): Is the House ready for the question?

Some hon. Members: Question.

[*Translation*]

Mr. Armand Caouette (Abitibi): Mr. Speaker, how the whole population of Canada must be glad tonight to have elected a minority government last May 22, especially the people from the constituency of Abitibi who know very well, as they always did, that a minority government at last brings the legislation the people want. Suffice to recall the year 1972 when the party which today forms the official opposition was then a minority government and when we saw so many pieces of legislation like the one we are dealing with today!

A while ago I was listening to the hon. member for Gatineau (Mr. Cousineau) grumbling against the bill introduced in the House by this government. I remember that during the 30th Parliament I sat on the Standing Committee on Health, Welfare and Social Affairs, when the hon. member for Outremont (Mr. Lalonde) was the incumbent minister and I recall urging him a number of times to improve the Old Age Security Act. How the costs were high, then, Mr. Speaker! And yet older people now have to cope with a higher cost of living, but since we have a minority government it will be introducing measures like the one we are dealing with today precisely because it wants to give Canadians legislation with which they will be happy.

Mr. Speaker, I want therefore to commend this new government on this welcome measure. If it carries, and I have no doubt that it will, the proposal will enable people 60 to 65 who now receive the spouse's allowance to have something the Social Credit Party has been urging for years, the right to their pensions even when their spouses die. Until this legislation does pass, these people are cut off from any benefit or possible income for their survival. So, on my behalf and that of my constituents in Abitibi, I once more commend this government for bringing forward such a bill.

This is a great improvement to the current act, under which the allowance is maintained only for six months after the pensioner's death. As my colleague from Rimouski indicated earlier, we had been requesting the previous government to improve the act for the benefit of people who gave so many years of their lives, who worked hard so that this country may be a good place to live in. Unfortunately, the good must pay for the bad. And the aged were paying for the bad. All they could do was to beg for a small pension from social welfare in order to pay their rent; they no longer had any money to eat.

Mr. Speaker, it is a known fact that the aged are the most underprivileged in our society. It may be remembered that the late Réal Caouette used to advocate a complete review of the Old Age Security Act. Of course, there were improvements: cost of living indexing of pensions, the supplement, and the spouse's allowance. Those measures were aimed essentially at protecting the aged against inflation, as we said earlier, but did very little generally to improve their circumstances.

In my view, Mr. Speaker, this legislation is an excellent start, and it is my wish that people over 60 can one day get the full spouse's allowance. That may have been an amendment we moved at the health, welfare and social affairs committee to recommend that a pension be paid to anyone aged 60 who wants to leave the labour force to make room for younger people who are now receiving unemployment insurance and welfare payments.

• (2110)

We hope that some day this government which represents the Canadian people, the same government which has decided against the guaranteed annual income, might bring forward another improvement to this bill so as to allow a 60 year old worker to leave the labour market.

Mr. Speaker, in the past we often recommended such an amendment to help any person whose spouse died. I also took up this important theme once again during the last election campaign, and at that time I did not suspect in the least that my Progressive Conservative opponent might advocate such legislation. I think that my Progressive Conservative opponent in the last election must be very pleased about his government, even though we in the opposition propose the solutions that the entire population wants.

I also recall that, during the electoral campaign, we asked the former prime minister when he came to a meeting in Val d'Or what he intended to do for senior citizens. We never had a reply. Does this mean that, if he had been re-elected, his government would have gone back on its position that it was too costly to pass such a bill?

An hon. Member: It was about the price of Janelle—

Mr. Caouette: I know that it was not because of the cost to the minister of national health and welfare in the former government that we were told it was impossible.

Mr. Speaker, I shall be proud today to announce to the people of the Abitibi riding that this Progressive Conservative government finally knows what it wants. I also hope that this government will continue for a while yet to introduce such bills which benefit people in this age group and the entire Canadian people.

Mr. Speaker, I used to tell my opponents that, as a group, senior citizens were the most disavantaged in Canada, and they used to deny this and say that, in the last few years, older people had obtained privileges that others did not have. It is true that they have certain privileges, but many still live below the poverty line. We know that more than 800,000 people over 65 now live below the poverty line.

Mr. Speaker, the report published last year by the Quebec Federation of Senior Citizens and the Canadian Federation of Senior Citizens, which attempted to prove that many older people live below the poverty line, must also be kept in mind. As I said earlier, these people must be very happy today.

It is true that this report was published in 1971, but the information it contains must still be relevant in view of the ills resulting from inflation. Something had to be done for the spouse who lived in poverty after the death of the spouse who received a pension. The death of his or her companion has already been very distressing so it is normal that those people be protected by our government. They have built our country. Thanks to them our children have a better social status. We are proud of our senior citizens. When I think of those people who have opened up and built northwestern Quebec and of all the difficulties, sacrifices and miseries they endured, when I think of their tenacity, Mr. Speaker, I believe that those people today have the right to expect a social measure that will give them at least a chance to live their last years reasonably well-off instead of having to beg from everyone, from one government level to another, and always get the same answer, "You are living your last years, so we do not have to improve your situation". So, Mr. Speaker, I say yes to this bill but as my colleague, the hon. member for Gatineau (Mr. Cousineau) pointed out earlier on, I regret that this reform does not apply to single or divorced people. But I hope that this government will continue to improve this bill. Of course the Liberal party would have done so had it been in power as it would have been a minority government like this one. It would certainly have tried to bring some improvement.

Mr. Speaker, in conclusion, I am pleased to support the bill we have been presented with today and I hope that this government will go further since the Progressive Conservative members in the House of Commons certainly have to face in their ridings the same problems as the hon. member for Rimouski (Mr. Allard) or the hon. member for Abitibi when they meet those people living under the poverty level or who have to beg, as I said earlier, from welfare services to be able to live decently during the limited time they have left.

• (2120)

[*English*]

Mr. Bob Kaplan (York Centre): Mr. Speaker, certainly I do not intend to make a very long speech, but I asked the whip on our side earlier this evening if a few words from me would be in order, and for the first time in the three Parliaments of which I have been a member, he did not discourage me from speaking. Times have certainly changed.

I intend to support this bill. I think the bill is some progress, and certainly I would not oppose a measure which brings relief to the needy. But I want to make two reflections on the bill. Under our present system, although there are problems, I am satisfied with the regime which one enters on reaching the age of 65. I heard the hon. member for Abitibi (Mr. Caouette) complain about it. One can complain about it, but basically the system we have in this country is very good. The advances which have taken place over the last 11 years have been very considerable. We have moved to a system where reaching the age of 65 for many poor people in our society is a goal to which they look forward, simply because of the social security system available on reaching that age. That is one of the points I wanted to make.

My second point is that I resent very much the suggestion by hon. members opposite and the minister that adding this very small measure has solved the problem, or moved very much closer to bringing justice to those who are needy and under 65 years of age. The amount of $4 million is a considerable one, but in terms of the social programs of this country it

does nothing, and it does very little to relieve poverty for those under the age of 65.

Miss MacDonald: Oh, oh!

Mr. Kaplan: The Secretary of State for External Affairs (Miss MacDonald) can stand up. She made speeches which focused on this very small group of spouses whose older spouses died after becoming entitled to the pension at age 65 and before the younger spouses reached the age of 65.

Miss MacDonald: And you never listened.

Mr. Kaplan: I am glad some of those constituents—and some of them are mine—will now continue receiving this pension. But it is a very small matter and it is hardly one about which anyone opposite can claim a great deal of satisfaction when so many others below the age of 65 who are in need receive absolutely nothing from this very, very small measure.

I resent the smugness I detect from the minister opposite, as if this very small measure, of which even the President of the Treasury Board (Mr. Stevens) would approve because he is so niggardly, takes us very much closer to justice for people who are under the age of 65. I should like to hear the minister answer in committee for the needs of single persons under the age of 65. I should like to hear him answer for what his government proposes to do for those who are widowed before their spouses reach the age of 65. I am sure that the category is just as large for couples where the older spouse dies before reading the age of 60 or before reaching the age of 65. The younger spouse in social terms is worse off than those whom the minister is proposing should benefit by the measure being introduced tonight.

I am very happy about this measure. I will vote for it, but if it is the social conscience of the Conservative party and members opposite, if this is the type of small cheese about which they intend to make great speeches and use to indicate that they have a heart, I will be very disappointed, as will my constituents and the people of Canada.

Some hon. Members: Hear, hear!

Mr. Simon de Jong (Regina East): Mr. Speaker, I will not speak long because I think it is in everybody's interest to have the bill voted on and passed this evening, but I should like to add a few remarks to the debate. Having listened to the previous Liberal speaker, we can begin to understand why the Liberal party was defeated, although he made serious points as well. We seem to have a little social progress in the country every time we change government, and if there is a minority government, we have a little more social progress. Unfortunately that has been the history of social progress in this country—only under political pressure and only to get some political points.

The bill before us is a small step in the right direction, and therefore we will be voting for it. The speaker from our party pointed out the shortcomings of the entire pension scheme and the fact that single, divorced and people living common law will not be covered by it, as well as those who became widows more than six months ago. These are all shortcomings. There are not only shortcomings in this bill, there is a whole range of shortcomings in the entire area of social security in this country. This is something for which both the Liberals and Conservatives must take responsibility.

• (2130)

When I started compaigning, knocking on doors in my constituency, I was amazed at the number of elderly people living close to total economic and social insecurity. These are the people who worked hard all their lives, the people who settled and developed the prairies, the people who had to struggle against the severe elements, breaking open the prairies and getting development started. Many of them worked for 25 cents and up to $1 a day, yet saved money. These people were really committed to the work ethic. They have now retired and have seen the system and inflation rob them of their savings. These are the people who live from month to month with total economic insecurity.

It is our system that has produced this situation, and it is the system that has robbed these people of the wealth in this country that they produced in their lifetime. Therefore it is the system surely that must be blamed, and it is a system that members of both the Conservative and Liberal parties continue to support and perpetuate. It is a system in which most of the wealth leaves the country so that the little that remains has to be distributed among our elderly people.

An hon. Member: That is nonsense.

Mr. de Jong: An hon. member opposite says it is nonsense. Surely this is a rich country. Everybody agrees with that. Everybody agrees that this is one of the wealthiest countries in the world, with one of the smallest populations in terms of area and resources. That being the case, why is it that we have elderly people trying to live on $200 a month or less? Why is it we have people living on the edge of economic insecurity? There are a number of European countries with larger populations and fewer resources which have been able to do better for their elderly people than we have been able to do for ours. How do you explain that? Surely the only explanation is that the wealth of this country is not reaching the elderly people who created it and who need it today. That, unfortunately, is the sad case.

What we are finding now, and found under the former government, is that whenever there is a deficit in government financing the only way the government can think of to solve the problem is to cut back on benefits to the elderly. I am afraid of the type of cutbacks that may be looming in the future. We had an inkling of them when the former government tried to take some wind out of the Conservative sails by introducing some Conservative programs, at which time we had some cutbacks. What I am afraid of is that we will see a continuation of this under the present government. In other words, the people most in need and most deserving will be the ones whose programs will be cut back first.

What is involved is the redistribution of income and the redistribution of wealth. I am afraid this government will not really tackle the fundamental problems facing our elderly people as the former government did not tackle those problems. It brought in some social programs but neglected to put an economic base under them so that, in tough economic times, those programs were cut back first. I am afraid we are going to see some tough times ahead for our elderly and our young people.

We will support this measure as it is a step in the right direction, but we will be urging, convincing, seducing and cajoling the government to take the next step, the next step and the next, until we have social and economic justice in this country.

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

Some hon. Members: Question.

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

Some hon. Members: Agreed.

Motion agreed to, bill read the second time and referred to the Standing Committee on Health, Welfare and Social Affairs.

* * *

POST OFFICE

MEASURE RESPECTING CERTAIN POSTAL RATES

Hon. John A. Fraser (Postmaster General and Minister of the Environment) moved that Bill C-11, respecting certain postal rates, be read the second time and referred to the Standing Committee on Transport and Communications.

He said: Mr. Speaker, as members of this House are well aware, beginning in 1976 and continuing until 1979 the former Liberal government chose to institute increases in letter and second-class postage rates by way of authorization by the governor in council pursuant to subsection 13(b) of the Financial Administration Act, rather than by presenting a bill to Parliament amending sections 10 and 11 of the Post Office Act.

Mr. Knowles: Shame!

Mr. Fraser: On these occasions this government, when we were sitting in opposition, spoke out against the Liberal government of the day for increasing postal rates by regulation instead of amending the Post Office Act, and for ignoring critical reports of this practice by the Committee on Regulations and Other Statutory Instruments.

In its third report dated October 4, 1976, the Standing Joint Committee of the Senate and of the House of Commons on Regulations and Other Statutory Instruments considered that regulations setting new rates were ultra vires of section 6 of the Post Office Act and section 13 of the Financial Administration Act. It added that the use of regulations "amount to an unusual and unexpected use of power conferred upon the governor in council by section 13 of the Financial Administration Act". The fourth and sixth reports of the same committee reiterated those objections.

On the question of legality, previous postmasters general have stated in the House and in letters to the committee that before the regulations were made legal opinion from the Department of Justice had been considered. On the one occasion when the legitimacy of using the Financial Administration Act was challenged in the courts, the decision which was rendered on August 2, 1978, was in favour of the position the former government had taken.

However, I wish to remind all hon. members that that decision is now before the Federal Court of Appeal, and I think I should tell the House that the decision would have been argued in that court earlier this summer had I not intervened and asked the legal officers of the government to seek an adjournment. That adjournment was granted by the plaintiffs, the appellants in this case, on my undertaking to introduce into this House legislation that would in a retroactive way legitimize the rate increases that had been made under the Financial Administration Act.

I want to say to the House that the action which was taken in the courts was a direct result of certain plaintiffs feeling that what was being done was not according to the constitution and was contrary to the proper practices of Parliament.

It ought to be obvious to all members that, despite the fact that the government had won the case in the lower court, the case was being pursued actively in the Federal Court of Appeal and would, no doubt, have gone to the Supreme Court of Canada. I think all hon. members on either side of the House will agree that for the Post office and, indeed, this government, to be left in that sort of uncertainty was just unacceptable, and as a consequence, as I have said, the adjournment was obtained on the undertaking that this legislation would be introduced. I understand that the arrangement is that if this bill should meet with the approval of the House the case will be discontinued.

• (2140)

But irrespective of the outcome of the current case, this government considers that there is still a need to eliminate controversy over the use of section 13(b) of the Financial Administration Act. We concur with committee criticism about unusual and unexpected use of power by previous governments, and agree that as long as amendment to the Post Office Act exists as a means of rate adjustment, the Financial Administration Act is not the preferred method of increasing letter and second class postal rates. Although the use of the regulation may be technically within the law, it is clearly less than acceptable to some members of this House, the Senate, and the Canadian public.

I need not remind this House that there are still many problems to overcome before the Post Office can be restored to its former level of pride, dignity, and service. Not the least of

these will be the conversion of the department into a Crown corporation. As I said, I hope to be introducing legislation to that effect some time after Christmas. Those problems will be much easier to tackle if this government is not at the same time fighting a rearguard battle against problems stemming from actions by the previous government.

Passage of this bill will legally confirm the amendments to the postal rates that were made by regulation by deeming them to have been made under the Post Office Act. In turn, this will clear the books and allow us to turn our full attention to the more important task of providing all Canadians with the postal service they expect and deserve.

Hon. J. Gilles Lamontagne (Langelier): Mr. Speaker, before I answer some of the remarks of the Postmaster General (Mr. Fraser) I congratulate him on tabling the annual report of the Post Office on time.

Mr. Fraser: You get some of the credit for that.

Mr. Lamontagne: It was compiled under the administration of the former government. I read it very carefully, and I must say that it was one of the best reports I have read yet. We reduced the deficit, we increased the volume, and did many other things we could really be proud of because it was really administered as closely as possible to private administration.

[*Translation*]

I must admit, Mr. Speaker, that a bill like this one, Bill C-11, as introduced by the Postmaster General at this point, intrigues me somewhat and strikes me as a strange priority. That is why I shall make a few comments and put a few brief questions, since another hon. member would like to speak to the matter; and as we want to complete the study of this bill tonight, I have promised to co-operate in that way.

I want to deal with the need for this bill.

[*English*]

When they were in opposition the Conservatives opposed the adjustment of postal rates under the authority of the Financial Administration Act, section 13(b), which allows the governor in council to increase rates. But with this bill the government prefers to amend sections 10 and 11 of the Post Office Act by Parliament. Despite legal opinions from the Crown that the use of the Financial Administration Act was legal, the Tories attacked our government at the time, saying that we were bypassing Parliament.

I would like to make myself clear on these points. The Department of Justice has affirmed the legality of the use of section 13 in adjusting postal rates. Moreover, when this method was tested in the courts, it was clearly upheld until there was an appeal. Something which perhaps the minister may not know is that the wording is in our Bill C-27, to convert the Post Office into a Crown corporation. The government has not invented anything.

The wording of the present bill is in our Bill C-27 and was put there in order to give the Crown corporation the certainty that there would not be obstructive or negative action from interested groups. In other words, we wanted to ensure that there would be a smooth start for the Crown corporation. It was also well known that part of the reason for the use of section 13 was to avoid taking up valuable time in a busy parliamentary schedule, and to give six months notice to postal users. However, rate increases were announced in the House of Commons and discussed there as well.

It was mentioned that we were bypassing Parliament. I found this curious coming from a government which has waited for so long before calling Parliament, the longest period in history without a Parliament. This in itself implies a criticism of the present administration's attitude to Parliament in relation to postal rates.

It is even more intriguing that the government has stated its intention to reintroduce legislation to convert Canada Post to a Crown corporation only after the Christmas recess, but yet has taken this occasion to place before us, piecemeal, a procedure for rate increases alone, which was already in our Bill C-27. Does this mean that the government is intending to introduce other postal rate increases? Does it mean that the government plans to delay or shelve introducing Crown corporation legislation, when it has had so much time to prepare or modify that legislation? Or does it mean that the government intends to modify the postal rate process further in future legislation which is well defined in C-27?

Are we going to see a series of minor bills dealing with postal operations, instead of one concise, comprehensive piece of legislation like our proposed Bill C-27? In Bill C-27, which was laid before the last Parliament by the Liberal administration, there was outlined an excellent postal rate procedure. It proposed rate changes subject to governor in council approval which then would be made public. If there were any objections, they would be filed and investigated by the Canadian Transport Commission, which would have been given the power to disallow the rate change.

Why has the government not done its home work and presented some substantial legislation to the House, addressing the real problems facing the Post Office, instead of playing a game of preferred or selective procedures? The government may well prefer to avoid using the Financial Administration Act to change postal rates, but regardless of this bill it could still change the rates if that is its intention. That is why I cannot understand the government presenting this bill now. Why did it not introduce a bill like ours to make the Post Office a Crown Corporation?

Bill C-27 is there, and with a few little changes which have been suggested by the management, it could be presented and have the same effect. It would also be a great help to the unions, the syndicates and the labour movement in the Post Office because it would prove that this government intends to move fast in implementing the legislation making the Post Office a Crown corporation, thereby getting the matter out of the way in this session.

Postal Rates

Mr. John Rodriguez (Nickel Belt): Mr. Speaker, this is an Alice in Wonderland situation. The hon. member for Langelier (Mr. Lamontagne) lacks any credibility in any of the suggestions he makes to the government on how the Post Office should be run. For 16 years that party had a revolving-door policy with respect to most matters in the Post Office. They screwed the situation up so badly that human and interpersonnel relationships within the Post Office denied any successful means of collective bargaining.

Now the hon. member stands in this House like a Judas Iscariot and suggests to the new Postmaster General (Mr. Fraser) what he should do. Why did the hon. member not follow through with his suggestions when he had the opportunity? Why did his government bring in a Crown corporation bill in the twilight of the last Parliament if they were really serious about making the Post Office a Crown corporation, something which had been recommended by every royal commission since 1960? They brought it in during the twilight months. I think they are a phony gang, these Liberals, to suggest to the government the kinds of things that should be done.

● (2150)

In speaking to Bill C-11 I want to congratulate the minister and the government. I welcome this new approach—the new approach being that any changes to the Financial Administration Act by orders in council will be brought to the House of Commons. This is implicit in this bill, and I will deal with it a little later. The principle is one we support, and we expect the government to be consistent in that approach as we go through this Parliament.

Some hon. Members: Hear, hear!

Mr. Rodriguez: I am glad they are applauding, Mr. Speaker. They will get their chance to speak in a minute.

First of all, Mr. Speaker, the need for increased rates in the past was because there were increased costs in the Post Office, largely due to the implementation of technological change in 1971. There was $1 billion worth of technological change which was part of the recommendations of the "Blueprint for Change" in the Post Office. The Liberal government, whose representative just now made suggestions to the minister, should know that the "blueprint for change" not only envisaged changes with respect to the physical operation of the Post Office but also changes in human approaches to human problems. While they moved rapidly toward technological change in the Post Office, the whole question of the way management dealt with workers and the workers' response to technological change was neglected.

We should keep in mind that the workers in the Post Office came under the Public Service Staff Relations Act and were therefore excluded from any sort of participation in the discussion of technological change in the work place. Had they come under the Canada Labour Code they could have discussed matters and have negotiated technological change. Interhuman relationships became very abrasive and led to a breakdown in service to the Canadian people. That breakdown in service cost a great deal of money and has required continuous increases in rates.

This government, when in opposition, had a good analysis of the problem—a super analysis of the problem. The hon. member who spoke for the Conservative party when it was in opposition travelled the world looking at post offices. Indeed, he was postmaster general in a previous Conservative government. They well knew the problems, therefore, but now that they are in office the Postmaster General is Mr. Clean. The first thing the government did was wedge the Post Office in between oil spills and acid rain.

The most serious problem in the public service today is the Post Office. Everybody recognizes that. The Post Office and those who work in it have been made a scapegoat. They have been used to whip up a kind of fascistic response to the fact that the people do not get their mail on time. We could have hoped, therefore, for a minister whose sole and full time job was to look after the Post Office and make sure there was harmony in it. He could have started from scratch. There was a clean slate. The government did not have to make apologies for the mess perpetrated on the people of Canada by the previous Liberal administration.

We like the Postmaster General. He is a nice man—he is very expansive, very absorbent, very helpful, very courteous but, Mr. Speaker, he cannot deal with Inco and acid rain and oil spills and the Post Office problem all at the same time. The minister has said there will be a Crown corporation before Christmas—but he did not say which Christmas.

Mr. Fraser: After Christmas.

Mr. Rodriguez: Christmas 1980? Christmas 1981? We looked for a new start, a *risorgimento* as the Italians say—a new beginning. We did not get it. We got the minister with other responsibilities, and the Post Office is just a side issue.

When in opposition the government recognized that the interpersonal problems within the Post Office resulted in over 60,000 grievances accumulating. The Post Office management, playing games, allowed these grievances to be appealed all the way through three stages. The workers would win, the matter would go to adjudication, and on the eve of adjudication the Post Office would withdraw the grievance or not continue with it. Those accumulated grievances exacerbated relationships within the Post Office between management and the people on the floor of the plant. One would have thought that a new government that wanted to show good faith, that had no record and that did not have to apologize for the mistakes of the past, would have wiped out those 60,000 grievances. They did not. The government may be Mr. Clean in the public image but they allow the situation to continue. Those grievances still exist. Negotiations for a new contract will take place soon and those grievances can only cause problems.

One of the other problems in the Post Office—and I shall be blunt, Mr. Speaker—was the presence of a Mr. Corkery and Mr. Paré. Both gentlemen came from the private sector, one from Loebs and the other from a corporation in Hamilton.

They may know how to run a private enterprise corporation where profit is the motive, but they have a very narrow view when running something that is service oriented, where it is important for workers to get along with management. The thrust of the Post Office is to provide service to the people who pay for it, namely, taxpayers. This government did not remove those two gentlemen although they had a wonderful opportunity to do so. They could have called them Liberals; they could have shaken them out and brought in some new faces. It has been done in other departments. Maybe they were Tories in hiding, or closet Tories! Those gentlemen are still there, still mal-administering, still exacerbating the problems in the Post Office. This government acts as though nothing has changed and I suppose, politically, nothing has.

The principle established in Bill C-11 is one that we on this side of the House support and applaud. I recently read something interesting in a report of an interview between the head of the workers at de Havilland and the President of the Treasury Board (Mr. Stevens). Crown corporations come under the Financial Administration Act, so in effect the administration of de Havilland comes under that act. The President of the Treasury Board, however, was reported as saying that any changes with respect to privatizing de Havilland would not be brought to the House of Commons. That is what he said. This is a downgrading of Parliament, an insult to Parliament, and it flies in the face of this particular principle put forward on the altar of democracy by the Postmaster General cum environment minister.

Mr. Speaker, may I call it ten o'clock?

* * *

BUSINESS OF THE HOUSE

Mr. Lefebvre: Mr. Speaker, I rise on a point of order. I understand that tomorrow the House will revert to the study of Bill C-10. Could the hon. member for Burlington (Mr. Kempling) advise the House if this is correct and, if we complete Bill C-10, in what order will the business be taken?

Mr. Kempling: Mr. Speaker, it is the intention tomorrow to proceed with Bill C-10. When that is completed we will proceed with other bills pertaining to the Minister of Finance (Mr. Crosbie), several of which are contained in the House orders. We expect that Bill C-10 will pretty well last for the day.

● (2200)

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

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

Adjournment Debate

CANADA MORTGAGE AND HOUSING CORPORATION—MORTGAGE INSURANCE UNDERWRITING PRACTICES

Mr. Don Blenkarn (Mississauga South): Mr. Speaker, on October 18 I asked the minister in charge of Canada Mortgage and Housing Corporation if he would assure this House that he would advise his officials in the corporation that, in view of the enormous numbers of repossession of townhouse condominiums, the corporation would cease giving undertakings to insure to lenders so that there would be no further building of this type of accommodation, certainly until the enormous surplus of repossessions were disposed of.

In answer to that question the minister gave me and this House a very unsatisfactory reply. The minister said:

> Mr. Speaker, mortgage insurance underwriting practices obligate the corporation to evaluate individual applications very carefully. However, we will be extremely cautious in getting into this sort of practice until we have studied market conditions.

In March, 1978, James Crozier, for the region of Peel, filed with the regional council there and with Canada Mortgage and Housing Corporation a complete analysis of the social disaster that was taking place in the county and region of Peel, and indeed metropolitan Toronto, as a result of the inept housing practice of Canada Mortgage and Housing Corporation. That document, filed with the corporation, outlines the problems, the repossessions, the inability of people to make and carry through with AHOP financing, the impossibility of marketing, by way of resale, condominium townhouses. The study was over a year and a half period.

At that time, and I point out that it was well over a year and a half ago, we had already many, many condominium repossessions in the hands of Canada Mortgage and Housing Corporation. The real estate fraternity, private real estate agents, were refusing to take listings for resale of condominium townhouses. People were taking keys in and handing them to the mortgage company saying, "We cannot pay our payments," and the corporation was accepting quit claim deeds. Yet the corporation continued to give undertakings to insure and enable the start up of more and more condominium townhouse projects, to the effect the minister advises me that on July 2 of this year they had in possession, in repossessions—empty repossessions of condominium townhouses—in Mississauga alone 791 units. Just walking the streets and talking to people one can see what is happening in my city—more and more of these condominium townhouses are now in possession of the corporation.

I could give the minister projects, and he has heard about them from me before—there is one called Talka Village on the Lakeshore Road in Mississauga. That project is advertised on CTV and touted by one Joel Aldred. It is a fine development, they say. It is a designed slum with not one sale—not one legitimate sale. There is a condominium project called Balsam Woods, again on the Lakeshore Road, in my riding. It has been financed and in and out of repossession problems for the last four years. Half of the units are still unoccupied although they have been built for four years. And yet this corporation and its inept officers continue to use the provisions of the

National Housing Act to erect more and more condominium townhouses, to destroy and completely ruin the market for that type of accommodation so that those who were unfortunate enough to have put their hard earned cash into an equity position in that type of housing, find that their equities have totally disappeared.

● (2205)

Indeed, to say that the corporation has an obligation to evaluate individual market conditions is an indication that the officers of the corporation are of such inept quality that their ability to evaluate has been long since lost. And so, when I asked the minister this question, a rather pressing question, particularly in view of the financial stability of Canada Housing and Mortgage Corporation, I would have expected the minister to say, "We have ceased giving undertakings to insure on condominium townhouses, certainly in the city of Mississauga."

Hon. Elmer M. MacKay (Minister of Regional Economic Expansion): First of all, Mr. Speaker, I want to tell my hon. friend that I very much appreciate the knowledge and experience he brings to this chamber in matters of housing. He has practised law. He has dealt with the situation. But I want to remind him that things are not quite as simple or direct as he would believe.

As demand for AHOP and assisted rental programs began to soften, CMHC did introduce a series of measures designed to restrict project approvals unless the need for housing was clearly identified. The corporation did initiate detailed reviews of local market situations, a check of current and pending vacancy rates, profiles of existing AHOP and ARP projects, specific need and demand surveys were instituted, and reviews of entrepreneurs' financial and development capabilities were carried out.

I would remind the hon. member that the identification of turning points in real estate markets is not always easy, particularly in advance, often when a local market forms a part of a major metropolitan market. New policy in assessing more carefully the situation pertaining to condominium townhouses has been instituted.

The hon. member has brought to my attention, as well, the practice of accepting quit claim deeds, which has not always been satisfactory. The situation there has changed as well. If an owner attempts to quit claim his property and subsequently goes into arrears, CMHC will now institute foreclosure proceedings and the owner will have to pay the legal costs and mortgage his condominium for the arrears unless there is a very good reason why he should not, for example, if the property is abandoned and there are serious mortgage arrears and no reasonable hope of recovering them, or an owner has been transferred and is beyond reasonable commuting distance. Then we would look at the quit claim deed situation and review it on its merits.

It is, I think, wrong to condemn in a blanket fashion the results of some of these programs which the previous administration instituted. I would prefer to think they were instituted with good intentions. There is a proverb which says that the path to hell is paved with good intentions, and sometimes the results have not been what I think all of us in this chamber would have hoped. But I believe it would be a little harsh to condemn out of hand the good will and the capability of the CMHC officials. This is not to say mistakes have not been made; it is not to say we are not very interested in looking into the situation.

I want to tell you, Mr. Speaker, that I appreciate the forthright and thorough way in which the hon. member has brought these matters before the House, and to assure him that I am getting the utmost co-operation from the officials of the corporation in order to alleviate these conditions, including an early marketing of considerable numbers of units, to put it mildly, in possession of which the corporation now finds itself.

● (2210)

[*Translation*]

COMBINES INVESTIGATION ACT—DIFFICULTY IN OBTAINING NEWSPRINT—REQUEST FOR MINISTER'S INTERVENTION

Hon. André Ouellet (Papineau): Mr. Speaker, on October 17 last, I put two questions to the Minister of Consumer and Corporate Affairs (Mr. Lawrence), the first dealing with the scarcity of newsprint which compelled several Quebec newspapers to restrict their circulation or the number of pages in their publications and I asked the minister to study the matter thoroughly and, if he deemed it necessary, to submit the case to the director of investigation and research in the competition branch of his department to launch the required investigation.

I am pleased to say to the House tonight that I received this morning a letter from the minister advising me that he had discussed the matter with the director of investigation and research who had assured him that he would study the matter closely to see if it would be advisable to institute proceedings under the Combines Investigation Act. I am satisfied with the step taken by the minister and I thank him.

I must say that the scarcity of newsprint for newspapers in Quebec appears as ridiculous as oil shortages in Alberta. Quebec is enormously well endowed with forest resources and it is unimaginable that Quebec industries cannot get all the necessary paper. There is perhaps an explanation to this situation that may be due to market conditions more than to some anti-competitive behaviour. I noted quite recently an article which appeared in *Le Devoir* to the effect that the pulp and paper industry in Canada has known a tremendous development these past few months, and I quote:

> The major part of our pulp and paper production is being exported to the United States where the demand for newsprint and pulp and paper by products has considerably increased, thereby giving a new impetus to our industry. These exports, paid in U.S. dollars of much greater value than Canadian dollars, are responsible for an exceptional increase in the profits of the pulp and paper industry.

I am delighted for the pulp and paper industry. I have of course no objection to these companies making profits, but I am concerned that they fail perhaps to provide an essential service and to meet the Canadian demand. And I suggest that it is imperative, in the context of fair competition in Canada, that the Minister of Consumer and Corporate Affairs tackle this problem and try to find a short-term solution in particular to the pulp and paper shortage in Quebec.

In concluding, Mr. Speaker, I would like to remind this House that the Minister of Consumer and Corporate Affairs himself admitted that there would be serious loopholes in the Combines Investigation Act. And I asked the minister in this House whether he intended to bring in amendments to that legislation. He answered that his government was urgently considering several matters that were not referred to in the Speech from the Throne. That answer appears somewhat vague to me. On the one hand, he finds the legislation porous and he even goes so far as to say that certain large corporations could abuse the act and go unpunished. On the other hand, he does not see fit to announce the intention of his government to amend the Combines Investigation Act. I think it is important for the minister to give us actual signs of his intentions in this respect. Is he going to protect the interest of Canadian consumers or is he going to abdicate his responsibilities in face of the Progressive Conservative lobbying in this country which, as you know, Mr. Speaker, has always opposed amending the Canadian Competition Act. I hope the minister will take positive action and will not limit himself to pious statements and will introduce in the House a competition act with teeth. I can assure him of my support and the support of the members on this side of the House if, as a Progressive Conservative minister, he has the courage to face the music and even stand against some of his colleagues on the government side and decides to introduce a good competition measure in Canada.

● (2215)

[*English*]

Mr. G. M. Gurbin (Parliamentary Secretary to Minister of Consumer and Corporate Affairs): Mr. Speaker—

Mr. Deputy Speaker: Order, please. In order for me to recognize the hon. member, he will have to move to his proper seat. I do not think that at present he is in his seat.

Mr. Gurbin: Mr. Speaker, I would like to thank the hon. member for Papineau (Mr. Ouellet) for his question and for giving me the opportunity to respond for the first time in the House. In particular, I should like to thank him for the subject he has chosen and for the very important nature of the question in terms of the ability of the newspaper industry in Quebec to respond to the needs of the Quebec people.

I would like to refer the hon. member in particular to the letter sent to him on October 19 by the minister, in which the following is stated:

On two previous occasions this year, problems similar to that of *Le Journal*'s were brought to the director's attention. In one instance, the director found that newsprint was generally in short supply, but that the shortage was due to market conditions and not anti-competitive behaviour. It is probable that this situation persists to the present. The second instance involved weekly local and regional newspapers in Quebec who were experiencing difficulty in obtaining adequate newsprint supplies. The director discussed the matter with the Quebec government officials who had alerted him to the problem. Meetings were also held between those officials and representatives of the industry and newspapers. As a result, the temporary shortage was resolved satisfactorily.

Now I should like to refer quickly to an article in today's *Gazette* in which the following is stated:

Quebecor—

The publisher of Montreal's biggest daily newspaper

—has been hit harder than any other large Canadian newspaper publisher by the newsprint shortage, which has been building for the past year as growing publishers' consumption of newsprint wiped out excess productive capacity in the newsprint industry.

The *Journal de Montréal* now sells about 325,000 copies a day, up from 200,000 copies last year. I think this clearly shows that it is a supply problem. In fact, contracts have been honoured, new supplies have been found, for a paper whose 1977 consumption was 65,000 tons and whose 1979 consumption will be 79,000 tons of newsprint. Provisions have been made for an extra 3,000 tons monthly of newsprint through one of the *Journal de Montréal*'s existing suppliers. Expansion and building will create new supply early next year.

As the former minister will know, there are no provisions in the Combines Investigation Act to deal with this matter of proof in terms of shortage of supplies. The act is essentially as it was under the former administration. If the hon. member for Papineau has specific references which he feels are the proper domain of the director of investigation and research, I have been assured that the director will accept and assess them. In the meantime the director will continue to monitor the situation to discern any evidence of price fixing, collusion, or any other behaviour which might be detrimental to our free market system. On a specific matter of revision or amendments to the act, I must defer to the minister and will be happy to respond in writing to the hon. member.

● (2220)

IMMIGRATION—POLICY RESPECTING FUTURE IMMIGRATION

Mr. Bob Kaplan (York Centre): Mr. Speaker, this afternoon I asked the Minister of Employment and Immigration (Mr. Atkey) a very simple question about Canada's position relative to continuing its program of challenge and leadership to encourage Canadians to sponsor families of refugees from Vietnam. His answer was so evasive and unsatisfactory that I want to take the opportunity this evening to take my question very clear, although I think it was very clear this afternoon, and to give the minister or his parliamentary secretary an opportunity to tell Canadians precisely what their government intends to do now that the 50,000 quota offered by the government has been met by almost a full response from the Canadian people, and where we go from here.

The minister takes enormous pride in the sponsorship program created by him and his colleague, the Secretary of State

for External Affairs (Miss MacDonald), this summer. I think it is a good program. I am not critical of it, but I do not take nearly the satisfaction from it that he does.

Repeatedly he has said that it is the most generous program in the world for dealing with Vietnamese refugees. Those are not the facts, as I understand them. I should like to take a moment of my time to set out the facts which I had from a very authoritative source at a conference on the boat people last Friday. As of mid-October, the United States had admitted and Landed 260,000 boat people; China had admitted 250,000 people; France had admitted 59,000 boat people; Australia had admitted 25,551 southeast Asians of whom 19,000 were boat people; and Canada had admitted 22,348. That is a good total, but it is certainly not the world's record. It is not the world's record in absolute terms, per capita terms, nor in terms of accommodation per square mile of the host country. It is very far from it. I am not suggesting these criteria, but I want to remind the minister that this is far from being the most generous refugee reception program in the world.

This afternoon I asked him where the government was going from here, and this is what I meant by that. As he indicated, we have close to 20,000 private sponsorships. Now, 4,000 should be allocated from an earlier period. This is the way the commission is calculating this figure. In effect we are very close to having 25,000 private sponsorships. We may well have it within a week. That means the 25,000 public sponsorships to be matched on a one to one basis, which the government put forward as its challenge to the Canadian people, are virtually all committed. So the question arises: where do we go from here? I know they are not all here in Canada. I have figures which indicate that only 22,348 are here in Canada at this time.

Is the minister saying that no more private sponsorships will be encouraged from now on, and that until all of these already committed people arrive we cannot look to the government for any further leadership or challenge to the Canadian people? Is that what the minister is saying? If it is, I think he should just say it and accept the responsibility for it, instead of going off and talking about how complicated his program is and how busy he is handling the flow of Vietnamese refugees who are already committed.

● (2225)

I want the minister or his parliamentary secretary, who I am glad to see in the House, to tell us where the government is going from here in providing leadership and challenge to the Canadian people. If nothing more is being done, if there is not going to be anything more to encourage private sponsorships, will the minister assure the House that, having backed down on providing leadership and challenge, he will at least not prevent people in the private sector from continuing to sponsor new families of boat people or Vietnamese refugees?

The flow out of Vietnam is very low right now. The monsoons are on and we do not know whether, when the monsoons end, the levels of immigration will go up to the levels at the end of the Geneva Conference. We do not know if they will even go up to the levels they were at before that. The level may be high, but this government ought to have a policy. Instead of waffling and telling us how busy he is, the minister should tell us what the Canadian government plans to do next.

Mr. Paul McCrossan (Parliamentary Secretary to Minister of Employment and Immigration): Mr. Speaker, I would first like to remind the hon. member opposite that in speaking for the minister on Friday I did not say, as he indicated in his question, that nothing more could be done until the 50,000 Indochinese refugees had arrived in Canada. I did indicate that we were now well on the way to receiving sufficient sponsorship undertakings from Canadian voluntary groups to ensure that our 50,000 refugee target will be met by the end of 1980 in accordance with the government-voluntary partnership formula announced in July, and that our prime thrust was to ensure that our goal was met and the program was seen to be a success.

Members will recall that the 50,000 target was composed of the 8,000 originally pledged by the government for 1979, plus 21,000 voluntary sponsorships matched by 21,000 government refugees.

It should be pointed out, however, that to date less than 15,000 Indochinese refugees have been brought to Canada, and a major challenge, therefore, remains in bringing the remaining 35,000 Indochinese to Canada and successfully establishing them here through the joint efforts of the government and voluntary groups. There is a question as to the implications of possible voluntary sponsorships beyond the 21,000 needed to reach the 50,000 total.

Mr. Kaplan: That is the question I asked.

Mr. McCrossan: This question is now under active study by the government and an announcement will be made at an early date once the voluntary undertaking target has been met.

Mr. Deputy Speaker: The motion to adjourn the House is now deemed to have been adopted. Accordingly, this House stands adjourned until tomorrow afternoon at two o'clock.

Motion agreed to and the House adjourned at 10.28 p.m.

HOUSE OF COMMONS

Tuesday, October 23, 1979

The House met at 2 p.m.

• (1405)

ROUTINE PROCEEDINGS

[*English*]

ENERGY

REQUEST GOVERNMENT FINANCE COAL DEVELOPMENT CENTRE IN CAPE BRETON—MOTION UNDER S.O. 43

Mr. Russell MacLellan (Cape Breton-The Sydneys): Mr. Speaker, I rise, under the provisions of Standing Order 43, on a matter of urgent and pressing necessity.

In view of the energy shortage and the fact that the province of Nova Scotia has substantial coal reserves, and whereas the Minister of Industry, Trade and Commerce stated that the government is committed to increasing research and development, I move, seconded by the hon. member for Cape Breton Highlands-Canso (Mr. MacEachen):

That the Treasury Board give immediate approval to the financing required to set up a coal development centre at the College of Cape Breton to do research into the liquefaction of coal and other research which could ultimately lead to increased uses for coal and to reduced dependency on foreign oil in the Atlantic area of Canada.

Mr. Speaker: Such a motion can be presented for debate at this time, pursuant to Standing Order 43, only with the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

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CANADIAN EGG MARKETING AGENCY

RESIGNATION OF CHAIRMAN—CALL FOR COMMITTEE INVESTIGATION

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, my motion concerns the ongoing problems at the Canadian Egg Marketing Agency and the resignation of its chairman, Murray McBride.

I have been informed that the remuneration of CEMA's general manager, Max Roytenberg, is $105,000 a year plus expenses, which exceeds the salary of the Prime Minister by many thousands of dollars; and, further, that Mr. Roytenberg has made his wife and a company called Roygold Marketing Systems Ltd., which Roytenberg owns in whole or in part, the beneficiaries of translation contracts with CEMA. Because of that, I wish to move, seconded by the hon. member for Oshawa (Mr. Broadbent):

That this House immediately call for an investigation of CEMA by the House of Commons Standing Committee on Agriculture.

Mr. Speaker: The presentation of such a motion for debate, pursuant to Standing Order 43, would require the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

SOCIAL DEVELOPMENT

CRITICISM OF MINISTER CHARGED WITH RESPONSIBILITY—MOTION UNDER S.O. 43

Mr. Jim Fleming (York West): Mr. Speaker, I, too, rise on a matter of urgent and pressing necessity under Standing Order 43.

Considering that, in his own words in the House almost a year ago, the new Secretary of State charged that federal cultural institutions were being neglected, and considering that, while the minister attempts to address cultural problems, he is also responsible for the critical communications and social policy fields, and considering that meanwhile Canada's largest urban community has virtually no representation in the inner cabinet, I move, seconded by the hon. member for Trinity (Miss Nicholson):

That this House urges the Prime Minister to relieve the Secretary of State of his social responsibilities to concentrate on vital cultural and communication issues in the inner cabinet, and at the same time urges the Prime Minister to consider appointing the Minister of National Health and Welfare to the inner circle to take over the social policy area and also give representation to more than two million Torontonians.

Mr. Speaker: Is there unanimous consent for such a motion?

Some hon. Members: Agreed.

Some hon. Members: No.

S.O. 43

[*Translation*]

SOCIAL SECURITY ACT

REQUEST FOR AMENDMENTS RESPECTING ELIGIBILITY OF CERTAIN SPOUSES—MOTION UNDER S.O. 43

Mr. Raymond Savard (Verdun): Mr. Speaker, I rise under the provisions of Standing Order 43 and ask for the unanimous consent of the House to discuss a motion relating to a matter of urgent and pressing necessity.

My motion deals with Bill C-6 and the amendments to the Old Age Security Act which have been proposed in the House. Given the fact that there will be discrimination against persons whose spouse died in the six months preceding the date of royal assent, I move, seconded by the hon. member for Saint-Léonard-Anjou (Miss Bégin):

That the House direct the government to make eligible for the spouse's allowance all persons whose pensioned spouse has died after the introduction of the legislation.

Mr. Speaker: The House has heard the hon. member's motion. Pursuant to the provisions of Standing Order 43, this motion can be put to debate only with the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

● (1410)

[*English*]

PUBLIC WORKS

CALL FOR INVESTIGATION BY MINISTER OF LEASE FOR SPACE IN OTTAWA—MOTION UNDER S.O. 43

Mr. John McDermid (Brampton-Georgetown): Mr. Speaker, I rise, under the provisions of Standing Order 43, to put forward a motion on a matter of urgent and pressing necessity.

In view of the previous administration's signing of a $14 million lease, four days before the general election, for space it did not require, since the said property at 219 Laurier Avenue West, Ottawa, is owned by a company whose vice president is reported to be the hon. member for Laurier (Mr. Berger), and so that the people of Canada may be assured the contract was not, in fact, political patronage, I move, seconded by the hon. member for Saint John (Mr. Ferguson):

That the Minister of Public Works immediately launch a complete investigation into the negotiations and signing of a lease between the Government of Canada and the Montreal Alouettes Football Club Inc. regarding the space at 219 Laurier Avenue West, Ottawa, Ontario, and report the findings of the investigation to the House.

Mr. Speaker: The introduction of such a motion for debate at this time would require the unanimous consent of the House. Is there unanimous consent?

[Mr. Speaker.]

Some hon. Members: Agreed.

Some hon. Members: No.

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RESEARCH AND DEVELOPMENT

PERCENTAGE OF GNP APPLIED TO FINANCE PROGRAMS—MOTION UNDER S.O. 43

Mr. David Orlikow (Winnipeg North): Mr. Speaker, I rise, under the provisions of Standing Order 43, to present a motion of urgent and pressing necessity.

In light of the fact the present government stated that it aimed to increase research and development spending to a target figure of 2.5 per cent of the GNP, and in view of its severe cutbacks in a number of research programs, I move, seconded by the hon. member for Winnipeg North Centre (Mr. Knowles):

That the Minister of State for Science and Technology make a statement shortly as to what steps will be taken to meet this target of 2.5 per cent of the GNP for research and development.

Mr. Speaker: Presentation of such a motion for debate requires unanimous consent. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

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PENSIONS

REQUEST REIMBURSEMENT OF OVERPAYMENT PROVISION BE RESCINDED—MOTION UNDER S.O. 43

Mr. Hal Herbert (Vaudreuil): Mr. Speaker, I rise on a matter of urgent and pressing necessity under the provisions of Standing Order 43. It arises out of the hardship being caused at the present time to several poor persons and recently bereaved persons.

I move, seconded by the hon. member for Glengarry-Prescott-Russell (Mr. Ethier):

That the government cause to be discontinued immediately the practice by which a surviving spouse is automatically expected to reimburse the treasury in the event of an overpayment of a pension to a person who subsequently dies, when that overpayment has been due to an error by a public servant; and, furthermore, that henceforth any attempt to recover an overpayment to a person afterwards deceased, no matter for what reason, should be directed exclusively to the estate of the deceased person.

Mr. Speaker: Such a motion for debate can be presented at this time only with the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

HEALTH AND WELFARE

MEDICARE—DETERIORATING BUDGETARY CONTRIBUTION BY SASKATCHEWAN—MOTION UNDER S.O. 43

Mr. Dan McKenzie (Parliamentary Secretary to Minister of National Defence and Minister of Veterans Affairs): Mr. Speaker, I rise, under the provisions of Standing Order 43, on a matter of urgent and pressing necessity.

In view of the fact that since the time medicare was instituted in Saskatchewan, many doctors traditionally have not participated in the medicare plan, that 30 per cent of doctors in that province now are billing patients directly, that less than 5 per cent of doctors in Manitoba are operating outside the plan, and that there is a significant decrease in the budget for hospital insurance and medicare programs in Saskatchewan, I move, seconded by the hon. member for Dauphin (Mr. Ritchie):

That the Minister of National Health and Welfare advise the recently appointed Hall commission to study immediately the reasons for the deteriorating budgetary contribution by the Saskatchewan NDP government for medicare, as well as the significant increase of extra billing by doctors in Saskatchewan.

Mr. Speaker: The presentation of such a motion for debate can be done only with unanimous consent. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

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ENERGY

OIL PRICES—REQUEST PRIME MINISTER AND PRESIDENT CARTER ACT TO PREVENT UNNECESSARY INCREASES—MOTION UNDER S.O. 43

Mr. Andy Hogan (Cape Breton-East Richmond): Mr. Speaker, I rise, under the provisions of Standing Order 43, on a matter of urgent and pressing necessity.

In view of the fact that President Carter is coming to Canada next month, and that the multinational oil companies dealing in spot markets in Rotterdam, the Caribbean and Singapore are an important cause of the world oil price crisis, I move, seconded by the hon. member for Sault Ste. Marie (Mr. Symes):

That the Prime Minister try to encourage President Carter to call a meeting with Japan and Germany to bring pressure to bear on these multinational companies to strictly forbid their dealing in this spot market.

Mr. Speaker: Presentation of such a motion for debate requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Oral Questions

ORAL QUESTION PERIOD

[*English*]

NORTHERN PIPELINES

CANADIAN PREFERENCE FOR ROUTE—AIDE MEMOIRE TO U.S. GOVERNMENT

Hon. Allan J. MacEachen (Cape Breton Highlands-Canso): Mr. Speaker, I should like to address a question to the Secretary of State for External Affairs based upon the aide-memoire which her government delivered to the American government on Saturday last, a copy of which we received today.

● (1415)

In view of the fact that the aide-mémoire refers to preference as stated last April 16 by the former government, preference as expressed on September 28, 1979, by the new government, and no reference to any expression of interest or concern in the intervening period, will the minister not agree that it would have reinforced the Canadian position had she referred to the alleged representations that were made throughout the summer according to the Prime Minister or, alternatively—as I believe—that her aide-mémoire is a very clear indication that the government lost the summer in making its views known to the United States government on this very important question?

Hon. Flora MacDonald (Secretary of State for External Affairs): Mr. Speaker, I am sorry that the hon. member was not here the other day—or, at least, if he was here, he was not listening—when the Prime Minister very clearly outlined the number of contacts which this government had with the government of the United States over the summer concerning this matter.

It was raised on a number of occasions by Canadian officials at the embassy in Washington; it was raised on a number of occasions by direct representation from Ottawa, and the aide-mémoire which was sent to Washington last weekend confirmed the position that this government had taken throughout and had stated, namely, a strong preference for the Foothills option, and that it was very concerned—and reiterated that concern—about the possibility of increased tanker traffic on the west coast.

Mr. MacEachen: Mr. Speaker, I would tell the hon. minister that I was present and listened to the answer by the Prime Minister, in which he failed to indicate that the contacts made had anything to do with stating preference for the Foothills pipeline.

Some hon. Members: Hear, hear!

Mr. MacEachen: He said meetings were held; but the Prime Minister, in reply to a question by the hon. member for Hamilton East, said the American government understood, and there was no doubt. But never did he say these meetings had to do with Foothills.

I would follow up by referring to an answer given in the other place last Wednesday by the Minister of Industry, Trade and Commerce and Minister of State for Economic Development in which he said that throughout the summer, members of the government had strongly encouraged and urged—and these are his words—"this preference on the American government". He included the Secretary of State for External Affairs as one of those who had strongly urged and encouraged the American government. I should like to ask whether she did this with Secretary Vance or, more generally, will she tell us to whom she made these representations, and where?

Miss MacDonald: Mr. Speaker, I would like to say to the hon. member that, obviously, I seem to have more faith in the officials of the Department of External Affairs—

Some hon. Members: Oh, oh!

Miss MacDonald: —to convey messages to the government of the United States than he has; and that is a sad reflection on the time that he was there in that position.

Some hon. Members: Hear, hear!

Miss MacDonald: I may also say that I raised this question, along with a number of other matters, when I had discussions with Secretary Vance.

Mr. Trudeau: When?

Mr. MacEachen: Mr. Speaker, I want to tell the minister that I also have faith in the officials of the department, but I see that the government now, instead of undertaking its ministerial responsibilities, is relying on officials in order to carry a message to the American government—and we find that unacceptable.

I would direct a final question either to the Secretary of State for External Affairs or to the Prime Minister, also related to the aide-mémoire,he which seems to leave an escape-hatch to the government of Canada on the question of environmental damage on the west coast which might arise from a tanker route. Is the Prime Minister, or the Secretary of State for External Affairs, now prepared to tell us that under no circumstances will the government consider, support or recommend a proposal that involves tanker traffic on the west coast of Canada?

● (1420)

Miss MacDonald: Mr. Speaker, the hon. member, I am sure, will be interested in knowing that this topic will be one of the major issues that will be discussed with the President of the United States by the Prime Minister of Canada when the President visits here on November 9 and 10.

There is no question of the position that will be put forward by the Canadian government, which will be that we do not want increased tanker traffic on the west coast because it would endanger the very precious environment along that coast. That is the position which will be put forward very strongly.

[Mr. MacEachen.]

ALTERNATE ROUTE—GOVERNMENT POSITION

Right Hon. P. E. Trudeau (Leader of the Opposition): Mr. Speaker, I am wondering if that position can be interpreted to mean that the government will not support the Trans Mountain route.

Hon. Flora MacDonald (Secretary of State for External Affairs): Mr. Speaker, I would think that the Leader of the Opposition—

Mr. Lalonde: Yes or no?

Miss MacDonald: —would want to know that the Government of Canada will accept a position that will make sure that there is no—

An hon. Member: Yes or no?

Miss MacDonald: Members opposite would like a yes or no answer to a position like that. It may be—

Some hon. Members: Oh! Oh!

Miss MacDonald: —that the opposition will be putting forward, as its position, the northern tier route, but that is not the one that this government will put forward. I would like the Leader of the Opposition to know that our position, following the outcome of the NEB hearings, will depend on whether or not there is an application continuing from Foothills. That would be the one to which we would give our foremost support.

Mr. Trudeau: Mr. Speaker, surely, since the meeting will be in a couple of weeks, the government will have to tell President Carter whether or not they support a route which involves tankers.

The government has said that all summer they have not ceased supporting the route for which we indicated a preference, but now the hon. lady cannot seem to answer whether or not she will support another route which does involve tanker.

Miss MacDonald: Mr. Speaker, I realize that the Leader of the Opposition has been out of office for a few months and therefore does not quite remember the way in which these regulatory processes work. However, in the case of the Foothills application or the Trans Mountain application, the hon. member should remember that they must go before the National Energy Board. When we see the outcome of that particular decision, we will then be in a position to decide the question which he poses.

Mr. Trudeau: So it has not been decided?

Mr. MacEachen: It is a possibility?

Mr. Chrétien: The "maybe" minister.

Miss MacDonald: I would say to the Leader of the Opposition that the preference which this government has stated throughout is for the Foothills pipeline, and I would hope that that is still a matter which will be before the government for

endorsation. I should also say to the Leader of the Opposition—

An hon. Member: Order.

Mr. Chrétien: Yes or no?

Miss MacDonald: —that if he had given as much support earlier on as his government should have to this matter, then it might have been quite a different proposition.

Mr. MacEachen: Ten o'clock.

Mr. Baker (Nepean-Carleton): You will be asleep at ten o'clock.

* * *

ENERGY

OIL PRICES—GOVERNMENT STEPS TO AVOID PROFIT RIP-OFFS

Mr. Edward Broadbent (Oshawa): Mr. Speaker, my question is to the Prime Minister. Given that the first nine months' profit figures of the oil industry, which were released today, show that Shell, Imperial Oil and Texaco had an average increase in profits of 52 per cent, precisely at a time when another government report indicated that real incomes of most Canadians were going down, can the Prime Minister indicate to the House what precise steps the government intends to take to stop these profit rip-offs; or does he still believe that even further tax handouts are required for the oil industry?

● (1425)

Right Hon. Joe Clark (Prime Minister): Mr. Speaker, our view is that the Government of Canada should take every measure it can to ensure as much as possible the investment of the returns of oil companies operating in Canada in energy development in this country. That will be reflected in steps we will be taking as a government.

Mr. Broadbent: A supplementary question, Mr. Speaker. It is very clear that the oil companies will continue to get the hand outs and the poor will get the crumbs from this government.

Considering that by the end of the year the five major companies in this industry will have accumulated $5 billion in profits in the last five years—precisely during the time they were under investigation by an agency of this government for price collusion and manipulation—can the Prime Minister assure the House that before the government takes any action that gives one further penny to these oil companies, it will make the formal investigation report public to the people of Canada and to this House?

Mr. Clark: Mr. Speaker, the Leader of the New Democratic Party knows that there are certain legal processes that must be gone through in relation to the potential charge to which he made reference. I am sure he did not intend the implication that we should hold back any measures that might encourage further energy exploration until those legal procedures, which might take some time, are finished. I say "might take some time" because I do not know exactly how long they would take.

I can certainly affirm to this House and to the Leader of the New Democratic Party that it is a matter of very real concern to this government to see that as much as possible of the revenues that come to energy companies operating in this country are reinvested in Canadian energy development. Indeed, we want to see measures taken that will encourage a wide number of Canadians who are not now investing in the energy industry in a position where they can put their investments into that industry in a way that can move this country toward self-sufficiency.

Mr. Broadbent: Mr. Speaker, a final supplementary question—and the Prime Minister knows that he did not answer the question at all. Considering that, presumably, his government and the preceding government would not have maintained a five-year investigation into these companies unless they believed there were very good grounds for suspecting collusion on prices, it is not a frivolous matter. They made $5 billion in profits, when their taxes have been going down and those of Canadians of ordinary income have been going up.

Given the circumstance of multibillion dollar profits in this industry by a handful of firms, would the Prime Minister not agree that it is precisely at such a time Canadians need a publicly-owned and controlled petroleum company like Petro-Canada, over which they have control, to ensure some fair practices in the marketplace?

Mr. Clark: Mr. Speaker, we will resist the temptation of the Leader of the New Democratic Party to rush to a conclusion on this question before the evidence gathered by the Government of Canada suggests that we should lay a charge. What he is suggesting is that because he thinks it might serve his interest in defending a particular concept of state ownership of an energy company, instead of citizen ownership of an energy company, we should move ahead quickly, pressing charges before it would be appropriate according to the law officers of the Crown to move forward with those charges.

* * *

[*Translation*]

SOCIAL SECURITY

FINANCIAL ASSISTANCE TO PERSONS RECEIVING GUARANTEED ANNUAL INCOME SUPPLEMENT—GOVERNMENT POSITION

Hon. Monique Bégin (Saint-Léonard-Anjou): Mr. Speaker, my question is directed to the Minister of National Health and Welfare. In light of the report which has just been made public by Statistics Canada and which now provides facts on distribution of income in Canada and loss of purchasing power, especially for older persons living alone, is the minister, after having introduced yesterday that bill which helps only 60,000-odd senior citizens, ready to tackle the real problem, that is,

create a special allowance for single individuals receiving a guaranteed income supplement—600,000 Canadians—to make them rise above poverty level?

Some hon. Members: Hear, hear!

[*English*]

Hon. David Crombie (Minister of National Health and Welfare): Mr. Speaker, indeed, the report yesterday concerned all of us. I should like to suggest to the hon. member that the review, of which I am sure she is aware, we are undertaking with respect to the pension review—as well as the general review the department has been undertaking which was started by her—is still under way. We hope it will bear some fruit that I can bring before the House.

* * *

● (1430)

FINANCE

DEPLETION ALLOWANCE TO OIL COMPANIES—USE THEREOF TO FUND SOCIAL PROGRAMS

Hon. Monique Bégin (Saint-Léonard-Anjou): Mr. Speaker, my question is for the Minister of Finance. I am so familiar with the review that when I left we already knew the cost of the special allowance needed for senior citizens living alone and receiving GIS, and it is only $200 million.

Is the Minister of Finance not ready to earmark $200 million from, say, the super-depletion allowance to oil companies in order to offset the effects of inflation for seniors by creating that special allowance for all those receiving the GIS?

Hon. John C. Crosbie (Minister of Finance): Mr. Speaker, it is too bad the hon. lady did not make the suggestion to her own minister of finance a few months ago.

Some hon. Members: Oh, oh!

An hon. Member: Joker.

An hon. Member: You are in office.

Mr. Crosbie: I am open to any suggestion from the motheaten ranks opposite, and I will consider this one too.

* * *

[*Translation*]

SOCIAL SECURITY

SUGGESTION GOVERNMENT CONTRIBUTE TO INCOME SUPPLEMENT PLAN TO IMPROVE SITUATION OF LOW WAGE EARNERS

Mr. Jean-Claude Malépart (Sainte-Marie): Mr. Speaker, my question is directed to the Minister of National Health and Welfare. To help meet the requirements of small wage earners who are getting poorer, could the minister tell the House whether he has considered favourably the request of the Quebec Minister of State for Social Development who was asking the federal government to make a financial contribution to the income supplement plan in effect in Quebec for small wage earners. If so, what amount was granted by the department and what are the arrangements?

[*English*]

Hon. David Crombie (Minister of National Health and Welfare): Mr. Speaker, I assume the hon. member is talking about the Quebec income supplementation plan. If he is, there were two requests from the province of Quebec with respect to that plan. First of all, would the federal government accede to their need to have the income so directed, tax exempt? That request was acceded to by the federal government.

The second request was in relation to whether or not we could participate in the funding. We advised the province of Quebec that we would do so only in relation to its ability to come under the terms of the Canada Assistance Plan. Discussions are being carried out in that sense as of this moment.

[*Translation*]

INQUIRY WHY GOVERNMENT DOES NOT NEGOTIATE WITH QUEBEC AGREEMENT SIMILAR TO SASKATCHEWAN'S

Mr. Jean-Claude Malépart (Sainte-Marie): Mr. Speaker, I should like to put a supplementary question. Could the minister tell the House why his department is unable to reach an agreement as beneficial for Quebec as that concluded with Saskatchewan under existing programs?

[*English*]

Hon. David Crombie (Minister of National Health and Welfare): Mr. Speaker, actually there are two or three programs other than the one for the province of Quebec which were talked about in terms of income supplementation. The specific problem with the province of Quebec is trying to find a way in which we could, indeed, participate legally under the Canada Assistance Plan.

In relation to whether or not the federal government ought to participate above and beyond the Canada Assistance Plan, that is a discussion we are having in November with respect to the other interested provinces as well as the province of Quebec.

* * *

CANADA ASSISTANCE PLAN

COST-SHARING WITH PROVINCES

Mr. Ray Chenier (Timmins-Chapleau): Mr. Speaker, my question is directed to the Minister of National Health and Welfare. Since women's employment is supposed to be a priority of the new government, is the minister now ready to cost-share under CAP the new Ontario work incentive program for single mothers and other welfare recipients, so as to get them out of poverty?

Hon. David Crombie (Minister of National Health and Welfare): Mr. Speaker, my answer is the same as the one given to the hon. member on the other side.

An hon. Member: A no-answer.

Mr. Crombie: It is a good answer, because it is a very important program to both the province of Ontario and the province of Quebec. It is, indeed, one that will serve the population of those two provinces. We have been caught by the way in which the Canada Assistance Plan was drafted in that we are not able to participate except only in cases of need. Consequently, we have to redefine the matter, and that is to be the purpose of having the discussion in November with appropriate ministers from the provinces.

* * *

THE CANADIAN ECONOMY

MORTGAGE TAX CREDIT PLAN—REQUEST FOR MODIFICATION TO ASSIST PERSONS IN NEED

Hon. J. Gilles Lamontagne (Langelier): Mr. Speaker, my question is for the Prime Minister. Statistics Canada has reported that the average income for Canadians has dropped by 3 per cent because of inflation and that the number of poor people or those in need in Canada is rising dramatically. Yet this government will be introducing a mortgage tax credit plan which will do nothing to assist Canadians in real need, such as tenants, and which will cost the country billions of dollars over the next three or four years.

Considering the apparent lack of concrete plans by the government to defeat inflation—which has been increasing since these statistics came out—will the Prime Minister tell the House if he will recommend modifying his expensive election promise in order to assist Canadians in need? In addition, will the Prime Minister tell us where he will find the funds to provide social assistance, if he is not going to help needy Canadians in his housing give-away of billions of dollars?

Right Hon. Joe Clark (Prime Minister): Mr. Speaker, we are not proposing to amend that bill, which will be introduced into the House of Commons later this week.

* * *

COMBINES INVESTIGATION ACT

"TRUCKING AFFAIR"—RESPONSIBILITY FOR CALLING MEETING OF CERTAIN MINISTERS AND OFFICIALS

Hon. J.-J. Blais (Nipissing): Mr. Speaker, my question is to the Minister of Consumer and Corporate Affairs. It relates to the trucking affair. I might indicate that as the issue progresses, it becomes one for the protection of the director of investigations under the Combines Investigation Act.

In the Senate, on Thursday of last week, a statement was made by the Minister of Justice that, indeed, the meeting that took place was not at his initiative, but was at the initiative of his own officials, and he did not know even the nature of the problem prior to the meeting being called that he had to be told to attend.

I ask the minister whether he knows the director of investigations, for whom he is responsible in this House, and I trust he takes his responsibility very seriously and will seek to protect the interests of the director—

Some hon. Members: Order.

Mr. Blais: —was instrumental in calling that meeting, or whether he was a reluctant participant, and whether he agreed with the subject matter of the discussions that took place?

Hon. Allan Lawrence (Solicitor General and Minister of Consumer and Corporate Affairs): Mr. Speaker, in my view—although I had no hand in calling that meeting—the purpose and the motivation for calling the meeting was absolutely essential.

The hon. ex-minister appreciates that I am under some inhibition as to just what I can publicly indicate respecting the purpose of the investigation. It is a piece of legislation that was not presented to the House by this government, but under that piece of legislation I cannot explain fully the purpose of the investigation and its status at the moment.

Nevertheless, because there has been so much misunderstanding about this particular matter, and because many items have been raised in this House which should not have been raised in the House—

Some hon. Members: Oh, oh!

Mr. Lawrence: —I feel that I am free at least to tell the hon. member that a meeting of that type was absolutely essential. That particular meeting had to have, as part of it, the Minister of Transport so that that particular minister could be informed of the purpose of the expected prosecution and, indeed, so we could obtain information from that particular minister about certain provincial government regulations and interference in the whole question of rate-setting and route-setting for transport companies in western Canada. For goodness sake—

Some hon. Members: Order.

Mr. Speaker: Order, please. The hon. member for Nipissing, on a supplementary question.

Mr. Blais: Mr. Speaker, I am so pleased with the hon. gentleman's very lengthy explanation, but I am asking him whether, in effect, the information he sought from the Minister of Transport relating to very technical procedures within the province of Alberta could not have been obtained from the Minister of Transport—

An hon. Member: You mean, Minister of Justice.

Mr. Blais: —and while he is replying to that question, would he also indicate whether he has ensured that his responsibility

under the statute to protect the independence of the director of investigations has been discharged? Also, could he assure this House, now, that at all times the director of investigations was completely independent in the pursuit of his responsibilities under the statute?

Mr. Lawrence: Mr. Speaker, first of all, the director of investigations certainly knew about that meeting ahead of time. He was at the meeting, obviously. He knew about it, and at no time was there any hint to me—or, as far as I know, to anybody else by the director of investigations—that that meeting should not have taken place. The director of investigations was there. He took part in that meeting fully, as I expected he would.

The hon. ex-minister has just misinterpreted, again, something I have just said. I did not say that the meeting was called for my information. The meeting was called for the information of the Attorney General of Canada, who has a perfect right, in his discretion, before he authorizes any type of a prosecution like that to get the fullest information that is possible.

● (1440)

As it turned out, the information that was desired was not presented to the Attorney General because it was not within the knowledge of any federal government official. Therefore, we shall have to carry this consultation process even further and consult with provincial governments before the prosecution is permitted.

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AIR TRANSPORT

RADIO OPERATORS' DISPUTE—ACTION TO ALLOW CONTINUANCE OF BARGAINING PROCESS

Mr. Ray Skelly (Comox-Powell River): Mr. Speaker, my question is directed to the Minister of Transport: it relates to the very dangerous and chaotic situation that exists in many of the nation's airports due to the withdrawal of service by the flight service radio operators.

Those services were withdrawn because of a number of recent directives from the Ministry of Transport. In all probability, if those directives were withdrawn the workers would resume service. In light of that, is the minister prepared to give this House his assurance that he will remove those directives and allow the bargaining process with Treasury Board to continue without interference?

Hon. Don Mazankowski (Minister of Transport): Mr. Speaker, as I am sure the hon. member knows, the Public Service Staff Relations Board ruled last Saturday that the designated duties as prescribed by Transport Canada were, indeed, upheld by the Public Service Staff Relations Board. I am informed that where the prescribed duties are being carried out by the designated employees as per schedule, there are no difficulties. I have been informed, as well, that there has been no recorded case where flight safety has been knowingly compromised.

Management did issue a directive indicating the responsibilities of the designated employees and indicating that there are prescribed duties which they are required to perform. It reminded them of the importance of discharging that responsibility: failing that, they could face possible disciplinary action.

Mr. Skelly: Mr. Speaker, the situation is not quite as I hear it from the Minister of Transport. What is actually occurring, and I would take one of a great many examples I received today, was a case where—

Mr. Speaker: Order, please. If the hon. member has a supplementary, he should put it.

Mr. Skelly: In light of the fact that we have a number of incidents, can the minister tell us what he will do to ensure that flight safety is taking place at airports where the service has been withdrawn?

Mr. Mazankowski: Mr. Speaker, officials of Transport Canada are, indeed, monitoring the matter at all times. We are committed to ensuring that safety and security are preserved and not compromised. If the hon. member has any specific examples, I wish he would give them to me.

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PUBLIC WORKS

CONDITIONS OF LEASE RESPECTING BUILDING IN OTTAWA

Mr. Don Cameron (Kamloops-Shuswap): Mr. Speaker, my question is for the Minister of Public Works. I would like to find out from him, regarding the lease on the building at 219 Laurier which still has several months to run until the end of this year—if, in fact, a new lease has been negotiated—

Some hon. Members: Order.

Mr. Cameron: —at over a 100 per cent increase.

Some hon. Members: Order.

Hon. Erik Nielsen (Minister of Public Works): Mr. Speaker, I have that matter currently under inquiry.

* * *

CANADIAN EGG MARKETING AGENCY

REFUNDS OF EXCESS COLLECTIONS BY CEMA

Hon. Herb Gray (Windsor West): Mr. Speaker, I have a question for the Minister of Agriculture. It has been alleged that the Canadian Egg Marketing Agency collected at least $3 million last year in unnecessary surplus. What is the minister doing to ensure that this $3 million of excess, unjustified collections from the public are returned to the consumers and the farmers?

Hon. John Wise (Minister of Agriculture): Mr. Speaker, I appreciate the hon. member's question. It does not come as any surprise to me, knowing the hon. member's feelings regarding marketing systems in this country. I remind him that to protect the public interest as it relates to all national marketing systems, particularly the Canadian Egg Marketing Agency, we have in place a supervisory body, the National Farm Products Marketing Council. I am certain that because of the very capable chairman we have in that position, the public interest is being safeguarded.

Mr. Gray: Mr. Speaker, my feelings toward marketing systems in this country are very positive, provided they operate in a way that is balanced in the interests of both consumers and producers. The minister has to demonstrate that is the case.

Inasmuch as CEMA has announced it is raising the price of eggs in order to pass on to consumers the additional interest costs to egg producers because of higher interest rates supported by his government, can he report to us, now, how much there will be in increases in the over-all cost of food generally that will result from these high interest rates paid by primary producers? What will he and his government be doing to alleviate this additional burden on consumers, especially low income consumers?

Mr. Wise: In response to the hon. member's supplementary question, I want to remind him that the annual report of the Canadian Egg Marketing Agency has been tabled. It was tabled in the House on October 9, I believe. We want to make certain that we are not only tabling these reports but are making them available to the Standing Committee on Agriculture.

If the hon. member feels that concerned about the situation, I invite him to make an appearance before the Standing Committee on Agriculture when the annual report of CEMA is before the committee.

REPORTED SHORTAGE OF EGGS—EFFECT ON FOOD PRICES

Miss Aideen Nicholson (Trinity): Mr. Speaker, my question is for the Minister of Agriculture. In view of reports that the Canadian Egg Marketing Agency is controlling the domestic supply so tightly that there are now shortages in the supply of eggs for processing in baked goods, does the minister have a plan to ensure that this shortage will not drive up the price of food items for the holiday season?

Hon. John Wise (Minister of Agriculture): Mr. Speaker, hon. members opposite might take some comfort in the fact that as late as this morning I met with a representation from the board, the chairman of the National Farm Products Marketing Council and the general manager of the board. We discussed these matters. It would appear that we do not have a shortage. I think it could be accurate to describe the situation as being a rather tight one in that the demand for eggs has increased greater than that forecast. However, after my discussions of this morning I feel quite satisfied that we can overcome this situation without any serious problems.

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NATIONAL DEFENCE

PURCHASE OF NEW FIGHTER AIRCRAFT

Hon. Judd Buchanan (London West): Mr. Speaker, my question is for the Minister of National Defence. It has become clear during the last several months that there is no effective competition between the two contending fighters for our new fighter aircraft and that the potential industrial benefits package does virtually nothing for Canada's high technology industry.

In view of this, will the minister indicate whether it is his intention to proceed with acquisition of the F-16 or F-18A, or is he prepared to add the F-18L to the short list?

Hon. Allan B. McKinnon (Minister of National Defence and Minister of Veterans Affairs): Mr. Speaker, it is not our intention to add the F-18L to the short list at this time. As far as the industrial benefits are concerned, we are rather pleased with the package that has been offered by those two companies. There is very active competition right down to the final offers that were made and are at present being reviewed in my department.

Mr. Buchanan: In an article that appeared in this morning's Washington *Post*, Representative Jack Edwards of Alabama, the senior Republican on the house appropriations defence subcommittee, stated that by the end of this year there will be a great deal of F-15s or F-16s delivered with holes where the engines should be, that because of persistent problems only half of these aircraft are flying at the time, and that if he were a member of a NATO nation considering the acquisition of this aircraft, he would be very nervous. In view of that, does the minister consider this a sensible aircraft to acquire for the Canadian forces?

Mr. McKinnon: Mr. Speaker, I thank the hon. member for his first question as defence critic of the official opposition. I point out to him that these two aircraft were put on the short list by his government. I believe he is aware of that.

I want to tell him that I have not read the article in question. I will be pleased to read it. I will ask for advice on such allegations. I know there is a lot of speculation as to which aircraft will be selected. I would not want to say anything in this House that would show any favouritism toward either one.

● (1450)

[*Translation*]

UNEMPLOYMENT INSURANCE

SEASONAL WORKERS—REQUEST FOR REVISION OF BENEFITS' SYSTEM

Mr. Charles Lapointe (Charlevoix): Mr. Speaker, my question is for the Minister of Employment and Immigration.

In view of the fact that the majority of Charlevoix workers must resign themselves to seasonal work, which seldom lasts longer than ten weeks, thereby depriving them of unemployment insurance benefits, could the minister urge the task force, set up in his department to review economic boundaries, to report as soon as possible and demand that new boundaries be proposed for the Charlevoix region so these people will be eligible for unemployment insurance benefits?

[*English*]

Hon. Ron Atkey (Minister of Employment and Immigration): Mr. Speaker, I believe the task force in question is due to report to me some time at the end of November. I would be pleased to make the report of that task force available as soon as it is given to me.

[*Translation*]

REQUEST FOR REPORT OF TASK FORCE

Mr. Charles Lapointe (Charlevoix): Mr. Speaker, on a supplementary, I should like to remind the minister that under the previous government that task force was to report and make its recommendations at the end of May. Could the minister speed up the process because, the tourist season being over, hundreds of persons are denied unemployment insurance in the riding of Charlevoix?

[*English*]

Hon. Ron Atkey (Minister of Employment and Immigration): Mr. Speaker, I am hardly about to provide an excuse for the delay of the previous government. I would be very pleased to provide the report of this task force as soon as it is available. I can assure the hon. member that individuals in my department are working very hard on this very difficult question.

I take this opportunity to offer the hon. member a chance to provide input into that particular process, because this is an extremely complex question of importance not only to his riding but also to many other ridings throughout eastern Canada.

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THE CANADIAN ECONOMY

CAMPAIGN PROMISE OF $2.2 BILLION TAX CUT FOR CERTAIN CANADIANS—GOVERNMENT INTENTIONS

Mr. Bill Blaikie (Winnipeg-Birds Hill): Mr. Speaker, my question is for the right hon. Prime Minister. In view of the distressing figures mentioned already by other hon. members which show the rich getting richer, the poor getting poorer and middle income earners falling behind, can the Prime Minister indicate to this House whether he intends to keep his promise of June 4 that his government will provide a $2.2 billion tax cut for middle and low income Canadians to provide stimulus for the economy and to help these important groups cope with inflation's effect on their standard of living?

Right Hon. Joe Clark (Prime Minister): Mr. Speaker, we hope to keep that promise, but we are not sure when.

Some hon. Members: Oh, oh!

An hon. Member: You sound like a Liberal, Joe.

* * *

[*Translation*]

COMMUNICATIONS

CONFERENCE OF MINISTERS IN TORONTO—REQUEST FOR REPORT ON PROPOSALS TO PROVINCES

Hon. Jeanne Sauvé (Laval-des-Rapides): Mr. Speaker, I should like to put a question to the Minister of Communications. It deals with the meeting of the communications ministers held in Toronto recently. Little news has filtered through about it, only enough to conclude that it was not an outstanding success.

I should like to know how it is that, as a member of a government that claims to be so well disposed towards the provinces, he managed to stifle the enthusiasm that existed in negotiations and co-operation to such an extent that a member of the group accompanying the Ontario communications minister is reported to have said: "We were better off with Jeanne Sauvé. At least we had a deal with her".

[*English*]

Hon. David MacDonald (Secretary of State and Minister of Communications): Mr. Speaker, I want to report to the former minister of communications that I think we had a very useful two-day session last week on a number of communications matters, which she would understand well. In many instances we made a considerable amount of progress.

I know the hon. member would welcome that, particularly in areas which have been most difficult in the past, having to do with the development of new technologies in satellite utilization, some further practical approaches with respect to cable regulation, industrial research in telecommunications and some of the competition industry questions which concerned her in office and very much concern this government as well.

[*Translation*]

Mrs. Sauvé: Mr. Speaker, I think that, with regard to the industrial aspects of the department, there is little controversy between the federal and the provincial governments. But the minister did not attend the press conference right after the meeting of the ministers. He delegated the deputy minister. Of course, I have nothing against the latter; he manages very well in everything he does but, in my time, the minister himself gave press conferences. For the benefit of the House, I should like the minister to tell us, a bit more specifically, what he offered the provinces, for instance with regard to the delegation of authority in the case of cablevision, pay television, the interconnection between systems and especially legislation which I would rather have seen discussed in the House instead of with communications ministers in another city.

[*English*]

Mr. MacDonald (Egmont): Mr. Speaker, as you know, under the rules I would not be allowed to give a detailed answer to the hon. member's question. I do want to indicate to her that I think we have achieved a number of practical solutions in the areas to which she has referred. Specifically, just to mention two, in terms of developments with respect to pay television and satellite utilization we have a proposal before the provinces now which we would like to implement, and they are very seriously examining it.

In terms of cable jurisdiction, we have decided to take a practical route by working together through the means of a task force for an acceptable interim solution before some constitutional or other agreement is arrived at.

* * *

[*Translation*]

LABOUR RELATIONS

ADAMS COMMISSION REPORT—INQUIRY AS TO PRIORITY IN IMPLEMENTING RECOMMENDATIONS

Mr. Jacques Olivier (Longueuil): Mr. Speaker, I should like to put a question to the Minister of Labour.

Today the minister released the Adams report on paid education leave and productivity. Could he say, first, whether he intends to implement the main recommendations and, second, which he intends to implement first?

[*English*]

Hon. Lincoln M. Alexander (Minister of Labour): Mr. Speaker, I want to thank the hon. member for that very important question. As he knows, the report was just a release and it is our intention to hear from the interested parties, whether they be labour, management, provincial ministers or academics. There has been no position taken. We are looking for input, and after that it will be up to the government to decide in which direction it should go.

[*Translation*]

INQUIRY WHETHER RECOMMENDATIONS ADVERSELY AFFECT EDUCATION PROGRAM FOR WORKERS

Mr. Jacques Olivier (Longueuil): Mr. Speaker, could the minister tell the House whether he intends to integrate the recommendations of the report and the input of the consultations by the Adams commission in Bill C-8 that was introduced last week by the government? Further, could he tell the House if there is contradiction between these recommendations and the millions of dollars provided for the education of workers throughout the country?

[*English*]

Hon. Lincoln M. Alexander (Minister of Labour): Mr. Speaker, if that is a representation and a matter of concern, I will certainly give it immediate consideration and get back to the hon. member, particularly when he indicates that there is a contradiction. The extent of this contradiction is now known by me, but it is a point which I will have to consider.

* * *

EXTERNAL AFFAIRS

AID TO KAMPUCHEA—GOVERNMENT POLICY

Mr. Walter McLean (Waterloo): Mr. Speaker, my question is to the Secretary of State for External Affairs. In view of the news report of a major human tragedy taking place in Cambodia, I wonder if the minister can report on the accuracy of the report. Second, would the minister indicate to the House what initiative Canada is seeking to take diplomatically and in the provision of food aid?

Hon. Flora MacDonald (Secretary of State for External Affairs): Mr. Speaker, as hon. members will know, the Canadian government announced over the weekend a contribution of some $5 million to the International Relief Fund to be distributed to those who are suffering from malnutrition—indeed, from starvation—in Kampuchea. The amount which will be distributed will be distributed through the aegis of the International Red Cross and UNICEF, the two groups which have been able to make a preliminary study of this major tragedy which is taking place in Kampuchea.

I should report to the House that the initial report by the Red Cross indicates that the disaster and the malnutrition which have affected that country have almost entirely wiped out the total population under the age of five, and that the age group between five and ten is now seriously threatened. We are, therefore, working with the United Nations, the International Red Cross and UNICEF to try to ensure that this contribution, which is in the form of medical supplies and food aid, will be received by those people who most need it.

Oral Questions

RESEARCH AND DEVELOPMENT

PERCENTAGE OF GNP APPLIED TO FINANCE PROGRAMS—EFFECT OF RESTRAINT POLICY

Mr. David Orlikow (Winnipeg North): Mr. Speaker, I would like to direct a question to the Minister of State for Science and Technology. Before the election, his party advocated the expenditure of 2.5 per cent of the gross national product on scientific research and development. This would have required an increase in the number of scientists by 1983 of 40,000.

In view of the restraint programs initiated by his government and most of the provincial governments, which have led to cutbacks in university research programs rather than increases, I would like to ask the minister what steps he intends to propose to reverse this very dangerous trend.

Hon. Heward Grafftey (Minister of State for Science and Technology): Mr. Speaker, I would like to congratulate the hon. member on his nomination as official critic for his party.

[*Translation*]

May I take this opportunity to extend to him my best wishes.

[*English*]

The 2.5 per cent ratio between research and development expenditures and the gross national product remains a goal and a challenge to this government. Before the government at this point are propositions for tax incentives to industry, as well as the five-year council grants for universities. I am sure that when we arrive at a decision in this regard, very shortly, the hon. member will recognize that we are keeping the 2.5 per cent ratio figure as a goal for this government and he will be completely satisfied.

● (1500)

Mr. Orlikow: Under the much more modest proposal of the former government for reaching 1.5 per cent of the gross national product for R and D by 1983, we ought to have required from industry an increase in their annual expenditures of about 27 per cent. Given that the increase in industry this year is less than a third of that projected by the former government, which was in itself inadequate, what steps does the government propose to take to persuade industry, so much of which is foreign controlled and dominated, to play the role in this country which it plays in virtually all the other industrialized countries in the world?

Mr. Grafftey: I can assure the hon. member that I have already met with officials of NRC and of the industry branch of my department. I have consulted and am consulting the President of the Treasury Board and the Minister of State for Economic Development and I have put all plans of our ministry before the cabinet committee.

I am sure that a decision in this regard and in all these areas will be reached in the very near future, and I repeat what I said in answer to the original question, that the hon. member will be satisfied that the 2.5 per cent goal is a very serious goal for this government in terms of its economic plans.

[Miss MacDonald.]

* * *

PENITENTIARIES

USE OF GAS TO SUBDUE INMATE

Mr. Mark MacGuigan (Windsor-Walkerville): Mr. Speaker, my question is for the Solicitor General, to whom I have given notice. It concerns the use of gas against an inmate named Renaud in his cell in the Laval institution on September 3.

Since the use of gas against a single inmate in a confined area is, to put it in the most neutral way, not normal, what investigations have the Solicitor General or his officials caused to be made into this incident?

Hon. Allan Lawrence (Solicitor General and Minister of Consumer and Corporate Affairs): There is no question in my mind that the use of gas under the circumstances referred to by the hon. member was quite contrary to departmental policy, and also quite contrary to one of the recommendations contained in the all-party committee recommendations which came before the House.

The incident occurred on September 3 of this year, I believe. On September 7, an internal investigation was carried out into the matter. As a result of that investigation, the conclusion was pretty direct: the inquiry had the opportunity of either firing the officer concerned or of severely reprimanding him. They took the latter course. I am convinced that that particular officer will not do the same thing again.

* * *

[*Translation*]

POINT OF ORDER

MR. ROY (BEAUCE)—RULING BY MR. SPEAKER

Mr. Speaker: Order, please. Yesterday, the hon. member for Beauce (Mr. Roy) raised a point of order alleging that the House passed a motion which was out of order. He requested that that motion be declared null and void. The hon. member for Beauce quoted a few precedents to demonstrate that it was possible to declare some proceedings of the House null and void; it should be noted, however, that in such a case the presence of some irregularity should be clearly demonstrated. In this instance such a demonstration would require the determination by the Chair of a point of order concerning a motion which is not before the House at this time. The hon. member will understand that the Chair cannot make a ruling on such a matter.

Even if the Chair could take such a point of order into consideration, it could not make a decision in favour of the hon. member for Beauce. As a matter of fact, all we need to do

is read some of the precedents in the House which are exactly similar to the situation to which the hon. member for Beauce is objecting. Among those numerous precedents, I refer more particularly to the precedent of September 12, 1968, describing an identical situation. Furthermore, it is important to note that the House did not object when the right hon. Prime Minister's motion was moved on October 9, 1979.

Mr. Lambert (Bellechasse): Mr. Speaker, there is so much noise that I can barely hear you. What you are saying is extremely important.

Mr. Speaker: Order, please. Order.

Of course, the hon. member for Beauce stressed then some difficulties with the language of Standing Order 65(1), but he did not raise the matter through a point of order on a procedural irregularity. Rather, he chose to move an amendment to the motion. Moreover, the hon. member for Beauce (Mr. Roy) seemed to accept the procedure followed when he said, and I quote:

This is quite in order as it concerns a motion now before the House. The Standing Orders provide—

It is the hon. member for Beauce who was saying so.

—that a motion can be moved.

The Chair then accepted the motion as follows, and I quote:

There is no reason not to accept the motion under our procedures. So I must rule the motion in order under our procedure.

The motion was therefore debated and the hon. member for Beauce himself moved a motion which was later voted upon by the House. The Chair could not therefore find then any procedural defect with this motion when it was moved in the House, and neither can it now. Needless to say, such a defect would be necessary to allow the hon. member for Beauce to move a motion to declare null and void the motion which the right hon. Prime Minister (Mr. Clark) moved on October 9, 1979.

ROUTINE PROCEEDINGS

[*English*]

WAYS AND MEANS

TABLING OF NOTICES

Hon. John C. Crosbie (Minister of Finance): Mr. Speaker, pursuant to Standing Order 60(1) I wish to table six notices of ways and means motions regarding the Customs Tariff Act, the New Zealand Trade Agreement Act of 1932, the Australian Trade Agreement of 1960, the Union of South Africa

Trade Agreement of 1932, to amend the Income Tax Act and finally to amend the income tax application rules, 1971.

Pursuant to Standing Order 60(2), I request that an order of the day be designated for Thursday, October 25, for the consideration of the ways and means motions just tabled.

* * *

HOUSE OF COMMONS

PRESENCE IN GALLERY OF SPEAKER OF NEWFOUNDLAND LEGISLATURE

Mr. Speaker: Perhaps it is an appropriate moment, just after the presentation of the Minister of Finance (Mr. Crosbie), to ask hon. members to join me in welcoming in our gallery a distinguished visitor in the person of my colleague, the honourable Mr. Speaker Len Simms of the Newfoundland legislature.

Some hon. Members: Hear, hear!

* * *

BANKS AND BANKING LAW REVISION ACT, 1979

MEASURE RESPECTING BANKING INSTITUTIONS

Hon. John C. Crosbie (Minister of Finance) moved for leave to introduce Bill C-14, to amend the Quebec Savings Banks Act and the Bank of Canada Act, to establish the Canadian Payments Association and to amend other acts in consequence thereof.

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

* * *

● (1510)

SUPPLY

REPORTING FROM STANDING COMMITTEES OF SUPPLEMENTARY ESTIMATES (A) AND MAIN ESTIMATES, 1979-80

Hon. Walter Baker (President of the Privy Council and Minister of National Revenue) moved:

That each standing committee to which the supplementary estimates (A), 1979-80 are referred, shall report, or shall be deemed to have reported, the said estimates to the House not later that Monday, November 5, 1979; and

That, each standing committee to which the main estimates, 1979-80, are referred, shall report, or shall be deemed to have reported, the said estimates to the House not later than Friday, December 7, 1979.

Mr. Speaker: The motion can be introduced and dealt with at this time only upon the consent of the House.

Mr. MacEachen: Mr. Speaker, we have had consultations over a period of time with the House leader for the government, and we agreed to take this step. Of course, we reserve our full rights as to how we deal with the estimates and the

appropriation bills when they are returned to the House of Commons.

Mr. Knowles: Mr. Speaker, we have taken the same position with respect to these two proposals contained in this one motion. Perhaps it might be indicated to the House that the reason one set of estimates has to come back so soon is that we are under a legal requirement to deal with the measure confirming expenditures by Governor General's warrant one month after the House has met, namely, by November 9. It is only because of that position that we agreed to the short time on the one set of estimates. The other provision seems reasonable.

[*Translation*]

Mr. Lambert (Bellechasse): Mr. Speaker, I would like to make it clear that there has been in fact consultations on an understanding for unanimous support to the motion that has just been put forward by the President of the Privy Council (Mr. Baker). We shall not renege on our word. It has been given before the House opened, during a meeting of House leaders. But in view of the statement made a moment ago in this House by the Chair, and since the Chair does not interpret the rules the same way as we do on the procedure followed until October, I feel there is a most contentious situation in this House. I would not for any consideration—never in my life did I do such a thing and I do not intend to start now, I do not expect to do so unless obliged to—renege on my word. But so long as . . . Mr. Speaker, let me explain—

Mr. Speaker: There is one matter only before the House at this point, the motion put forward by the hon. the President of the Privy Council (Mr. Baker), namely a request for unanimous consent. Is there unanimous consent?

Some hon. Members: Yes.

Some hon. Members: No.

Mr. Speaker: Order, please. I have allowed as always a very brief statement from every House leader on the matter of consent. But this is no occasion for debate. It is simply a request for unanimous consent. If the hon. member for Bellechasse (Mr. Lambert) is looking for an opportunity to discuss the motion, he can do so later. But right now it is simply a matter of exploring whether there is unanimous consent that the motion by the President of the Privy Council (Mr. Baker) be put forward. If there is, the motion may be put forward. If not, this is impossible. I then ask once more if there is unanimous consent for putting the motion by the President of the Privy Council before the House.

Mr. Lambert (Bellechasse): Despite tyranny and oppression, I agree.

Mr. Speaker: Is there unanimous consent?

Some hon. Members: Yes.

[Mr. MacEachen.]

[*English*]

Mr. Speaker: There being unanimous consent, the motion stands in the name of the President of the Privy Council (Mr. Baker). Is it the pleasure of the House to adopt the said motion?

Mr. Herbert: Mr. Speaker, I agree to the unanimous approval to put the motion. On the motion itself I want to state that I will be opposed to the passing of it unless we have the agreement of the government or the Minister of Finance (Mr. Crosbie) to withdraw his refusal to appear before the Standing Committee on Finance, Trade and Economic Affairs at this critical time when we want to question him. We have been unable to make arrangements with him to appear before the committee at his time and disposition.

Some hon. Members: Hear, hear!

Mr. Crosbie: Mr. Speaker, the hon. gentleman is talking through his hat. I have not refused to appear before the finance committee. I am quite willing to appear before the House of Commons finance committee.

Some hon. Members: When?

Mr. Crosbie: I will appear when I am in town and after the governor of the Bank of Canada has been heard by the committee.

Some hon. Members: Oh, oh!

Mr. Chrétien: Arrogance.

Mr. Crosbie: There is no one opposite whose questions I hesitate to answer. When I come before the committee I hope the hon. gentleman is there to ask a few questions.

Mr. Speaker: Order, please. The House has heard the terms of the motion and the two very short speeches. Is it the pleasure of the House to adopt the said motion?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: Carried on division.

Motion agreed to.

* * *

[*Translation*]

QUESTION ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. David Kilgour (Parliamentary Secretary to President of Privy Council): Mr. Speaker, the following question will be answered today: 214.

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

[*Text*]

CONSUMER AND CORPORATE AFFAIRS—NUMBER OF EMPLOYEES

Question No. 214—**Mr. Herbert:**

How many (*a*) permanent (*b*) term employees were on the Department of Consumer and Corporate Affairs' payroll on March 31, 1979?

Hon. Allan Lawrence (Minister of Consumer and Corporate Affairs): (a) 2269, (b) 136.

[*Translation*]

Mr. Speaker: Question 214 has been answered. Shall the remaining questions be allowed to stand?

Some hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

BORROWING AUTHORITY ACT, 1979-80

SUPPLEMENTARY BORROWING AUTHORITY FOR 1979-80

Hon. John C. Crosbie (Minister of Finance) moved that Bill C-10, to provide supplementary borrowing authority for the fiscal year 1979-80, be read the second time and referred to the Standing Committee on Finance, Trade and Economic Affairs.

He said: Mr. Speaker, I would like to thank my colleagues on this side of the House for their thunderous applause.

Mr. Chrétien: You feel alone.

Mr. Crosbie: It is a particular pleasure to introduce this legislation today because it was three years and five days ago that I was elected to this House, on the birthday of the former prime minister, October 18. I was never asked to introduce a bill by the former government, so this is my first opportunity to do so. This bill has to do with borrowing. I am afraid I am not following in the Shakespearean tradition because as I remember Shakespeare said, "Never a lender nor a borrower be." When one follows the previous government, certainly you have to be one or the other. In this case it is as a borrower that one follows the last government.

I want to approach this matter in a statesmanlike and dignified fashion.

Mr. MacEachen: That is impossible.

Mr. Chrétien: It is going to be difficult for you, John.

● (1520)

Mr. Crosbie: Mr. Speaker, I know that hon. gentlemen opposite want to get on with the serious business of this country and with cleaning up stuff left over from the former government's days in power, and that we are going to whistle it through this House in a respectable period of short discussion.

An hon. Member: You are whistling in the wind.

Mr. Crosbie: This bill seeks borrowing authority of $7 billion for the remainder of the 1979-80 fiscal year.

An hon. Member: That is terrible. You have lost control.

Mr. Crosbie: I know that the former minister of finance is not used to these little figures. When the former minister of finance was over here he wanted $10 billion. He was not satisfied with $7 billion, as I am satisfied with $7 billion. He wanted $10 billion.

Mr. Chrétien: For two years; this is for only four months.

Mr. Crosbie: This is for the remainder of the 1979-80 fiscal year, and the bill provides that this new borrowing power will come into force, if the House passes this bill, on November 1, 1979.

It also does one other thing, Mr. Speaker. The bill would seek explicit authorization for the government to borrow in foreign currencies as well as in Canadian dollars.

An hon. Member: Oh, no!

Mr. Crosbie: The only currency the hon. gentlemen opposite did not try when they were in power was the Zambian kwacha.

Some hon. Members: Oh, oh!

Mr. Crosbie: They tried everything else. They borrowed in deutschemarks, they borrowed in lira and they borrowed in yen, but they never got to the kwacha. Luckily they were defeated before they got to the kwacha. This bill will enable us to borrow in kwacha, if we have to.

Some hon. Members: Oh, oh!

Mr. Crosbie: It does two things. Mr. Speaker, you will recall because of your very sharp mind that the borrowing authority the House was last asked to pass was contained in a bill relating to income tax for 1979-80 introduced by the hon. gentleman for Shawinigan.

Mr. Chrétien: Saint-Maurice.

Mr. Crosbie: I am delighted to see him back in the House.

Mr. Chrétien: I am always here.

Mr. Crosbie: He can learn how things should be done. That bill died on the order paper when Parliament was dissolved on March 26. That bill contained a request for $10 billion in borrowing authority which reflected the $10,750 million in cash requirements estimated at that time that was going to be needed by the hon. gentlemen opposite to run the country for a further year. This $7 billion is $3 billion less. I am not a

mathematician, but I am pretty sure it is accurate to say that it is $3 billion less.

Why are we seeking $3 billion less than the last government that sat in this House, Mr. Speaker? It is not only because we have got the world's greatest President of the Treasury Board (Mr. Stevens), although that is one of the reasons.

Some hon. Members: Hear, hear!

Mr. Crosbie: I tell you now, Mr. Speaker, those who have cost overruns are shaking and shivering in their boots when they know they are facing this President of the Treasury Board.

Some hon. Members: Hear, hear!

Mr. Crosbie: I doubt that we will need any money in future years.

Some hon. Members: Oh, oh!

Mr. Crosbie: He is going to set new targets for whomever succeeds him. Why do we only need $7 billion? It is because we have been using unused borrowing authority carried over from prior years. This is a little secret that the government had hidden behind its back, that it had unused borrowing authority from prior years. Those powers obtained earlier were not subject to the automatic cancellation rule at the end of the fiscal year. However, Mr. Speaker, these unused borrowing authorities, secreted away for many years by hon. gentlemen opposite, were discovered by us, but they have been rapidly used up. If they were not rapidly being used up we would not be before you today with this bill, I suppose.

Some hon. Members: Oh, oh!

Mr. Crosbie: We require new borrowing authority to enable us to complete financial programs for this fiscal year and to provide a margin for contingencies.

Never in the history of Canada has a government announced so much in such a short time, particularly in the financial area. On July 26 I announced that the financial requirements for this year were then forecast and would likely be $10 billion, not the $10,750 million that the hon. gentleman opposite for Saint-Maurice (Mr. Chrétien) had predicted. So far this year, and we hope this will still be true, we have raised $4.3 billion in new funds through the issuance of marketable debt. Now, do not ask me what that is.

Some hon. Members: Oh, oh!

An hon. Member: What an admission!

Mr. Chrétien: Is that the way you were running things in Newfoundland?

Mr. Crosbie: It is made up of $1.1 billion in treasury bills and $3.2 billion in marketable bonds issued in the domestic market. The borrowing authority now being requested—

Mr. Chrétien: What an admission.

[Mr. Crosbie.]

Mr. Crosbie: Mr. Speaker, the difference between me and my predecessor is that I admit when I do not know something and he never did.

Mr. Chrétien: I knew what I was talking about.

Mr. Crosbie: I have had to make very few such admissions in my long life.

Some hon. Members: Oh, oh!

Mr. Crosbie: The borrowing authority that we are now requesting, together with the remaining portion of the unused borrowing powers obtained in prior years and still available, should be sufficient for us to complete the financing program left to us by the hon. gentlemen opposite for the remainder of this current fiscal year with a margin for contingencies, such as the use of the standby lines of credit that the hon. gentleman arranged. The debt program for the rest of this year includes the 1979-80 Canada Savings Bonds campaign which is now under way.

All outstanding and unused borrowing authority provided by this new act for this year and in respect of which the cabinet—the governor in council—has taken no action to borrow pursuant to section 37 of the Financial Administration Act will be cancelled on March 31, 1980. We are not trying to get $7 billion in borrowing authority to leave it hanging around forever. It will expire on March 31, 1980, so we will have to come back to this House and ask for authority again, Mr. Speaker.

Some hon. Members: Hear, hear!

Mr. Crosbie: We are not afraid to come back to this House, because we know that hon. gentlemen opposite, having been 16 years in government, well know that the business of the country must be carried on and will not attempt to delay unduly any matter that we bring before the House.

An hon. Member: No more than the Tories did.

Mr. Crosbie: I spoke last year on a borrowing authority bill that came before the House, but it was not this kind of a borrowing authority bill. I felt a sense of outrage when that bill was before the House because the then Minister of Finance—recalcitrant apparently; they were laughing about this tramping on the rights of Parliament, and I just saw him laughing and snickering—asked the House for borrowing authority for a year ahead when there were no estimates before the House. There was not one estimate before the House and there was no way of our assessing whether his financial requirements projections were accurate. Now I see that he is morose and his pangs of conscience are attacking him now.

Some hon. Members: Oh, oh!

Mr. Crosbie: I was critical of that last year. When we are the government we do what we said in opposition. We are not inconsistent, and that is why I am bringing in a piece of

legislation that ties my hands so I have to come back here again. I wish I had not spoken last year, but there you are.

Some hon. Members: Oh, oh!

Mr. Crosbie: We have to be consistent. As somebody in the other House has said, we have to be consistent, Mr. Speaker. We are asking only for specific authority for this year and on March 31 it will automatically be cancelled. Next year when we need borrowing authority for our next financial year we will have to return to hon. gentlemen. This carries out our campaign pledge to return more control over the financial operations of the government to the House of Commons.

Some hon. Members: Hear, hear!

Mr. Crosbie: Subsection (3) says that the new borrowing powers will come into force on November 1, 1979. The purpose of that is to ensure that we have sufficient borrowing authority on the effective date of the new Canada Savings Bonds campaign. We think we do have sufficient, but this is to make sure.

Hon. gentlemen and ladies should note that it is only the net amount of any increase in outstanding debt that is charged against the borrowing authority, and we anticipate that at the end of this month the amount of unused borrowing authority the government has available should cover net sales of Canada Savings Bonds. As hon. gentlemen know, these sales are quite volatile and you can easily make an error in predicting net sales. That is why we are asking the House to give us this borrowing authority as of November 1 so there will not be any question about whether we have the authority for that Canada Savings Bonds campaign.

• (1530)

The members of the House might be interested in some figures just to show some of the authorizations that have been given to Parliament heretofore. In 1970-71, $3 billion in borrowing authority was authorized. The same amount was authorized in the fiscal years 1971-72, 1972-73 and in 1973-74, $3 billion each year. In 1974-75 there was $5.5 billion in borrowings authorized. In the fiscal year 1975-76, $6 billion was authorized, and the same for 1976-77. But now the hon. gentlemen opposite were getting warmed up to their work. In 1977-78 and 1978-79, $28 billion in borrowing was authorized by this House, an amazing amount.

Mr. Chrétien: Three years.

Mr. Crosbie: It was over two financial years. There were four acts passed which authorized those total amounts, some of which have now expired. This year, the net debt that we have borrowed to date is $5.595 million. We are expecting that the gross public debt charges, the interest charges on our debt this year, will be $8.350 million; or 15.9 per cent of total government expenditures will go toward interest on our debt, a huge amount, an astounding amount of money, going to interest.

This, of course, is something that my hon. friend the President of the Treasury Board cannot control. He cannot control the interest on public debt.

Mr. Gray: You can.

Mr. Crosbie: I cannot control the interest on the public debt because I am left with a huge budgetary deficit for this year, and it will take three or four years to bring that down to a satisfactory level. Because of the debt racked up in the last few years, including the debt that we are left with this year, the difference between revenue and expenditures next year will likely have an interest cost of $10.5 billion. It is truly an astounding amount, and the difference between this year and the next year is something which the government can do nothing about. It depends on what happens with interest rates; and it depends on our past debt, because the past debt is what we must pay for next year in interest charges.

If those are the kinds of interest expenses we will have next year, somewhere over 18 per cent of our total government outlay in this country will be interest on the debt. That is why the President of the Treasury Board, the Prime Minister (Mr. Clark), myself and all of us on this side of the House are so aware of the fact that reducing our budgetary deficit and reducing our financial requirements is essential if we are to get inflation and our economic system under control in this country. That is why we are convinced that the only stimulative deficit now is a deficit that is reduced from what it has been in past years.

Some hon. Members: Hear, hear!

Mr. Chrétien: Flip-flop.

Mr. Crosbie: We have many financial bills coming before the House, and if the House passes, as I hope it will, the debris left over from the last budget, the November 1978 tragedy, and if the House passes this left-over business, then we can get on to the new government's budget and with the business of Canada.

Therefore, I appeal to the hon. gentlemen opposite to help pass through the House their debris so that we can get on with our bright new future for Canada, so that we can get on with our own budget and can get on with dealing with this country, as the people of Canada showed on May 22 they wanted us to do.

Some hon. Members: Hear, hear!

Hon. Herb Gray (Windsor West): Mr. Speaker, the Minister of Finance (Mr. Crosbie) said a few moments ago that he wished he had not spoken last year. I say that the people of Canada, after hearing him this afternoon, will say that they wished he had not spoken today because instead of serious ideas and serious analysis of the needs of the country, he has given us nothing but empty jokes. The minister said that he wants to get on with the business of Canada, but he and his government wasted the first five months after the election

when they could have been getting on with the business of Canada.

The Minister of Finance may want to take credit for himself and the new government, through Bill C-10, for asking for the power to borrow $7 billion for the fiscal year ending April 1, 1980; whereas in Bill C-7 as it was originally presented by the previous government last fall, authority was sought to borrow $10 billion to cover cash requirements for the same period. This portion of Bill C-7, as the House will remember, was dropped at the insistence of the Conservatives. They said that there should be no authority granted by Parliament to borrow for the 1979-80 fiscal year before a budget for that period has been presented.

The bill as passed, therefore, authorized additional borrowing only for the 1978-79 fiscal year. But are the Conservatives in this Bill C-10 showing greater restraint in the borrowing they asked to have authorized by Parliament for the 1979-80 fiscal year than did the previous bill of the Liberal administration? I submit they are in fact not showing more restraint at all.

I will tell the House why I make this submission at this time. Let us start by noting that more than six months of the current fiscal year have already gone by and yet this new Parliament first sat only two weeks ago. There has been no Parliament since the election was called last March. How did the government get the money it needed for its operations, the money required to fill the gap between its revenues and its expenditures during this period, almost all of which, except for a few days, was part of the current fiscal year beginning April 1, 1980? After all, Parliament, before it was dissolved, had not approved any supplementary borrowing authority for the 1979-80 fiscal year.

Did the government make use of authorities to borrow previously authorized by Parliament and which it could still use? The minister suggests that they did. Did the government use cash balances on hand and borrowings carried out in the previous fiscal year? I am told that at the beginning of this fiscal year, April 1, 1979, the government had cash balances on hand of $6.4 billion. As of August 1, 1979—the latest date for which figures are available—these cash balances had declined to $2.7 billion. This means that $3.7 billion of these cash balances were used to finance government operations over the past six months. I am also told that during that period there was, in addition, total new net borrowing of $2.8 billion. This means a total of $6.5 billion from government cash balances and new borrowings were used to finance the cash requirements of the government since April 1, 1979.

This new Conservative government in Bill C-10 is asking for authority to borrow $7 billion to finance its operations for the balance of the fiscal year. This means that a total of $13.5 billion will have been either spent or borrowed by the government or will be available to be borrowed by it to finance its operations and to meet its cash requirements during this current fiscal year. However, the Minister of Finance last July, in his major economic statement, said he was forecasting cash requirements for this fiscal year of only $10 billion, and he confirmed this again today.

Therefore, I submit that in asking for $7 billion in this bill, the minister is asking for $3.5 billion more than he has so far demonstrated he and his government require. That is a lot of money, especially when one calculates the interest at 11 per cent to 13 per cent to be paid on this $3.5 billion—all of which will have to come from the pockets of individual Canadian taxpayers—because of the high interest rates consented to and supported by this Minister of Finance and this government.

Why has the government in Bill C-10 asked for borrowing authority which, when added to the $6.5 billion I have mentioned, would give it $3.5 billion more than it needs to fill the gap that the Minister of Finance forecast last July would exist between government revenues and expenditures? If I am correct in my analysis, Bill C-10 is not an example of new Conservative restraint, it is just the opposite. In effect, it is asking for $3.5 billion in excess of any requirements the Minister of Finance has forecast and, as a result, there is $3.5 billion in padding.

● (1540)

This is the request he made in the bill he presented to us. This is $3.5 billion for which the new Conservative government does not have to account to Parliament through seeking new express authority for that amount of borrowing. The Conservatives have professed to stand for and be committed to treating Parliament with more respect, to making government more accountable to Parliament. Yet the first bill concerning financial matters that they have presented to Parliament, if my analysis is correct, appears to have done just the opposite. They have not been open. They have not made themselves more accountable.

The Minister of Finance just showed his contempt for Parliament and its committees by saying that if the Standing Committee on Finance, Trade and Economic Affairs wants him, he will come when he is in town and after the governor of the Bank of Canada appears. As far as he is concerned, the committee and this House have to dance to this tune. That is a fine way to show respect for Parliament. It is just the opposite to what they profess, Mr. Speaker.

One can ask, Mr. Speaker, exactly why they are seeking to follow a course of action which gives them more than $3 billion in padding—an authority to borrow for which, as yet, they have given no justification or accounting. I can see two possible reasons. One is that the government now has forecasts, which it has not given us, that economic growth for the balance of the fiscal year will be lower than what the Minister of Finance said it would be in his economic statement last July. If this is the case, it means that government revenues also will be lower for this period than he has forecast. This means the government will have higher cash requirements and a higher deficit than it predicted. Therefore, it will have to do more borrowing than originally intended.

There is another possible explanation of why the government is asking for borrowing authority of $7 billion, even

though it seems to be more than it needs on the basis of the minister's forecast of requirements. It may be giving itself a cushion of several billion dollars in borrowing authority so that in the coming months it may borrow abroad if it desires to maintain the dollar at current levels, if there is new pressure against it on the foreign exchange markets because of this government's mismanagement of the country's affairs, or even to force it upward above current levels. After all, the Minister of Finance said at one time in the last Parliament that he thought the dollar should be at 90 cents U.S. In short, to achieve either or both these purposes, the government could carry out some additional borrowing up to the amount of the $3.5 billion cushion. It could do this without going to Parliament for approval of another supplementary borrowing authority.

Rather than using what appears to be a device to enable it to borrow to finance the activities of government if revenues fall because of economic growth being lower than predicted for the balance of the fiscal year, the government should move more quickly than it intends to present a budget. It should be a budget that contains measures of a focused and specific nature to help our economy become more productive and efficient and to deal with our deficit in current account.

While the government may argue it does not have a lot of room for manoeuvre—it has just given us a new explanation of its stimulative deficit, just the opposite of what it said before and during the election—I believe it does have some room in a budget for measures of the kind I have suggested, measures which would at least blunt and contain the adverse effects on the economy of the slow-down, the recession which is likely to be, unfortunately, already under way.

But there is another serious flaw in the way the Conservatives are proceeding with this first financial measure they have called for debate in this new Parliament. They are seeking this $7 billion in borrowing authority in Bill C-10 without first presenting their own budget to Parliament. We do not have from the Conservatives a statement to this House, in the form of a budget, on what they expect the revenues and expenditures of this new government to be, and what will be the resulting deficit and cash requirements to be financed by borrowing for the balance of this fiscal year.

The minister might say that it is not necessary for the House to have his budget statement before it makes a decision on Bill C-10 because the previous Liberal government presented a budget for 1979-80 last November and the Conservatives—he is suggesting this—are bringing it back to the House and asking that it be adopted. However, I say that is not good enough; that is not the whole story. The Conservatives are not saying they are going to leave everything unchanged in the areas of fiscal policy, of government spending and programs and of economic policy generally, from what they were when they took office some five months ago.

The Minister of Finance has already said that he is going to present a new budget some time before the end of this calendar year. He has hinted it will be presented this coming November. The new government has made clear this first budget will reflect its own approach to government spending and priorities of government activity generally. The Conservatives have said that the new budget will be used to confirm and implement changes in direction from what was in place when they took office five months ago.

Mind you, Mr. Speaker, the Conservatives obviously did not find too much wrong with the economic policies put in place by the previous Liberal government, because they left them unchanged for almost half a year. They could have called Parliament and presented their own budget months ago. They did not do so. In this way, they gave an endorsement to these Liberal policies—an endorsement which those people who might have been impressed by Conservative criticisms of the policies before and during the election likely found surprising, to say the least. So much for the validity of those Conservative criticisms.

However, I am sure that the measures of the previous government's economic policy in the new Conservative budget expected next month will not, once announced, be kept in suspended animation; they will not be in a deep freeze till April 1, 1980, when the new fiscal year begins. They will, I am sure, come into effect on budget night or at the beginning of the next calendar year, January 1, 1980. In fact, some may even apply retroactively to the current 1979 calendar year.

One measure, which is really a budget measure, the Conservative mortgage and property tax credit scheme, had already been announced by the minister before Parliament met. When he made his announcement, he said he was doing so in order that it would apply to the current calendar year. We now understand it to be the subject of a separate bill to be introduced even before the budget itself. This mortgage and property tax credit scheme, as the minister has admitted, will add more than $500 million to the Conservative government's deficit. The Minister of Finance has admitted this but he has not been willing to take the people of Canada into his confidence and tell them how the revenue loss created by this new plan will be made up.

In spite of claiming to be a leader in a new crusade for open government, he would not tell and still will not tell the Canadian people what taxes would be raised or what useful government services would be cut to pay for that tax credit plan. So I think that I can adopt the words of the President of the Treasury Board (Mr. Stevens), another claimant to the right to wear the virtuous cloak of open government, when he was talking about Bill C-7 on October 19, 1978. He said:

> The minister chose not to explain why the bill included an authority to borrow $10 billion in fiscal 1980. We know nothing about fiscal 1980. The House has been furnished with no figures. We do not know what the expenditure and revenue forecasts are, or what the budgetary deficit will be for that year.

That was the President of the Treasury Board speaking in a somewhat different incarnation. Referring to the then minister of finance, he went on:

> Why should we be asked to hand him blindly an authority to borrow $10 billion during that year?

Surely these sentiments remain valid today if they were valid last fall.

We also do not know how the forthcoming budget will affect government revenues and expenditures or what forecasts will be in it about the level of the economy. We do not know what the budget will say about the state of the economy, about the oil price agreement the government is seeking and the effect a rapid increase in oil prices will have on the new cash requirements that have to be met.

This is strange conduct by a new government professing a new standard of openness in dealings with the Canadian people and Parliament and professing a new standard of accountability to Parliament. They are asking for the authority to borrow $7 billion in a way which may be giving them a cushion of borrowing room in the amount of several billion dollars without first presenting their own budget to show why all the borrowing authority sought in this Bill C-10 is actually required.

● (1550)

The minister's forecast at this point continues to be that the cash requirement for 1978-79 is $10 billion, and if this cushion I mentioned exists, he should not be asking for the authority to borrow $7 billion but instead a figure in the area of $4 billion. If the new Conservative budget shows a higher deficit for 1979-80 because of Conservative neglect of the economy—a higher deficit than the Conservatives have been forecasting—or if the government wants to borrow to support the dollar, it should come back to Parliament after presenting the budget to get specific authorization for the borrowing required.

Let us not forget that the Minister of Finance in his economic statement of last July admitted that, contrary to what he and the Conservatives were saying before and during the election, the actual deficit for the last fiscal year turned out to be less than had been forecast even by the previous Liberal government.

The President of the Treasury Board admitted in the House yesterday that the higher interest rates the government was now paying on Canada Savings Bonds to meet the over-all increase in interest rates his government had allowed the Bank of Canada to bring into effect would cost the taxpayers $215 million over the term of the new Canada Savings Bonds issue. He admitted that the extra cost to the taxpayer of these higher interest rates would be $62 million in the first year of the term of the new Canada Savings Bonds. Yet last October 19, 1978, in tones of outrage and indignation, the present President of the Treasury Board said in this House:

> The Canada Savings Bonds issue is now at over 9 per cent annually. Do you know that at a 9 per cent interest the cost of what we are now approving will double every eight years? That is the cumulative effect.

Where is that indignation today? Where is the President of the Treasury Board on this crucial issue?

While the President of the Treasury Board gave me the additional cost to the taxpayer of the higher interest rates on Canada Savings Bonds caused by the higher general level of interest rates approved by his government, he did not answer my second question of last Friday. In it I asked about the additional burden on the taxpayer of the extra cost to the government of all of its borrowing in addition to the Canada Savings Bonds loan in order to finance its cash requirements as a result of the three increases in interest rates by the Bank of Canada that it allowed to go into effect since it took office five months ago.

Last October 24, the present Minister of Finance when he was still only the hon. member for St. John's West said in this House:

> Does anyone care what all this does to interest rates? . . . Last March 8 the central bank rate was 7.5 per cent. That was the bank rate just seven months ago. That is what the central Bank of Canada charged, and probably the banks charged one half, three quarters or 1 per cent more. . . . Now we have had five increases, and in seven months it is up to 10¼ per cent. How does this correspond with the Prime Minister's great program of industrial and economic expansion and growth which was brought back by him from Bonn via Morocco?
>
> The Prime Minister cannot explain. He throws his hands up and says, "Look, we have to do whatever the United States Central Bank does. If they go to 8¼ per cent or 8½ per cent, we go to 10¼ per cent."
>
> If the Americans increase their interest rates once again, which they may well do—and it is being forecast down there right now—the central bank rate in Canada will go up again, and the interest rate at banks will go up to 12, 13 or 14 per cent.

How right he was, Mr. Speaker, and how quiet he is about what he said then and how it still seems to suit present conditions. But he is singing a different tune today.

On that occasion, the hon. member went on to say:

> Where will it end? Where will it stop? How can we have economic expansion in light of these interest rates? What will the small businessman do? . . . What will they do to meet these heavy, additional expenses?
>
> Is it not correct that one of the factors which make us uncompetitive compared to the United States is the much higher interest rates in Canada? Who is considering all this? Who cares?

Obviously the hon. member, now that he is Minister of Finance, has not done anything to show that he cares. He has not explained why those words of last fall are not equally valid today, as they are. Today, the hon. member for York-Peel is the President of the Treasury Board and the hon. member for St. John's West is the Minister of Finance. In spite of what they said before the election, they and their Conservative government allowed the bank rate and interest rates generally since they took office to go up three times to record levels, to the range of 13 per cent. This has happened as a result of their decision, their action or inaction. No amount of talk by the present Minister of Finance about the policy of the governor of the Bank of Canada being the governor's personal policy changes the reality that in law and in fact the Minister of Finance and the President of the Treasury Board and all in this new Conservative government bear the responsibility for the damage these interest rate increases are doing and will do to the economy, particularly to small business, the farmer and the consumer. The minister and the government are accountable for what is happening and what will happen, and they will be held to account by the Canadian people.

I think there are many questions that remain to be answered about this bill but I think enough is already clear from what is in it and what is not in it, and from the manner in which it is being presented, that the new government is not living up to its promise of more openness, accountability and good management. It is operating, instead, on a basis of evasiveness,

ineptness and downright sloppy management. All this is not unexpected in light of the fumbles we have already seen from this government in the first five months it has been in office.

Therefore, we will be examining this bill in detail when it goes to committee. We have an obligation as the official opposition while this Conservative government remains in office—and I suspect the people of Canada will decide it will not be too long—to try to ensure that this Conservative government does the least possible damage to the Canadian people and to the Canadian economy.

Miss Pauline Jewett (New Westminster-Coquitlam): Mr. Speaker, in listening to the speaker who has just sat down, the hon. member for Windsor West (Mr. Gray), I realized once again how little difference there is between the Liberal party and the Progressive Conservative Party on economic policy. Nothing was said by the hon. member to suggest alternative routes that might be taken by the present government to get the economy out of the mess in which the Liberals left it, not a word. The hon. member quibbles about a lot of minor matters which I found tedious to listen to. There was not a single suggestion for the Conservative government—and it needs suggestions—as to how it can rectify the economic situation in this country.

The Minister of Finance (Mr. Crosbie), whom I have never had the pleasure of listening to before, is undoubtedly delightful, but he reminds me a bit of the captain of the Titanic—you know, laughing as the ship goes down! He says he is being consistent in his position, and yet it was the Conservatives in the election campaign who promised lower interest rates, who promised to stimulate the economy and who promised tax cuts for middle and low income groups. In other words, they promised those things the Liberals had failed to do. They promised to give a different direction to Canadian economic policy. Whether one entirely agreed with them, one had the feeling we would have a government in power, should the Conservatives win, that would put the economy more sturdily on its feet and take directions different from those pursued by the previous government.

● (1600)

What happened? It is not good enough for the Minister of Finance to say that he will get rid of all the mess and, as soon as he can, bring down a budget that will put us on our brave new path. There is nothing to prevent the Minister of Finance bringing down a budget earlier. There is nothing to make him wait until the end of November, as I think it now is. We would have been glad to see the government's financial and economic plans generally for the next year.

One of the reasons for the delay, and there are no doubt many, is that there is no chance for the government to implement the economic policies it outlined before and during the election campaign. It does not wish to implement them. It made a commitment that there would be lower interest rates. As we all know, interest rates have gone up and up. The Minister of Finance could have taken action on that and he knows it, but he failed to do so.

I am sorry to have to say this, but I understood the steering committee of the Standing Committee on Finance, Trade and Economic Affairs had agreed that the Minister of Finance would be heard prior to the governor of the Bank of Canada.

Mr. Lambert (Edmonton West): So what?

Miss Jewett: The Minister of Finance stated today he would appear when he was able to be here, after the governor of the Bank of Canada, and only then when he is in town. That puts the governor in the position of having to meet the committee first.

Mr. Crosbie: It was his preference.

Miss Jewett: The government is hiding behind the governor of the Bank of Canada on its interest rate policies.

Some hon. Members: Hear, hear!

Mr. Lambert (Edmonton West): Talk about the bill.

Miss Jewett: I am sorry to have to raise this, but it is a very important point if we are going to get from this government clear directions on its economic policies, including interest rate policies. We were told they would lower interest rates, but they have not done that. Nor have they given any guidance to the bank on that question. They are hiding behind the governor of the Bank of Canada.

It is a similar situation with tax cuts. We have not seen tax cuts. In fact, as was mentioned in yesterday's report from Statistics Canada, average family income has dropped in real purchasing terms for the second year in a row. Average pre-tax family income was $21,346 in 1978, up only 6 per cent from 1977. As inflation was up 9 per cent last year, the real purchasing power of family income actually dropped by 3 per cent. That follows a drop of 2 per cent the previous year. Where are the tax breaks for the average and low income earner in Canada which were to have been a part of this party's new economic policy?

There is another avenue the Conservative party might well have taken but declined to do so and is therefore following in Liberal footsteps once again. This is in relation to what some people have called our hidden welfare system. Our tax system is supposed to be basically progressive. You tax those with more income more than you tax those with less. It would do a great deal if the present government would find more money through the tax system, and therefore have to borrow substantially less. That is bang on the subject of this bill.

Our tax system is a haven for those with really ingenious accountants. It rewards the greedy, punishes the hard worker, favours certain companies, notably oil and gas companies, mining companies and banks, and penalizes the average worker. If the Conservative party really wanted to show a new direction for the Canadian economy, particularly our fiscal system within that economy, it would take a serious look at some of these tax breaks.

In the oil and gas industry, as hon. members know, the Liberals created the super-depletion for what it called frontier exploration. This is a write-off, not only for companies, but for individual taxpayers who invest in frontier exploration accounts. Dome Petroleum Ltd. has not paid any tax in ten years. Shell Oil did not pay any last year.

The money the government does not collect because of the exceptions and loopholes in our tax system we call tax spending. It means the public revenue is losing money that has to be made up by taxes somewhere else—that is, from you and me, Mr. Speaker. How much is it costing us? In the oil and gas industry last year it was about $3 billion. Some went to oil and gas companies, some to private investors who can write off their investment 140 per cent. The Tories pick on PetroCan which costs us $350 million a year and which we all own, and give billions to private corporations in which we have no stake at all.

The same is found in the mining industry. In Sudbury, Inco reaps the same kinds of benefits as Dome. As of 1978, Inco had accumulated a total of $318 million in deferred taxes. Add to that the benefits of tax legislation and they get another $10 million in tax credits.

What of the banks? We have all heard about the banks. Even they get tax credits. Last quarter the Royal Bank did pay tax, at 2.9 per cent. While Imperial got a tax credit in the second quarter, last quarter it actually paid 12.8 per cent. Banks used to pay 50 per cent. Five years ago the banks were paying tax at 50 per cent. The average rate for all banks last year in the last quarter was just over 10 per cent. Our tax system is leaking like a sieve.

One way in which the government could prevent future debt from accumulating would be to close some of these leaks in our tax system that so highly benefit the private sector, or are they so enamoured of every single aspect of the private sector that they are not prepared to take steps to ensure a more equitable distribution of the tax burden in our society?

Increasingly the Conservative government seems to be planning to depend on foreign investment to recoup itself. The Minister of Finance said that is his purpose, that one of the reasons for the increasingly high interest rates is to encourage more foreign investment in Canada. The services bill we are paying on that foreign investment is nowhere near compensated for by our merchandise trade surplus. Hon. members know that, and the situation is getting worse; 1973 was the last year that the surplus on merchandise trade came close to balancing our services account. The services deficit then was $3 billion. In 1974 it grew to $3.7 billion. In 1975 it was $4.7 billion. In 1976 it was $5.8 billion. In 1977 it was $7.4 billion. Last year it was $8.7 billion, and this year it is more than $10 billion. This is the amount of our deficit in what is generally called the services area, which includes, as hon. members know, dividends and business-service charges paid to foreign parent companies by Canadian subsidiaries and also the interest paid on foreign borrowings.

• (1610)

This year's merchandise trade surplus will fall short of balancing the service account deficit by at least $8 billion. This total current account deficit of $8 billion is the amount which must flow into Canada as short-term or long-term capital to keep the Canadian dollar from declining. It becomes a vicious circle. The more one borrows, the more one has to pay out. What is the government planning to do to encourage Canadian investment by Canadians? Does it have any plans, for example, or strategies?

If it is going to give tax breaks, will it ensure that the companies getting those tax breaks sign planning agreements with the government as to where new investments should go? For example, in the pulp and paper sector the Canadian government could require companies to buy Canadian machinery. MacMillan Bloedel in my own province of British Columbia signed such an agreement concerning its Dutch operations. It signed that kind of agreement with the government of The Netherlands. Does the Conservative party have any ideas at all for developing this kind of agreement in Canada to encourage investment here, or is it just going to go on taking in more and more from outside?

Has the government thought of a public investment fund? As it probably knows—I am sure the Minister of Finance knows—in Sweden companies which receive tax breaks have to put some of their profits into a public investment fund, and this money is used where the government feels investment is needed. Has the government given any thought to that kind of proposal?

Finally, has the government any strategy or plans for dealing with what, after all, is the real problem at the root of all these other problems, that is, the development of high technology Canadian industry? Does the government have any plans for helping this branch and perhaps certain other branches of Canadian industry to survive and advance? I mention the new high technology area because it is highly competitive. This is where Canada ought to have a natural advantage but it is a new and still fragile industry. It does need government support.

At the moment we are losing ground and losing it fast. This happened under the Liberals, but are the Tories just going to continue the pattern? Between 1970 and 1975 trade statistics in high technology industries showed Canada importing more than it was exporting in 18 out of 19 industries. A report on the telecommunications industry in Canada published late last year said that Canada's trade deficit in the electronics manufacturing sector was running at between $1.5 billion and $2 billion a year. This report went on to warn, and I quote:

> We believe that the telecommunications and information industries in Canada will be dominated by foreign interests or crippled by imports if nothing is done.

If there was some indication of a commitment by the government to help in the development of this industry, increased borrowings to help finance this commitment might make some sense. However, there was no suggestion of such a commitment as recently as last week's federal-provincial conference on the communications industry. Similarly, we have

heard, both before the election and in the Throne Speech, that this government plans to expand research and development—we heard that again in answer to a question today—but have not seen any concrete action on this.

As hon. members know, right now Canada spends .9 per cent of its gross national income on research and development. The U.S. spends 2.3 per cent. West Germany spends 2.2 per cent. The results show, of course, in lack of productivity. Right now Canada's level of productivity in the manufacturing sector is about 20 per cent less efficient than that of the United States. Part of the reason lies in Canada's fewer economies of scale, but as everyone knows, nowadays technological advantage is the most critical factor affecting productivity, and that is where we are falling short.

I remind hon. members that we pay twice over for this. First, Canadian companies are not able to compete effectively and therefore do not grow as fast as they ought and do not employ as many Canadians graduating from our universities with high technology skills. Secondly, we increase our manufacturing trade deficit by the increasing levels of our high technology imports.

I have already mentioned the telecommunications industry. Let me give one more example. The computer data processing industry is a glaring example. The federal Department of Communications estimates that Canada will buy $300 million worth of data processing services from the United States this year. This is equivalent to exporting 7,000 highly skilled jobs, and the losses would be several times higher if the data processing business which foreign parent companies sell to their Canadian subsidiaries were included in the totals. In the absence of an industrial strategy to help the Canadian data processing industry develop and to prevent its systematic takeover by foreign interests, the deficit is likely to increase. Indeed, the Department of Communications suggests that by 1984 we will be exporting 23,500 jobs in this dynamic industry and increasing our trade deficit in it to $1.5 billion.

As hon. members know, this is the last thing we need. Because even with our trade merchandise surplus the emphasis is still entirely on raw materials. One of the things I did agree with was the paper of the Conservative party on economic development policy which was written in 1975. The Conservative party then said, and I quote:

> Canadians should not consider the merchandise account to be in a balance or a surplus position unless the balance or surplus is achieved on a basis that excludes trade in raw resources.

We are at the moment running an $11 billion trade deficit in end products. The fact that we have an over-all surplus is made up for by the fact that we are doing exactly what this paper proposed we should not do, namely, relying on export of raw resources. We have an $11 billion trade deficit in end products. We desperately need to turn that trade deficit around. We already know that trying to do so by increasing foreign investment and increasing raw material exports to finance that investment is a futile exercise. It amounts to chasing your own shadow, with the added factor that the more you chase it the longer the shadow becomes.

In my final remarks I would like to urge this government to reassess this tendency of its following along with the same tired out policies the Liberals followed for so many years. I remind this government that locking ourselves into high interest rates to attract foreign investment increases our foreign debt load. There is no stimulating policy for our high technology industries in Canada, and that is a direct foreclosure on Canadians being able to invest in their own country.

• (1620)

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, I wondered what kind of a speech I was hearing while listening to the hon. member for New Westminster-Coquitlam (Miss Jewett). I thought we were dealing with a bill to increase the borrowing authority of the government based upon Bill C-37 of earlier this year which was not passed and which actually covers the borrowing authority for expenditures which have largely been consummated. Yet we have heard a run down, prepared I do not know where, of all sorts of dribs and drabs concerning economic policy which have nothing to do with this bill.

An hon. Member: Let us hear yours.

Mr. Lambert (Edmonton West): I would prefer, if the financial critic of the NDP is not here, that whoever substitutes would stick with the bill. This is a very limited bill and I do not think I should have to lecture a former university president about relevance and about not trying to throw all sorts of mud and water against the wall in the hope that a minuscule quantity will stay.

Miss Jewett: Let us have some positive policies.

Mr. Lambert (Edmonton West): It was poor quality mud and very little stuck.

Mr. Hogan: Mr. Speaker, I rise on a question of privilege on behalf of my party about not throwing dirt at our party. Surely the hon. member for Edmonton West (Mr. Lambert) can see that if there are failures in the borrowing position of this government, as we are pointing out, it is primarily due to their economic policies. This was the meat of the address of the hon. member for New Westminster-Coquitlam (Miss Jewett) and she is as free as anyone else in the House to use this occasion to introduce that.

Mr. Deputy Speaker: I think the hon. member will agree with me that the point he has raised is certainly not a question of privilege but rather a difference of opinion.

Mr. Lambert (Edmonton West): Mr. Speaker, I wish to revert now to Bill C-10. The Minister of Finance (Mr. Crosbie) has been asking for authority to extend the borrowing power of this government to borrow $7 billion. If one goes back to the news release issued at the time of Bill C-37—and I invite the hon. member for Cape Breton-East Richmond (Mr. Hogan) to do so—then one sees that at that time the govern-

ment was seeking authority to borrow $10 billion for the fiscal year 1979-80.

This bill, some eight months later, seeks borrowing authority for only $7 billion. In other words, there has been some progress. Perhaps in the hon. member's mind $3 billion is little because his party has no ceiling on expenditures it will make when it wants to make them, regardless of where they are going to get the money. That never enters their mind.

Hon. members will recall that in November of 1978 supplementary authority for $7 billion had been obtained, but those of us on this side are very conscious of the fact that $7 billion was obtained by the presentation of a bill by a government that had been embarrassed into trying to slide through surreptitiously a borrowing authorization under a $1 item in a supplementary estimates appropriation bill. The Chair, of course, had, quite properly, when this was drawn to its attention, disqualified the item, and therefore the government had to come forward with a separate bill. At that time they got $7 billion. Most of the borrowing powers obtained prior to November, 1978, have been used but, as I pointed out in the debate on February 15, 1979:

> Last year the government tripped itself up over its own ineptitude in attempting to increase a borrowing authority in an appropriation bill under a one dollar item or some similar procedure. Of course, the Chair rejected it. Last November the government had to introduce a borrowing authority bill in which it sought authority to increase its borrowing capacity by $7 billion. Approximately four months later the government is back saying, "we have to borrow another $10 billion."

Now we say, just a minute—and we did say so—how is it that so much money is required? Any attempt by my colleague the hon. member for York-Peel (Mr. Stevens) to get information from the former minister of finance ran into a stone wall. Finally, the information did come out. There was then $2 billion worth of borrowing authority under legislation which expired on March 31, 1979. There was a further $3.8 billion worth of authority which was made valid under previous legislation. With the $7 billion sought in the bill for the fiscal year 1979-80 there was authority for approximately $13.8 billion.

Why was this money needed? It was needed for one reason and one reason only. The program managers of the government in 1978-79 ran out of control totally and utterly over the spending program of that government, and the only recourse was for the poor former minister of finance to come forward in the House and admit failure on the part of the government to control expenditures. The problem was the rate of increase in government deficit. They were financing borrowings to pay interest; not to repay capital but to pay additional interest as time went on.

Frankly, that is one of the most serious problems that my hon. friend the Minister of Finance has inherited from the previous administration. Instead of $10 billion, the amount has been reduced to $7 billion, and on top of that the Minister of Finance has said that there is a terminal date on the credit and he will have to come back by March 31, 1980 to get any additional borrowing authority at all. That is a lot more honest than what prevailed heretofore. It seems to me that hon. members should recognize this fact.

I hope we are going to get far more details and a far more open disclosure by the Minister of Finance through the changes that have been implemented as a result of his examination of the problems he inherited as well as the examination of programs by the President of the Treasury Board, so that hon. members on both sides of the House will be able to understand the control that is required on the spending programs of the government.

I can tell you, Mr. Speaker, that we are going to get a very explosive report from the Comptroller General. There is item A in the first section under the Treasury Board where the purpose, under the function of program activities of the Treasury Board, is to examine government programs, to assess their performance and to report. Time and time again I questioned the secretary of the Treasury Board before the Standing Committee on Miscellaneous Estimates and asked him to produce some of these reports. If they are of any value to members who are supporting government programs, surely to goodness they require the evidence of these reports to show their performance. But none was forthcoming, even though the secretary of the Treasury Board agreed it was desirable that they be available. But he is no longer there. The then president of the Treasury Board (Mr. Andras) agreed with me that this should be so, that it would be highly desirable, but "don't catch me doing it" was all he would say.

• (1630)

The point was that not one program was being assessed. The Treasury Board was totally deficient in its duties. However, their duties have now been pointed out to them and processes have been organized whereby these programs are being assessed, and we will find out about them. That is the question which faces the Government of Canada today, not all the little matters which were referred to by the hon. member for New Westminster-Coquitlam. The prime task of the government has been to gain control of its expenditures. That is not done overnight, but already we see the effect of what has been done in the interim.

Instead of coming to us for $10 billion or possibly more, taking into account inflation and increasing interest rates over which the minister has no direct control—anybody who wants to come and sit in and listen is welcome. I can assure the House that there will be a lot of pupils to listen to the Minister of Finance and to the governor of the Bank of Canada on that particular point. Talk about people not having cracked the book but being very ready to criticize! The louder are their protestations, the more evident it is that they do not know anything about the subject. We will see what will result from these steps taken by the government. The members in the opposition and the people of Canada will be in a position to judge my hon. friend the Minister of Finance and the administration which is being put into place under his direction in this particular field, if next March or shortly thereafter he comes before this House and, in the absence of any extraordinary

circumstance, admits that he has to borrow more money in excess of what he is seeking now. In other words, if the demand for borrowing authority is greater than it is now and if no extraordinary circumstances exist therefor, then the Minister of Finance will have to admit to the House that he has failed in his mission. But I do not think he will.

I am satisfied that the people of Canada have recognized the fact that the prior administration had lost control completely over its expenditures and they told the incoming government: "That is your first task." Reasonable people will say, "We will give you a certain amount of time to do it". The proof of the pudding will be in the eating next year, at the end of the authority granted by the bill before us. The concept of the bill is very narrow and it does not cover the whole economic field.

I wish the New Democratic Party would come along and tell us what they see as the requirements for borrowing. Of course, they would want to borrow maybe $20 billion, $30 billion or $40 billion as they let go with some of their more irresponsible programs. No way, Mr. Speaker.

I recommend to hon. members that we accept this bill. It will go before committee where hon. members will be able to examine the Minister of Finance and his officials in greater detail. Then it will come back to the House. But it is required and I would therefore ask hon. members, in a spirit of fairness, to accept it. We are not playing games over the election, over what was said and what was not said. The former minister of finance, the hon. member for Saint-Maurice (Mr. Chrétien), and I have verbally crossed swords many times across the floor of this House. He knows that I knew what he was trying to do. Sometimes I caught him out, but he knows that what I have said this afternoon is absolutely right.

Because he is a good Canadian, I am sure he will want to join us in getting after this particular problem. He knows it was there, that it was recognized at the time of the election. Unfortunately, it had been blown up too big and too fast and had gone beyond the control of the previous administration. I commend the bill to hon. members and would seek their affirmative vote.

Hon. Jean Chrétien (Saint-Maurice): Mr. Speaker, I do not intend to make a very long speech because I know of the problems facing the Minister of Finance (Mr. Crosbie). I went through this kind of experience when it used to be that these borrowing bills were just an item in the estimates and we did not have to present official bills and so on. I was forced for days and days to sit in the House listening to gloom and doom speeches for nothing. So I do not intend to do that. I just want to make a few points which in my judgment are important at this time.

The hon. gentleman knows I have a lot of sympathy for him because I too have been minister of finance in difficult times. I think sometimes we have to have fun but I did not find it too funny this afternoon when the Minister of Finance treated this problem in a very light way, trying to make a joke out of a very difficult situation. I think that he will gain nothing by trying to be funny in the face of the problems this nation is encountering at the moment.

I would like to make reference to a few points which are worring me very much. When one is under pressure, as the Minister of Finance is at the moment, I think it very important that one get as much support as possible. I feel very sorry for him when I see his present situation, because in order to have stability in the Canadian economy we need to have confidence in our Minister of Finance.

At this moment when the Canadian dollar is still under extreme pressure, the present government is facing many problems. They made brave speeches during the summer, especially the President of the Treasury Board (Mr. Stevens), to the effect that they would bring expenditures under control and so on. Now we realize after only a few months that the Minister of Finance has to admit, as he did last week, that his predictions of last August were not right. Two months after making them, he has to admit that his predictions of August were off the target by $500 million. He gave me hell for the type of difficulties with which I had to cope. I do think that this situation is not one which calls for the Minister of Finance to be making funny speeches.

Everyone in the business community knows that the Minister of Finance wanted to keep his deputy minister because Bill Hood was a competent man. I heard what the minister said when he was a member of the committee in the spring after the prime minister had appointed Mr. Hood on my recommendation. He said to Mr. Hood in my presence that he was very competent, and that if there was a change of government in the coming months he would have an easier time with the new minister of finance. The first thing that Mr. Hood heard from the Prime Minister (Mr. Clark) was that he was fired and that it was against the wishes of the Minister of Finance. I have never seen such a thing and I feel very sorry for the present Minister of Finance.

● (1640)

As I said in the House the other day, there is another problem that is in my mind very much at this time, and that is the future of the governor of the Bank of Canada. It took some time for the Minister of Finance to realize that, after all, he was responsible for interest rate policy and he could not just say that it was the responsibility of the governor of the bank, because since the Coyne affair it has been very clearly established that the ultimate responsibility is vested with the minister of finance.

When I was minister of finance I never tried to run away from my responsibilities. I know it is not pleasant for any minister of finance to accept a recommendation to increase the interest rate. That is not fun, but very often we have no choice because the alternatives are more difficult. I was pleased to hear the Minister of Finance say that he had complete confidence in the governor of the bank. That is the way things should be because the Minister of Finance has full responsibility. But if you are in the marketplace today and you look at the

present situation, you will hear rumours that the government is planning to replace the governor of the bank.

An hon. Member: So they should.

Mr. Chrétien: The market should know what the view of the government is. It is not good for the stability of Canadian currency and the Canadian economy at this time to see the Prime Minister of Canada go to a press conference and say he does not know if he will or will not keep the man. When a man has responsibilities like that and has to be seen all the time he has to have the confidence of the government. If he does not have the confidence of the government, he should be told so and replaced.

Some hon. Members: Hear, hear!

Mr. Chrétien: That is the way the system should work, and I urge the Minister of Finance to start taking his responsibilities seriously. Of course, he and I can have a lot of fun on other subjects. I like to laugh once in a while. I am from rural Canada just as he is, and a good joke makes me feel good, but when we are dealing with this problem it is not the time to make fun of our institutions.

I understand his problem and I urge him to talk to the Prime Minister and make sure that the oil and gas pricing problem is resolved very quickly. I understand his frustrations. Members of the opposition who formed a new government in the spring were asking for a budget in March. We are now at the end of October. I know there is not much work that can be done on a budget, but how can the Minister of Finance predict the deficit for next year? How can he predict the inflation rate for next year if he does not know what the compensation program for oil prices in eastern Canada will be? With the huge increase in the price of oil internationally, this uncertainty puts a lot of pressure on the Minister of Finance in preparing his budget. He has to know these things.

What happened this past summer? Those first ministers were among friends, Mr. Davis and Mr. Lougheed. How come they did not manage to resolve this? When I felt last year it was my duty to ask Alberta not to increase the price of oil by $1 in January, 1979, I gave them five months' notice. We entered into negotiations. Now we are at the end of the period. My budget came in in November and now we are at the end and the poor Minister of Finance is sitting there alone not knowing what the government will do. That is terrible and I feel very sorry for him.

I hope members of the government will realize that they cannot leave the Minister of Finance high and dry like that. He needs the backing of the government, because what is essential in that role is to have some credibility. Yet in a matter of weeks the Prime Minister has pulled the rug out from under him by changing his deputy minister without his consent. He is now putting him in the position of having to say in the House that he supports the governor of the bank, while 24 hours afterwards the Prime Minister in a press conference indicates he does not know if he will keep him. The governor of the bank has a very difficult job to do. I know there are other things he could do.

If the government is determined to move on the deficit, and do something about it, we need more than grandiose speeches by the President of the Treasury Board, who does nothing but pretend he is going to kick 60,000 bureaucrats out in three years. He claimed he would cut the civil service by selling Canadair and de Havilland. I hope Canadair will have 20,000 employees. They are not bureaucrats, they are people who make planes. The same thing is true of de Havilland. This kind of nonsense does not satisfy those people who have put their faith in those responsible for managing the economic affairs of this nation.

What we need to know is what the inflation rate will be next year. There is a lot of planning being done at this time. Last year I said in my budget of November that we should move the date of the budget, always having it in the fall rather than the spring, so that the people could make plans for the year to come on the basis of a budget that would be known to everybody. How can they prepare against inflation next year without knowing the government's budgetary intentions?

The price of oil has to increase. That has been the policy of our government and our party, but it should increase in relation to certain standards. This idea that the price of oil has to be set side by side with the international price set by the OPEC cartel makes no sense. I was in Iran, in Saudi Arabia, in Venezuela and in Ecuador and none of those nations charge their citizens the price for oil which they charge the foreign market. Why do we have to do this in Canada? Not even the Americans do that. In Texas the independent oil producers still get $5.35 per barrel for old oil. It is not sold at the international price. People in the west sometimes complain about our policies on oil pricing. If you go to Texas, Mr. Speaker, and talk to the producer there, he will tell you that they hope to get the same generous treatment that is given in Canada. Why should we run the risk of having four or five more points of inflation next year? Who made that commitment for the nation? I hope the Minister of Finance will resolve this difficulty very quickly because very soon we will have been 13 months without a budget.

I remember when I had been the Minister of Finance for a week and members were up on their feet asking me when I would present a budget. Within a month I made an economic statement in the House. It was kind of a mini-budget in which I changed some of the policies. I presented another one in April and one in November.

We have to get ready to move now rather than pushing back all the problems until later. Of course, the Minister of Finance will be late. When I presented my budget in November of last year I based my predictions and my policies on the best information I had on increases in the price of oil. It was information I had gathered at the World Bank meeting, the IMF meeting in Washington. The increase was to be about 15 per cent, according to the consensus, but OPEC nations decided otherwise and the price went up in certain instances 40 per cent. That immediately led to a big change in the situation in

the United States. My forecast was made on the prediction that there would be growth in the United States for 1979-80, but that it would be less than in previous years. Because of the OPEC increase in prices the United States is already in a recession.

In answer to those people who ask what is the difference between our economic policy and the Tories' economic policy, I would take as an example the statement made by the Minister of Finance the other day when he said that we were wrong in 1974 and 1975 in not letting the Canadian economy go into a recession. That is what he said.

● (1650)

That is the basic difference in our approach. We do not think it is necessary to let the Canadian economy go into a recession as the Americans have. We managed to prove that point in 1974 and 1975, and I hope that the Minister of Finance will keep that in mind. But at this point I have the impression that the government would be satisfied to see a recession in Canada. This, very often, has been their approach, and some would argue that it is the right policy. I see a smile on the face of one of the so-called red Tories, the Secretary of State (Mr. MacDonald). I know that there are problems within his party, but we Liberals do not think that Canada needs to be driven into a recession.

Of course, it is not easy to move at the right time, but since 1970 our government managed to run the economy in such a way that there was no recession.

Mr. Lambert (Edmonton West): You went into wage and price controls.

Mr. Chrétien: Yes, we knew that wage and price controls were necessary.

Mr. Lambert (Edmonton West): Inflation was so wild.

Mr. Chrétien: We got out of the controls at the right time. When we introduced the wage and price controls, the members on the opposition side were telling us that when we took the controls off there would be a huge bubble in inflation. That is why I, as Minister of Finance, decided to end the controls; I felt that after two and a quarter years the conditions were right for getting out. In fact, when we left the government this year inflation in Canada was still four or five points below the American inflation rate, in spite of the fact that we went out of controls the previous year.

Perhaps it was pure luck. I do not think that it was entirely good judgment, but it was the right timing. That is why at this moment the delays caused by the inability of this government to make up its mind about an oil and gas policy, due to the difficulty of arriving at a consensus among Mr. Davis, Mr. Lougheed and this government, will force my successor to be too late with his budget. Already the minister is late by three to five months because the circumstances are not the same due to the American recession.

I hope that the minister will tell us when he intends to have a budget. It is very nice to make jokes, but the nation must know when he intends to tell us where we are. If there is an increase of $500 million more in the deficit, it means that there are influences affecting the economy, and we want to know what they are. We want to know where the government will be making its cuts. We hear the statements by the minister, and the same day we hear statements by other ministers telling us that they are going to be giving so much to that program and so on. We would like to know where the cuts are.

My party has been very kind to the government since it took power. We were not one of the parties pressing for Parliament to come back in May or June. In retrospect they might have been well advised to do so, just as Margaret Thatcher did in England, but they were too confused by their election promises which are now coming back to haunt them. I do not want to bicker on that matter, but we faced the electorate too and my party came along with the policy that it was not to make any promises. Of course, we did not win the election and even had we made exactly the same promises, we still might not have won. The point is we have tried to be specific and honest with the public at that time.

I urge the Minister of Finance to find other occasions on which to make his jokes because it is time he told the nation where he stands in terms of the economy, where he stands on oil and gas pricing, what the deficit will be next year, what the level of inflation will be next year, what the forecasts for unemployment will be for the next year and so on. This is what the nation needs at this time, not the flip-flop statements which he made at the beginning of his speech today.

I do not believe that the minister should be saying that he will go to the cabinet committee when he feels like going. I do not plan to keep the minister in this House for seven weeks at a time on bills, as has happened to me. I know that this is unfair to the Minister of Finance, and we do not plan to do the same thing. I will try to be serious and to the point. It is not important that I score petty points and so on. It is important that the nation know where it stands, and I hope that the Minister of Finance will tell us what he is thinking and what he intends to do.

I hope that the minister will get the support of his party when he states that he is supporting the governor of the Bank of Canada. I hope that the minister will get the support of the Prime Minister when he requests a particular deputy minister and that one hour after he has expressed his confidence in that individual, that person will not be fired. That was a shame. The Minister of Finance deserves more than that, and I will support him in his efforts to do the best for our nation.

Mr. David Orlikow (Winnipeg North): Mr. Speaker, we are indeed witnessing a very strange debate. For years while the Liberals formed the government, the Conservatives opposed higher interest rates. The government of the day said that they were necessary and that it would create difficulties for the people of this country. Now we find the Liberals opposing the increases of the Conservative government, which had previous-

ly opposed the rise in interest rates and which is now defending increases in interest rates by saying that they are necessary and something over which we have no control. When the Conservatives were in opposition they attacked the Liberal government almost monthly because the cost of living was increasing regularly and rapidly. They were calling on the government of the day to do something about the increased cost of living. Now we have the spectacle of the Conservative Prime Minister (Mr. Clark) and Minister of Finance (Mr. Crosbie) arguing, as the Liberals did when they were in office, that there is nothing which can be done about the increased cost of living.

I found it interesting that the lead speaker for the Liberal party in this debate was good enough to be the lead speaker for that party today, but was not good enough to continue in the cabinet when the Liberals were in office. It was also interesting to hear the former minister of finance tell the House how successful their policies were and how they were able to protect Canadians against a recession when we have had more than three quarters of a million people unemployed for the last two years, and it will get worse as the American economy moves into recession. It was interesting to hear the former minister of finance tell us how successful the wage and price controls were. What the former prime minister ignored so carefully and so deliberately was the promise of his government when they instituted wage and price controls that inflation, which was running at 10.5 per cent when controls were implemented and which obstensibly was the reason for implementing them, would be brought down to somewhere around 4 per cent in the third year. The former minister of finance forgot to tell us in his speech that when his party left office inflation was almost back to the rate it was when they implemented wage and price controls.

What the Minister of Finance and the other representatives of the Conservative government are refusing to tell the people of Canada is that as the cost of living goes up—and we have almost double digit inflation right now—the policies which they propose to implement in moving this country to world crises—

May I call it five o'clock?

• (1700)

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mr. McCain): Order please. It is my duty, pursuant to Standing Order 40, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Surrey-White Rock-North Delta (Mr. Friesen)—Public Service—Review of personnel management and the merit principle—Application of principles in report; the hon. member for Mercier (Mrs. Hervieux-Payette)—Canada Mortgage and Housing Corporation—Inquiry whether underprivileged will benefit from housing policy; the hon. member for Cape Breton-East Richmond (Mr. Hogan)—Regional Economic Development—DREE commitment respecting Sydney Steel Corporation.

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

PRIVATE MEMBERS' MOTIONS

[*English*]

Mr. David Kilgour (Parliamentary Secretary to President of Privy Council): I believe, Your Honour, that it is well understood that items Nos. 1 and 3 cannot proceed at this time. Accordingly, the motion of the hon. member for Bellechasse (Mr. Lambert) will be dealt with now by unanimous consent, if that might be put to members of the House.

The Acting Speaker (Mr. McCain): The hon. Parliamentary Secretary to President of Privy Council (Mr. Kilgour) has asked for unanimous consent to deal with motion No. 4 standing in the name of the hon. member for Bellechasse (Mr. Lambert) and to stand motions Nos. 1 and 3. Is there unanimous consent?

Some hon. Members: Agreed.

* * *

[*Translation*]

SOCIAL SECURITY

MEASURE TO PROVIDE ALLOWANCE TO HOUSEWIVES

Mr. Adrien Lambert (Bellechasse) moved:

That, in the opinion of this House, the government should consider the advisability of having Parliament adopt a measure authorizing payment of an allowance to housewives who remain at home to take care of their family instead of joining the labour market, the purpose being to ensure a global income corresponding to the family's needs by providing an additional family income to that earned by the father.

He said: Mr. Speaker, do I have the floor? I have difficulty being heard, and I hope I can succeed in getting heard.

The Acting Speaker (Mr. McCain): The hon. member for Bellechasse has the floor.

Mr. Lambert (Bellechasse): Mr. Speaker, first I would like to thank Divine Providence for doing everything right and allowing us to draw the lessons. When motions were drawn, at the beginning of the session, my group was favoured, and every group was favoured, by which I mean that four motions were drawn and each political party was favoured in turn. What

men did since the beginning of the session took another turn. At any rate, if other members have something to say, I would invite them to do so later, they will have a chance to be recognized. For now I have the floor, and if there is any respect for democracy, we should be allowed to express ourselves. It is not that often that we have a chance to do so.

First I would like to pay tribute to Canadian women for their tremendous input in the building and development of our country. This week, under a motion by the right hon. Prime Minister (Mr. Clark) we had an opportunity to commemorate the recognition of the rights of Canadian women on the 50th anniversary of that event. It takes us Canadians a long time to get the picture and to recognize people's rights. That is what we did about Canadian women. Still, Mr. Speaker, it is a great honour and a duty for me to move a motion to favour the family by a policy of equity and justice toward the basic cell of society—the family—to whom we owe our being here tonight. Since the first debates in this House more than 100 years ago, the representatives of Canadians did not consider family policies many times. Sure, the House passed the Family Allowances Act and later on improved it through amendments, but changes made to it in the last session of the Thirtieth Parliament are still a controversial issue.

Mr. Speaker, it is hard to believe in 1979, in a free, democratic and developed society, that we did not more often give a chance to the basis of our society to grow and become stronger, in order that the family, the basis of our society, could benefit from the recognition of the law, with all its rights and also to be in a position to assume all its responsibilities.

We are all guilty, we can beat our breasts when we see the divisions within our families, because we have always ignored their importance or even their existence. And yet we all mention the importance of family life in our speeches at the time of an election. Yes, in the last election campaign we saw that the party which is now in the official opposition, and which was then on the government side, had included in its program the recognition of the rights of the housewife in the following sentence: "that a value be set on the work of housewives and added to the gross national product". I was very happy to hear the then prime minister say that this would be included in our legislation, in our statutes, that it would be officially recognized through legislation so that a value could be set on the work of the woman who decides to work at home.

Mr. Speaker, twice already I have had the opportunity to present the same kind of motion in this House. Last year, when I introduced that motion, a government member of that time made the following remark: This motion is exactly the same one moved by the hon. member in the previous session. At that time, the hon. member for Winnipeg North Centre (Mr. Knowles) rose and said that he agreed that it was the same motion but he added: it proves that the hon. member for Bellechasse has a good memory, that he is convinced of the merits of his views and is ready to solicit again the support of all hon. members and to convince the government of the urgency of such a proposal so that we can at last recognize the rights of women working at home. Mr. Speaker, Canadians are watching us more critically than ever.

I hope that those who control the frail levers of power will work to this end. As for us, we hold the balance of power or whatever you want to call it. I recall the old balances used by our grandfathers with an arm on which you only had to move the beam to the extreme right to lift the weight at the other end. The balance is now going down! We used this balance not so long ago in the House on the amendment motion on the Address in Reply to the Speech from the Throne. We used it freely and objectively and we shall continue to play our role of opposition in the same way.

This is why I say that we are in a very special situation and that whatever the obstacles placed in our way, we are determined that the wheels will continue to turn. We have a duty and a mission to fulfil in the House and that is what we are doing tonight during this debate.

Mr. Speaker, in amending the basic motion that was tabled earlier—since we amended it somewhat to enable all our colleagues in the House to unite in making this a reality—we took into account the fact that this policy should be applied on a voluntary basis so that, as several members and ministers noted, women will not feel that they all have to leave the labour market. This is freedom. If a woman wants to work outside her own home, it is her business. On the other hand, if a woman decides to stay home, it is also her business. On this point, Mr. Speaker, we are proud to recognize wholeheartedly the principle of equality and freedom for both men and women in Canada.

● (1710)

This policy is one that gives access to the family, not only from a quantitative point of view, meaning its monetary aspect, but even more from its qualitative point of view, in recognizing the importance of housework. In my opinion, we should seriously think about it.

As everyone knows, the family is the first free enterprise in our country and we must recognize it as such. It has become evident that we must consider as a member of the labour force in our country each person who assumes the responsibilities of a family. Also, our duty is to ensure the profitability of the family enterprise, as we do every day for small and medium businesses and for the multinationals. We also must take an important step forward by including housework in our gross national product.

As indicated by Mr. Hawrylyshyn in his "Review of some recent propositions to modify and extend the measure of the GNP", I quote:

> Such an imputation must be included in the GNP as a measure of means since very important services come from this activity outside the market.

At page 56 of a brief addressed, I imagine, to all Canadian parliamentarians and entitled,"Women and Work—Five Million Women—A study of the Canadian woman at home", by Monique Proulx, one can read at page 56, and I quote:

That step would constitute solid quantitative evidence of the role of women in the productive activities of our economy, a role that has been reduced in the past because of the market criteria to which the GNP is geared . . . the officialisation of those estimates in the national accounts would even contribute to a certain extent to the legal recognition of women's contribution and consequently their rights to the economic value of the family heritage.

Mr. Speaker, we are not the only ones considering that question. All women's associations across this country have seriously examined at various conventions this step which should be taken by the Government of Canada. Those associations of Canadian women put forward considerable arguments which should draw the attention of all members in this House so we will really be taken seriously when we want to legislate to give all sectors of society, all social classes, the tangible recognition of their rights. Also, Mr. Speaker, at page 38 of the report of the Royal Commission on the Status of Women in Canada, published in 1970, one reads, and I quote:

The housewife who remains at home is just as much a producer of goods and services as the paid worker, and in our view she should also have the opportunity to provide for a more financially secure future. Canada has given some of its workers an opportunity to do this through the Canada and the Quebec Pension Plans. To neglect to do the same for some three and one-half million other workers in the home is to ignore the essential nature of their work.

It is all very nice, Mr. Speaker, on Mother's Day, to give them nice bouquets of flowers, to make beautiful resolutions and praise their merits if the day after everything is forgotten and we do not act like responsible people who can do better than tell them we love them and then forget about them. What is important is not just to hold out bright prospects to them, but give them the full means to fulfil themselves, and that means adopting that motion today. I would urge the government to introduce a bill which would give them the recognition I just referred to.

When we know that the workers' average income is $15,000, would it not be logical, Mr. Speaker, that through a housewife allowance that policy would guarantee to our families the Canadian average income as if it were the vital basic income? As for the families where the father's income exceeds the average income, the father could for the same reason benefit from a tax credit equivalent to the average allowance granted. That policy, Mr. Speaker, would thus help give a correct evaluation of the cost of such a measure and ensure its indexation. I know that on the government side they will ask me how we propose that could be evaluated. It is not up to me to make evaluations, but I am prepared to indicate which criteria to use to warrant that amount.

We can base ourselves on the three following criteria: first, the potential salary of the person; second, the cost of hiring one servant; they are hard to get nowadays; even millionaires have difficulty finding servants. Because we failed to recognize the fact that they perform an essential role in our country, we created that situation. And, third, the cost of paying for each job, separately. What would that cost be, Mr. Speaker? Every day we pay for work that is considered helpful for production as a whole, and is part of social, economic and cultural evolution and justice. Sometimes we forget to recognize the worth of those who choose the fundamental work of guiding the education of the children and running a home smoothly.

I remember how, last June, during a debate in this House, the hon. member for Kamouraska at the time, Mr. Dionne, whom almost everyone knew at least by name, a respected hon. member to whom I pay homage for having served his people and country very well, gave the following example: If a man hires a woman as a servant, he pays her a weekly salary; after weeks and months, if love steps in and he marries her, he no longer pays her a salary. Automatically, her work is no longer recognized as such, which it had been previously; after marriage, that falls through.

We should reflect on that behaviour and realize there is much to be done to change that state of affairs. Much could be added to this but time flies, I see. I should very much like my motion to be adopted. I do not want my colleagues to say that the hon. member himself killed his motion. I merely want to give an outline of it, hoping that it will be accepted and referred to a committee for further study.

I know there are some who will say it would cost us an eye and a tooth, that it would cost a lot. Mr. Speaker, let us face facts: those very same hon. members may have been the first in the past, and may be in the future, to vote blindly for budgets for arms, ammunition to destroy lives; not their own, mind you, but those of others: not me, oh! no, the others. So billions of dollars to make arms, that is not too costly. But billions for mothers, for the women who work at home, who deserve to be recognized by voting funds designed to pay her an allowance under a guaranteed annual income? They are going to waver but they will be the first to cast a blind vote in favour of the estimates in order to give billions of dollars to those who cash in on the credit of the nation to their advantage and put us into debt to the tune of billions of dollars. We only need to study our budget deficits of the last few years to realize that we are paying up to $9 billion a year in interest on borrowed money because there exists an institution, a monetary system parallel to that of the state. On that subject most people do not pay much attention. All they say is that the system is as it is and that we must bear with it. Yet it is that system which is driving us closer to bankruptcy and which we must change. While doing so we must recognize that we ought to grant to the woman who has chosen to stay home and carry out that splendid mission I referred to earlier, the recognition of her rights. I urge the present government which in the past gave the impression of endorsing that policy to show proof of their sincerity so that the motion be carried and a bill introduced to that intent.

● (1720)

[*English*]

Mr. Stan Schellenberger (Parliamentary Secretary to Minister of National Health and Welfare): Mr. Speaker, the hon. member for Bellechasse (Mr. Lambert) has brought this motion before the House at least twice before that I know of, and I was here both times. He is so eloquent that he has almost convinced me I should support the motion. When he gets to the full height of his speaking abilities, there are not many in this chamber who can equal his good voice and debating abilities.

The hon. member stated we should recognize the contribution of women in the building and development of this country. I compliment him on bringing forward this subject. He fully believes we are not recognizing the work done by mothers in this country in the fashion it should be recognized. He has strong feelings about this legislation and about the hope that this legislation should come before the House and he brings it before us at every opportunity. Hon. members must recognize these strong feelings about a piece of legislation. Many times I have had strong feelings about various subjects and from time to time have received welcome support from other members in these areas.

The hon. member referred to certain problems that could result from this proposed legislation, such as the fact that it could cost an arm and a leg. However, he stated there are many programs put forward by government that cost a lot of money but seemingly are not in the best interests of the people of this nation and, if they were cancelled, the money could be made available for such a proposal. I believe that is true.

Many members of Parliament become very discouraged over the fact that this is so because they have programs they believe are good for their constituencies and for the nation, but there is never enough money for them because it is being spent in ways which they would rather defer. I realize that money could be found for these programs if we were to cancel some of those we do not think are of benefit. However, as we participate in this chamber we realize the government has priorities, that there is only so much money and it has to be put to the best use that can be found for it.

I find difficulty in supporting the motion at the present time and I wish to outline a few of the reasons why. It is becoming more and more difficult for families to make ends meet. In my riding of Wetaskiwin, for example, the average home costs in the neighbourhood of $75,000 to $90,000. Many of those in my riding are commuters. They must provide food and clothing for their families as well as education for their children. It is very difficult for them to make ends meet. I realize one way to help them would be by accepting the very motion the hon. member is presenting.

I again emphasize that I believe the hon. member is bringing this motion forward because the government is not recognizing mothers in the way we feel they should be recognized. We are always reviewing the subject of what value to put on labour. It is not only the mothers of this country who do not believe they are getting adequate recognition for their labour, but how do we as politicians or as a government decide what value to put on labour? This can be done in many ways and it is a question that should be debated in this House. I realize our time is short but it is a very important subject that should be dealt with by the members of this House.

Is the proper manner of recognizing the work of mothers to give them a salary paid, I suspect, by the taxpayers? That proposal is not outlined in the hon. member's motion, but as I listened to his speech I think he meant that it should be paid by the taxpayers.

I propose that our money be moved to some areas that are more essential, and I wish to outline those areas. During today's question period in the House, the hon. member for Saint-Léonard-Anjou (Miss Bégin) questioned the Minister of National Health and Welfare (Mr. Crombie). She stated that the bill discussed yesterday and given second reading did not go far enough and that the government should find $320 million, I believe was the figure, to increase benefits for the needy between ages 60 and 65, regardless whether they are single or married. Of course, we would all like to do that. She mentioned, as did the hon. member for Bellechasse, that a program could be done away with in order to find the money.

There are many statistics to show that elderly women are the poorest people in this country. Those statistics were again referred to yesterday in this House, and I want to emphasize them again.

There are many in this House and, I am sure, across this nation who would object to the term "housewife". That leaves out a group of people who are very important and should be looked at. I refer to the single parent and the fact that many times a man is in that role. Many have a definite need to help support their family resulting from, say, a family tragedy. In our material society families are breaking up for various reasons. Perhaps the most tragic is the loss of a partner.

● (1730)

Many single people are now demanding that they be allowed, through adoption, to have families as well. They are trying to remain in the labour force while supporting families. I do not think that we as members of this House of Commons should limit this motion just to the housewife. We should broaden the motion somewhat, if we contemplate passing it.

Many studies have been done on this very subject, and one to which I would like to make reference is the report of the Canadian Council on Social Development entitled "Women's Pension". I want to quote two of the early parts of this study to emphasize how this council felt. I believe this study was undertaken last year. One quotation is on page 126, and it deals with the concept and valuation of work. It states:

> —the pay for housework proposal does nothing to solve the sexual division of labour inside and outside the home. Indeed, it may simply serve to make it more rigid and legitimize it.

After reading the rest of the report, I think what the council was saying was that if we have such a proposal as the one before us today, we would put women in a position where they

would feel that they could not enter the work force, and more and more women want to do that. They do not want any restrictions on them. We all hear very strong representations in this field, and many hon. members brought forward this very argument yesterday.

The report goes on:

—the energies of those with an honest interest in establishing sex equality may simply be diverted by this argument and should be directed to more meaningful reform.

I think this brings us to a discussion of reform which should be brought forward to allow families to redistribute incomes between husbands and wives. We in this House all remember the Murdoch case in my own province of Alberta. In a divorce settlement a woman who had worked on the family ranch, raised the family and participated in the running of the ranch, was unable to realize anything for her labour. There is a definite need for Parliament to deal with that kind of thing. The province of Manitoba and many of the other provinces have contemplated this matter but have not been able to come to grips with it. It is something with which we as parliamentarians should be dealing, and it is of major significance.

I realize that the matter of the opportunity for women to contribute to the Canada Pension Plan while being married was brought forward in an amendment last year. This is something with which we must deal. We must deal with changes in the family allowance, the child tax credit plan, and day care facilities. I spoke with an hon. member about this motion today, and he suggested that perhaps the government should amend the tax law—I know the hon. member raised this matter in his speech—to allow the sole earner in the family to divide his income. If he makes $20,000 and his wife contributes by raising the family, perhaps $10,000 could be her share of the income and $10,000 his share. By doing that they would pay less tax. The wife would be able to contribute to pension plans so that as she grows older she has some security.

As has been mentioned over and over again in debates—and I am not sure why this is—women tend to outlive men. At the far end of the scale many women are in the poorest categories because they have not been able to set aside any income for private pensions for their golden years. We as members of Parliament should debate this and examine whether there is room for legislation to deal with it.

This brings me to the matter of the government's looking seriously at making it possible for housewives and, more important, for women generally to plan for their old age. Wives who stay at home are often completely financially dependent on their husbands. However, only in the province of Manitoba are husbands not obligated to give any money at all to their wives upon separation. Many men are finding it increasingly difficult to manage on one salary. Because of this, in families where husbands earn low wages it is important that their wives work to keep their families above the poverty level. I point out that 51 per cent more two-spouse families would be poor if wives did not work outside their homes. In other words, wives are no longer working for pin money. They are contributing actively to the maintenance of their families. Because of that I think the government is obligated to help those women find roles in the labour force, particularly women from single parent families, as I mentioned before.

The increasing participation of women in the labour force is no longer regarded as a temporary phenomenon. Increasingly women who participate in the labour force are mothers of pre-school children, and the overwhelming evidence is that mothers enter the work force either as sole providers for their families or because one salary is insufficient to meet the rising cost of living.

This brings me back to the need for the government to look at such things as day care to facilitate the participation of women in the work force. The government should examine information and referral services to facilitate the access of women to community services. Perhaps there should be a crisis intervention service so that women who are victims of certain crises can be sheltered temporarily, and so that their children can be cared for. Perhaps there should be home support services for women whose family responsibilities include the care of the disabled, such as a disabled husband, a disabled child or elderly family members.

The Prime Minister (Mr. Clark) has stated over and over again that this government is devoted and will be devoting considerable attention to the development of an employment strategy for women. That brings me to the point of why I have difficulty supporting this motion. I fully believe that there are many pursuits into which the government can put its financial resources in order to work toward bettering opportunities for women in this country. I would like to see us develop such a process in the programs I mentioned, rather than put aside a great deal of money for financial contributions by way of salary.

With that, I will let other hon. members contribute to this debate, and I will be very interested in the points they bring forward.

[*Translation*]

Mr. Lambert (Bellechasse): Mr. Speaker, I rise on a question of privilege. I did not want to interrupt the member for Wetaskiwin (Mr. Schellenberger) during his intervention. I listened carefully to what he said and he referred at one time to things I did not say. When he said I had not mentioned the role of the woman in single parent families, I would have to say that it is obvious that when I referred to women who work at home it was an all-encompassing motion. I could not let these remarks go into the record uncorrected because there was here a case of misinterpretation, and the persons concerned could feel attacked or even neglected by me. That is the correction I wanted to make.

• (1740)

[*English*]

The Acting Speaker (Mr. McCain): I think the hon. member has raised an item which is more or less an item of

debate. I think he has made his point and I hope he is satisfied with the results.

[*Translation*]

Mr. Jean-Claude Malépart (Sainte-Marie): Mr. Speaker, first I would like to congratulate the member for Bellechasse (Mr. Lambert) on his praiseworthy intention, namely, that the government grant allowances to women who intentionally stay home to attend to family chores instead of entering the labour market, the purpose of the measure being to ensure a supplementary income to that earned by the husband and thereby matching the family needs.

Unfortunately, Statistics Canada shows that in the present context a certain category of citizens in Canada is becoming poorer and poorer while the rich are getting ever richer. I am afraid that we would harvest precious little from a new housewives allowance program and I think that housewives deserve much better than that. In fact, there are more than 700,000 unemployed in Canada, most of whom are women. There are also 2 million old age citizens of whom 54 per cent, that is 1,166,000, have no income other than their old age security pension and their guaranteed income supplement, which amounts to $325.95 a month or $602.44 for a couple. There are also seven million Canadians whose income is lower than $10,000 a year, while we notice in all provinces that more and more people depend on welfare assistance, 59,000 recipients of social assistance in Newfoundland, 10,000 in Prince Edward island, 73,000 in New Brunswick, 61,000 in Nova Scotia, 511,000 in Quebec, 395,000 in Ontario, 59,000 in Manitoba, 49,000 in Saskatchewan, 100,000 in Alberta, a rich province, 179,000 in British Columbia, 6,000 in the Northwest Territories for a total number of 1,508,400 individuals who receive social assistance in Canada and among them we note a high percentage of women and single parent families.

Mr. Speaker, I think that to assist women remaining at home, it would be advisable that the government set up at once a guaranteed income program and to ensure that such program would really assist the citizens with average incomes it will be necessary to consider first all administrative costs of our various social programs at the federal as well as at the provincial level, for example, the veterans' pension, the old age security pension, the income supplement, the federal and provincial family allowances, the child tax credit and social welfare. There is also a policy for public housing such as low-rent dwellings to assist low income-families. There is also in Quebec and other provinces the school tax. We note that most of those programs are useless.

It would be much better to review immediately all those programs to set up a guaranteed minimum income program which would enable us to cut heavy expenditures at the administration and management levels. The amounts recovered could provide some remedies to citizens. In addition, it would be urgent—to assist immediately that group of citizens—that the Progressive Conservative government as well as the hon. member for Bellechasse help the Liberal members prevent the government from increasing oil prices, because we know how important fuel and gasoline prices are for citizens with average incomes.

The government should also be made to establish rental aid programs. Third, Canada Mortgage and Housing Corporation programs designed to make homeownership easier for families should be maintained and improved; fourth, the government should set up a guaranteed income program encompassing the needs of housewives who remain at home, and of all low income Canadians.

[*English*]

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I can assure the hon. member for Kent (Mr. Holmes) that my remarks will be brief enough to leave him some time to make his contribution.

I find it somewhat interesting that while we in this chamber are debating a motion which has to do with the rights of women, across the street from us a building, that for many decades has been a male bastion, is on fire. I heard the rumour and I went out to see if it is true that the Rideau Club across the street is on fire. It is only recently that women have been admitted to that place. I wonder if it means that some of the men are so upset about women getting into that club that they decided they had better do away with it. However, the Ottawa Fire Department is out there in force, so the building may possibly be saved.

I want to indicate my support for the proposition put forward by the hon. member for Bellechasse (Mr. Lambert), and I do not intend to qualify that support with a lot of ifs and ands and buts such as we have heard during this debate. There still ring in my ears the speeches we heard last week in celebration of the fact that 50 years ago women were declared by the Privy Council to be persons. Surely if they are persons, one of the things they should have is equality with men. I believe we have a long way to go before we establish equality for women.

References have been made to statistics about the level of incomes, both in working years and in retirement years, which would show what a disadvantage women suffer. Those statistics are there staring us in the face. Indeed, if we are going to do anything about equality in retirement, we have to start by having equality all along the way.

The hon. member for Wetaskiwin (Mr. Schellenberger) quoted a report which raised the question of whether paying women allowances to do work in the home might regularize that kind of employment, and might do something to the social structure. My view is simply that women should have the choice. They should be free to go out to work in the labour market outside the home or to choose to stay in the home, raise their children, and serve the family that way. Everyone says that women are free to do that, but in a world in which economic problems are so great, they are not free if the economic situation is such that they have to go out to work in order to supplement the family income. I should like to see, in

addition to equal pay for equal work for women working outside the home, an arrangement whereby they get paid for their services if they stay in the home, raise their children and care for their family.

This is not some futuristic hope that will never come to pass. We complain about the slowness of our progress in establishing women as persons, in establishing their equality, but it is on the march, and I submit that the day will come when they will have the kind of equality that is expressed in the idea that a woman should be free to go out to work or to work in the home but should not suffer economically if she chooses to work in the home. I should like to see something like this developed.

It can also be said that this is not completely foreign to our way of doing things. The family allowance which we now pay is, in effect, a payment to mothers to help them raise their children. We can turn that into an allowance to mothers or to homemakers. We can put it on a different basis and make it a much larger amount. All this can be worked out, but the main point I want to make is that in this House where there are so few women, it behooves the rest of us to face up to the fact that women do not yet have equality—they lack it in many ways. This is one of the key ways in which they lack that equality. They are not free to choose whether to work in the home or out of the home. We would increase that freedom, that equality, if there were allowances for those who stay at home.

As I said, in addition to establishing equality in the working years of our people, men and women, we would also improve the chances of equality in pensions on retirement if women had this kind of income during their working years and, since pensions are still somewhat related to earnings in the working years, their pensions would also be better.

● (1750)

I am happy to congratulate the hon. member for Bellechasse on bringing this matter once again before us. I hope the overwhelming number of men in this chamber will some day face up to the fact that if we think of women as persons, if we think they are wonderful, we should support equality for them down the line.

Some hon. Members: Hear, hear!

Mr. J. R. Holmes (Parliamentary Secretary to Minister of Indian Affairs and Northern Development): Mr. Speaker, I am delighted to have the opportunity to participate for a few minutes in this important debate. Initially, I wish to compliment the hon. member for Bellechasse (Mr. Lambert) on introducing the motion before us, one of great importance and one which he has placed before this chamber in the past. I must say I was a little surprised that the hon. member for Winnipeg North Centre (Mr. Knowles) would give his unqualified support to the particular motion before us. I say that in the context that he made a very important and pleading argument for equality for women across Canada. In my view there are important ingredients missing from the motion before us. It does not encompass some of the qualities I believe are important if we are really to see equality of women across Canada.

[Mr. Knowles (Winnipeg North Centre).]

I know I am limited as to time. With respect to my background, I want to view the matter from the standpoint of a particular medical problem. I would like to speak specifically about the emotional health of women. I say this because it is very relevant in terms of the context of the motion and relevant, in my view and in my experience in the community, in terms of the situation and the reality which exist in Canada today.

If I may I will take the liberty of referring to some scientific journals, something which may not come as much of a surprise to Mr. Speaker. I would refer, first, to a recent study which was carried out at the University of Michigan. This involved a group of some 1,143 women and their transition from school to the working world. It has some very interesting results to report. An article appeared in the January 1, 1979, issue of *Behaviour Today* and I think it important to quote from that particular study as follows:

> Working outside, the home increases a woman's self-confidence and feelings of worth. The same is true for women who think of themselves as having or planning a career, whether or not they are currently employed . . . When we included age, educational attainment, marital status, number of children, length of employment, and salary, the salary variable proved to be the most important predictor of self-esteem. Marital status was a close second.

Given the results of that study, how large would the allowance proposed in this motion have to be to compensate for the loss of self-esteem that would be felt by women who gave up their jobs to become housewives?

Let me refer to a particularly important piece of work which was done by Dr. Janice Wetzel of the University of Texas. She found that women in general are three times more likely than men to suffer from acute depression, and that women now constitute three quarters of those living in American nursing homes. I am sure any hon. members in the House who have had experience in this area are acutely aware and conscious of this particular fact. It is not unreasonable to assume that this difference in the incidence of acute depression is closely related to differences in life patterns as between men and women. An adult life spent as a housewife may well lead to a greater likelihood of experiencing severe depression.

It seems unlikely that the proposed allowance would overcome this particular aspect of the problem. Another study which I felt was most important, and which I believe to be relevant to this debate, showed benefit to women's mental health of a move away from the traditional role as housewives. This was conducted by Dr. Srole and Dr. Anita Fischer in New York. It is rather interesting because this study showed that when men and women in the age groups of 40 to 49 and 50 to 59 were interviewed in 1954, women were found to be mentally impaired to a significantly greater extent than were men in the same age groups. But what is important is that when the research was repeated 20 years later among the same age groups, it was found that the mental health problems of women who had grown up in the latter, less restrictive years, were lower than previously and proved to be quite close to the level experienced by the men interviewed.

It is important to review the conclusions of these researchers. The change was attributed by them to the "radically different social climate", which the latter group of women had experienced. It had enabled them to escape the fate of their "briefly, premaritally, liberated mothers who had become quickly reined-in and subdued by the traditional halters of male dominance". In most cases the researchers reported most women growing up after the twenties "never again reverted to unquestioning acceptance of the submergence of their identity and autonomy with that of their husband and their own domestic role." If the connection is sustained, Dr. Srole and Dr. Fischer concluded that between the higher rates of well-being in later life and the sense of opportunity prevailing among women in childhood and adolescence, this would add weight to the case for extending women's rights to live their lives on a basis equal to that enjoyed by males. This is the very point the hon. member for Winnipeg North Centre was trying to make.

It seems to me we must let the families choose their divisions of responsibilities. Children need both mothers and fathers. We do not automatically assume that one is the breadwinner. In my opinion that encourages the exploitation of women who are in the labour force, suggesting that they should not be there in the first place and therefore they are not entitled to equal pay and to equal opportunities. I am sure it is obvious to all in the House that only women can bear children and bring them into the world. But children benefit from parental guidance and attention by both parents when they are fortunate enough to have both parents.

Even if one looks at situations where divorce has occurred, one will find there is increasing evidence that divorced parents, in choosing who shall have custody of the children, both feel they have an important role to play in the life of their children, despite the divorce proceedings. Why should the government tell a mother it is only her job to devote herself to the care of her family? Are we trying to discourage young men and young women from training to fulfil their vital roles in society, telling them it is a waste of their time because the government will only recognize the housewife role as the legitimate one? I do not think that is the reality of today.

I would like to say, with great respect to the hon. member for Bellechasse, that recognition of the vital role women play in the family as mothers, grandmothers, wives, sisters or daughters cannot be given by the token gesture proposed by the hon. member. Young people of both sexes, and fathers, need more encouragement in the training and care of the young, of the infirm and aged, and all household tasks so that responsibilities for the care and well-being of family members and household tasks can be shared and enjoyed with pride of contribution, rather than by loading all of these duties on a woman no matter what else she may do, whatever else she might like to do or no matter what her interests may be.

In my view the majority of women are not asking for wages for housework, but they are asking for equal opportunities and for recognition and support service to families.

The Acting Speaker (Mr. McCain): The hour provided for the consideration of private members' business having expired, I do now leave the chair until 8 p.m.

At 6 p.m. the House took recess.

• (2000)

AFTER RECESS

The House resumed at 8 p.m.

GOVERNMENT ORDERS

[*English*]

BORROWING AUTHORITY ACT, 1979-80

SUPPLEMENTARY BORROWING AUTHORITY FOR 1979-80

The House resumed consideration of the motion of Mr. Crosbie that Bill C-10, to provide supplementary borrowing authority for the fiscal year 1979-80, be read the second time and referred to the Standing Committee on Finance, Trade and Economic Affairs.

Mr. David Orlikow (Winnipeg North): Mr. Speaker, before the five o'clock adjournment I pointed out that the present ministers are now following the policies previously carried out by the former Liberal government, policies which they opposed vigorously when they were in opposition. The Prime Minister (Mr. Clark) and the present Minister of Finance (Mr. Crosbie) attacked the former government for permitting higher interest rates. They attacked the former government for not implementing a program of tax cuts to the extent of $2 billion, as proposed by the present Prime Minister, for low and middle income earners. These are policies that are now being forgotten.

If I remember correctly, the present Minister of Finance indicated that in his opinion the people of Canda should not take promises made by political parties when they are in opposition too seriously. In other words, he was indicating that a very large number of the promises made by his party when it was in opposition would not be implemented by his government.

The Conservatives were opposed to deficit financing. It seemed to many of us, not just those of us in the NDP, that Conservative members of Parliament had not read a thing about economics since Adam Smith wrote his very good book on economics more than 100 years ago. Now they come here and ask for permission to borrow $7 billion.

We are not opposed to deficit financing. Indeed, we have spoken frequently about the need in certain circumstances to follow a policy of deficit financing, indeed a policy which has been followed for many years by many of the provincial Conservative governments. I need just point to the Ontario

government which has been a Conservative government for more than 30 years and which, this year and last, has projected budget deficits of more than $1 billion.

We are not opposed to deficit financing if that deficit financing is part of a well thought out economic policy designed to meet the needs of Canadian citizens, and if that policy is part of a plan to develop an industrial strategy, so badly needed particularly in our manufacturing industry. We are not opposed if it is designed to meet the energy needs of this country without inexorable, sharp, and regular increases in the price of energy, such as the government is proposing and which we believe will have a very immediate adverse effect on the rate of inflation.

The rate of inflation is now running at just below 10 per cent. It has been accepted by most economists that the $4 per barrel increase in the price of oil, which it is pretty certain the government will announce in the very near future, will add at least 2 per cent to the cost of living. If we have an excise tax added to that, we can think in terms of at least a 3 per cent increase in the cost of living. That will give us an increase in the cost of living on an annual basis of somewhere between 11 per cent and 13 per cent by the middle of 1980. That is a sad prospect for the Canadian people who look to the new government to change the basic policies that were being carried out by the former Liberal government.

In asking Parliament to permit this $7 billion borrowing, the government is doing so without providing any answer to the basic problems facing the country. After all, those hon. members have been the government since May of this year. During the election campaign, and before that time, they told the Canadian people they had worked out policies which would better meet the needs of Canadian people. Yet here we are, six months later, with no definite policies. All we get are promises that studies are being done and policies will be announced in the near future.

● (2010)

One of the most serious problems we face is that the country has no industrial strategy. There is also the problem that the work force in the manufacturing industry, which is so basic to any modern economy, is gradually being reduced. The Canadian manufacturing industry cannot, has not been able and is not now able to meet the competition of foreign producers. Not only are we not able to compete for international markets, we are increasingly unable to meet the needs of Canadian people in competition with countries outside Canada. So the number of people working in the manufacturing industry has declined from 26 per cent of the labour force of some years ago to about 20 per cent of the labour force at present.

We believe that one of the most fundamental reasons for that decline, a decline for which there is no indication that it will be arrested, is the failure of Canadian governments in the past, both Liberal and Conservative, to establish a research and development program in the government, our universities and our industries, which would meet the needs of our Canadian people.

[Mr. Orlikow.]

In June, 1978, the then minister of state for science and technology made what he considered to be an important announcement. He said that by the year 1983 the governments proposed research and development expenditures in Canada would increase from the level at this time of 1 per cent of the gross national product to 1.5 per cent. In proposing that, the minister knew that most of the industrialized countries of the world were already spending 2 per cent or more of their gross national product on research and development.

That announcement was criticized by the official opposition at the time and, indeed, by the present Prime Minister, as well as by our party because we said, and quite correctly, that that objective would not meet the needs of the Canadian people. Within one or two months of that announcement, the then government, seized by the supposed necessity for restraint, whatever that meant, made substantial cuts in the already planned research programs in government, and because of the restraint imposed on its expenditures to universities through the provinces, it meant a further erosion of university research.

There is no indication that the plans of the former government and the plans of the present government will provide for the very sharp increase in research and development required from the private sector, and especially the industrial sector, to reach even the modest goal proposed by the former government, not to mention the higher goals endorsed by the present government when it was in opposition, and by our party.

Let me summarize the situation with regard to scientific research and development in this country at the present time. According to the OECD data, Canada ranks in the middle of ten industrialized countries in education variables conducive to scientific research, but it ranks near the bottom in terms of research and development employment expenditure and research production. While other countries were expanding their employment of R and D personnel at rates of up to 8 per cent per year, Canada's R and D employment per 100 population has fallen since 1968. In terms of 1970 dollars, total R and D expenditures in Canada have declined from $980 million in that year to $910 million in 1977. I am sure that when we get the figures for 1978 we will see a further decline.

The ratio of R and D spending to gross domestic product has declined steadily since the peak of 1.8 per cent in 1967. It is now probably less than 1 per cent. The attrition of scientific research goes back to at least 1971, well before the time of fiscal restraint in the federal sector. From 1971 to 1979 the increase in the Medical Research Council and the National Research Council budget in current dollars was less than twofold, whereas the total of federal expenditures in the same period increased by nearly fivefold. In terms of 1969 constant dollars, the average operating grant for medical research funding scientists has declined from $24,900 in 1971 to $18,700 in 1977.

It is no wonder that there is a steady and constant stream of the best trained medical researchers in Canada to other countries, particularly the United States. There is not a member here who has a university in or around his constituency, regardless of which party he belongs to, who cannot with a

phone call prove to himself or to his constituents that what I have just said is true.

According to an ad hoc committee convened by the then minister of state for science and technology, the federal government's stated goal of increasing total R and D expenditures in Canada from .92 per cent to 1.5 per cent of the gross domestic product by 1983 would require annual increases of 27 per cent in industrial research development, 10 per cent in government research development, and 30 per cent in university research. This implies a growth in research and development spending of from $1.9 billion in 1977 to between $4 billion and $5 billion in 1983. None of these goals are anywhere close to being met.

Instead of university research increasing, it is decreasing. Research in government laboratories at best has been frozen in the last year or two, and industrial research and development are growing at not even a third of the figure which the ad hoc committee felt was necessary. Statistics Canada has calculated that federal cutbacks in science and technology totalling over $129 million in the next 18 months will mean that industrial research and development will only increase by 8.4 per cent instead of the 27 per cent which I indicated.

I could go on, Mr. Speaker, but the fact is the situation is not improving as the people of Canada had hoped. It is not improving as this government proposed it should when it was in opposition. In fact the situation is getting worse.

Let me spend a couple of minutes on the situation with regard to our universities. We all know that persuading industry to increase its expenditures on research and development is a very difficult thing, particularly when we realize how much of industry, especially our largest industries, is controlled by multinational corporations which traditionally want to do their research and development near head office, which usually means the United States.

The government plays a major role in deciding how much research and development will be done at our universities. It is obvious to anybody who has looked at the question, as it is obvious to most of the research organizations and researchers at universities, that in recent years the governments have had a very poor record of support for basic research at our universities. There seems to have been almost a deliberate attempt on the part of the former government to scuttle university research completely.

● (2020)

As was documented in a recent study by the Royal Society, there has been a dramatic deterioration of funding for basic research at Canadian universities. In 1974 funding in real dollars by the National Research Council dropped to 60 per cent of the 1969 level and by the Medical Research Council to 80 per cent of the 1969 level. The record since 1974 is not any better.

In trying to assess what our universities should do regarding scientific research, the Science Council of Canada in its eighteenth report stated that it is generally accepted that research is an indispensible element of the university for development of both teachers and students, and that Canadian education requires research in Canadian educational institutions. It stated that research at the universities need not and should not be limited to basic research alone and that, nevertheless, the search for new and deep understanding of the world which is inherent to basic research makes it particularly important to higher education.

In the years from roughly 1950 to the late 1960s, enrolment in Canadian universities was increasing steadily and regularly. In those years the funding arrangements made for financing the universities permitted an increase in funds given to faculties to conduct the scientific research they felt they should be doing. That was of tremendous value to this country. Since 1972, however, the number of students entering our universities has declined, and this is likely to continue for some years. The result is that the universities have been squeezed more and more with regard to funding. One of the first things to go has been support for scientific research and development. This has had a very adverse effect on our universities and the research they can do. The result has been less and less research.

As I have indicated, Mr. Speaker, the same claim about medical research can be documented in every university in this country. The situation will not change for at least ten years, or probably longer. We need to look again at funding for scientific research and development in Canadian universities. They need more money if they are to continue doing the job they are doing and to help us meet the needs of the 1980s and 1990s. We have waited and, I think, patiently, and the university communities have waited patiently, for six months. There is no sign, however, that this government has developed a new policy. I have heard of no consultations between government and the universities about how to meet that situation. The prospects for our universities are indeed bleak.

Some hon. members may believe that the record I have recounted is not factual. Members on the government side may believe I am following the usual opposition party practice of damning everything a government, of whichever party, brings forward. I think I can verify that what I have said is true by summarizing some of the recommendations made by an ad hoc committee appointed by the former minister of state for science and technology. That ad hoc committee came to the conclusion that the 1.5 per cent target for research and development would require a tripling of research and development expenditures over the next five years. I should like the present minister to tell the House at an early date how close we are to that goal.

The committee suggested that federal tax incentives were inadequate to meet the announced target. The report stated as follows:

> We are convinced . . . in view of the enormous size of the challenge, that current incentives will not affect the major intensification of effort, and the major change of attitudes that are needed.

The committee also stated that present policies placed too much emphasis on promoting incremental research and development expenditures, and may penalize firms whose

research and development effort fluctuates widely from year to year.

When this government was in opposition it said again and again, as it does now, that it was interested in improving the position of small business. yet that ad hoc committee reported to the minister of the day—and I am sure nothing has changed since—that since the incentives had no immediate value for funds without taxable income, the cash flow problems of small business were not recognized by the present policy of trying to encourage industry to do more in the way of research and development. The committee held that if the 1.5 per cent target for scientific research and development was to be achieved by 1983, real growth in industrially funded research and development of some 24 per cent per year must be attained over the next five years. What we are getting this year is about one third of that 24 per cent goal they recommended.

The committee also recommended that the federal government and Crown corporations should make better use of procurement policy to further technological advances in Canadian industry. It suggested that Canada will have to reduce the foreign investment induced technological dependence of Canadian industry by changing the way it imports technology.

These are just some of the recommendations made by a committee of experts appointed by the former minister, and nothing has changed since. I indicated earlier, Mr. Speaker, that Canada lags far behind other industrialized countries in the percentage of its gross national product devoted to research and development. While most other countries have been increasing funds for research and development as a percentage of their gross national product and nearly all of them are already substantially ahead of Canada, ours has been steadily declining. Since 1965 it has dropped from about 1.1 per cent to about nine-tenths of one per cent of the gross national product in 1978.

One of the reasons we believe there is less industrial research in Canada and that the amount of research done by the private sector in Canada is considerably less than in other industrialized countries, is because of the very high percentage of our industries, particularly large industries, which are completely controlled by the multinationals. If we examine our major national corporations, particularly the Canadian branches of the large multinational corporations which almost without exception prefer to do their research and development at home rather than in Canada, we can see how that works.

About a year ago the *Toronto Star* conducted a survey and published the results on October 12, 1978. This documents what I have said. Some of the largest corporations in this country were surveyed. The results showed that the Ford Motor Company, which in 1975 had sales of $4,400 million and employed 34,000 people in this country, spent well over $1 billion on research and development. But when a representative was interviewed by the *Toronto Star* this was said about its Canadian research and development program:

• (2030)

Most of our research and development is done in the U.S., Britain and Germany. We do some here but there are no figures available.

In another survey I saw it was reported that Ford Motor Company did not have a single person with a Ph.D. degree working in its research programs in Canada. Is it any wonder that researchers in Canada, when they finish university training, hightail it to the United States?

Let us take a look at General Motors. This company did over $4 billion worth of business in Canada in 1975. It spent about $1,400 million on research and development. When queried about its Canadian program, this is what was said:

We don't have any Canadian figure, partly because we are still trying to find out how Ottawa defines research and development.

Let us take a look at Canadian General Electric which had sales in Canada in 1975 of $822 million. In 1977 this company spent $463 million on research and development around the world and said this:

We spent $9 million on R & D in Canada compared with $463 million in the U.S.

Let us now look at Kodak Canada which did $182 million of business in Canada in 1975. In 1971 this company spent $351 million on research and development. What did this company say about what it was doing in Canada? It said this:

All pure and applied research is done at our Rochester N.Y. facility. We do some product development in Canada but no figures are available.

I could go on and on, Mr. Speaker, but this is the situation which this government has to face.

Let me deal with one more illustration which the hon. member for New Westminster-Coquitlam (Miss Jewett) dealt with briefly earlier this afternoon. Surveys prepared for the government have indicated that the research intensive industries outperform low research and no research industries in providing a higher growth of employment, in increased output, in a higher growth of productivity for workers, and in a lower growth of prices. Yet what we now see, according to the most recent report tabled by FIRA, is that while we have been talking about the need to strengthen our manufacturing industry, and particularly our higher technology industry, the multinational corporations have been busy buying out our high technology industries. We are permitting them to be sold off to foreign investors.

Despite the supposed desire of the Canadian government expressed by the establishment of the Foreign Investment Review Agency, we find in its fifth annual report published last week that we have lost control of more than $1.6 billion of assets to foreign interests in the last year or two. The five industries in which foreigners have been most active, according to the FIRA report, are metal fabricating, machinery, transport equipment, electrical and chemical products, and the food and drink industry. These are precisely the industries which we ought to be encouraging to become increasingly Canadian and efficient if we are to meet the objective which I think all political parties should have, and that is to try to aim for full employment. And yet we are permitting their being sold out.

We are permitting sales in precisely the very areas that have been proven by government surveys to be the most efficient, the most likely to provide employment and the most resistant to inflation.

What did the Minister for Science and Technology (Mr. Grafftey) say, commenting on the recent FIRA report, from which I have quoted, as reported in the *Toronto Star* for October 18, 1979? He said this:

> I'd be less than frank if I didn't say I was worried about these takeovers . . . But the only solution is to try to ensure that more research and development is done in Canada in the long term and then there will be fewer takeovers.

That is the kind of statement that governments have been making for as long as I have been a member of Parliament, and that goes back more years than I like to think of.

The tax incentive programs of the former government and the tax incentive programs promised by the present government when it was in opposition will fail, just as the tax incentive programs of the former government failed in meeting the needs of the Canadian people. The multinational corporations will not devote increasing effort to research and development voluntarily. They will not devote increasing effort simply because the government asks them to do so or because we give them a few more carrots in the way of tax incentives. They will not do that unless the government has the courage to tell them that if they intend to operate in Canada, they must act as good corporate citizens here. That is something which they have not been prepared to do.

If we want the large corporations of this country, and particularly the multinationals, to play the role which they should be playing, then we need the kind of tax measures which no government in Canada has been prepared to implement up to now. We need a system of tax surcharges whereby those large corporations which refuse to do research in Canada would be taxed at a certain figure and the money so collected would be returned to them only if they were prepared to finance research and development here.

I suggest to the minister that he look at the tax program in Sweden which does precisely that, in that part of the corporation tax which companies pay in Sweden is set aside in a special fund which can be drawn out by those corporations only when they are prepared to expand their facilities and employment in Sweden. That is the kind of program that we need to apply to research and development in Canada.

In closing, I say to the minister that we have no objection to deficit financing if there is any indication—which we have not seen—that the government has an objective of meeting the needs of this country, or if the government has an objective of seeing that there is full employment or that our manufacturing industries, which have been employing a smaller and smaller percentage of the work force, are re-equipped, re-invigorated, and can begin to play the role which they ought to be doing. Until the government devises programs and policies which will ensure that Canada takes its place with other industrialized countries in expanding manpower and finances, and makes an effort to meet our needs in scientific research and development—which has not been done for the last 15 or 20 years—until that is done we see no real purpose in permitting or encouraging the government to continue with deficit financing.

Despite the words of encouragement expressed by the hon. member for Edmonton West (Mr. Lambert) earlier this afternoon, we believe the deficit will be just as large next year as this year, and just as large under a Conservative government as it was under a Liberal government because this government, just as the Liberal government before it, does not have the desire or program to meet the needs of Canadians.

● (2040)

Mr. Paul E. McRae (Thunder Bay-Atikokan): Mr. Speaker, I enjoyed the brief remarks of the Minister of Finance (Mr. Crosbie) when he introduced Bill C-10. If you do not have much else to do, a bit of humour can help while away the time.

I find it difficult to understand why this should be the first bill the Minister of Finance brings before this House. The hon. member for Windsor West (Mr. Gray) made it quite clear that the need for this borrowing authority at this time is dubious, and perhaps it is not needed at all since there is some borrowing authority left over from the previous Parliament.

It was almost seven and a half months that Parliament was not sitting, and it has been almost five months since this government took office. At times during the Twenty-ninth and Thirtieth Parliaments our ministers made small local announcements, possibly in Regina, Skeena, Prince Rupert or somewhere else. Usually it was an announcement that only had local significance. The Tories would stand up; including their leader, their former leader, and the one previous to that, the Right Hon. John Diefenbaker, saying how we had mistreated and insulted Parliament by making statements away from the House of Commons. That certainly went on for the six and a half years I have been here. I am sure it went on before that.

The four and a half months that Parliament was not sitting was the longest such period when any government was in power. What happened during that time? We had no budget for the eighties. We still do not have that. There was a whole series of announcements. Three substantial increases in interest rates were announced. It was announced there would be no tax cuts, even though the Tories promised during the election campaign they would implement a $2 billion tax cut when they came into power.

There was an announcement that the government's main fiscal measure would be the mortgage deduction scheme, which would cost half a billion dollars in the first year and probably $2.5 billion when fully implemented. There were several other announcements which tended to weaken the whole federal fabric. A board was set up to advise the government on PetroCan and it was announced the government would break up that corporation.

It was announced that several Crown corporations would be sold, and there were several announcements regarding transfers to the provinces, including the transfer of offshore resources. Even though Parliament was not sitting, they announced they would do away with the constitution in terms

of offshore resources. They also announced they had given up lotteries.

There have been all kinds of leaks from this government which likes to leak things such as oil prices and large cuts they intend to make in social services. Last night I stated that I believe these leaks are deliberate. If the public is informed that gasoline prices will rise to $1.45 and then the increase is only to $1.20, the government believes that the Canadian people are a lot better off. Of course, the public is not fooled.

I asked the President of the Treasury Board (Mr. Stevens) about cuts that would be made. He said there is no truth in the story that there is going to be $1.5 billion in cuts. I knew that without asking the question. I should have asked what about $1.4 billion, $1.3 billion or $1.2 billion. I suspect there will be some severe cuts, but they will not total $1.5 billion and the government will look like a kind benefactor of the Canadian people.

There is discussion in Parliament about oil price hikes. There are all kinds of rumours. These hikes can be massive transfers to the private sector or to one or two provinces, again weakening the fabric of this country.

There is a major debate going on in this country because of the actions of this government. As Richard Simeon, the director of the intergovernmental affairs study group at Queens University, Kingston, indicated, there are two factors here. One is a sort of provincial building group, that party across the aisle; and the other is the federal building group, the party here. That major debate began before this Parliament came into being. However, the first bill this Minister of Finance brings forward does not deal with any of these major matters. It is a borrowing authority.

That is the party which prided itself on its adherence to, belief in and love for Parliament, yet this is what ministers hand us, a borrowing bill which is really not needed for the next few months. We do not get a budget which will tell us where we are going. Perhaps the government has no idea where it is going. What they do is try something and, if it does not go well, they try something else. Perhaps they want to listen to the NDP, and the Liberals will tell them where to go. Maybe that will help.

I wish to look more seriously at the world economic scene. I wonder where we should be going and what concerns we should have before making some of these very large moves. I mentioned three factors many times in the Twenty-ninth and Thirtieth Parliaments. First, most industrialized countries are facing massive problems that they never faced before, massive in both size and quality. These are problems that never arose before.

There is, for example, a global inflation rate of 5 per cent plus. We do not talk about zero, but about 5 per cent plus, sustained over four or five years and possibly the next ten years. We have high unemployment at the same time, something that has not occurred before. There is a whole series of social problems related to this.

Second, solutions that were traditional, such as the Keynesian solution, the use of fiscal and monetary policies, no longer apply. There is not sufficient strength to solve these problems, possibly because they are too large.

• (2050)

I think about the $2 billion tax cut which the Tories promised during the election campaign. This $2 billion tax cut was to stimulate the economy. In the fifties and early sixties—and I think the New Democratic Party should be criticized for this also—we used to think that $2 billion or $3 billion might really have some effect on the economy. It probably would have, when the gross national product was $45 billion or $50 billion, but when we have a gross national product of $250 billion, we are talking about an increase of something in the order of 1 per cent, not a very stimulative increase.

When the Prime Minister (Mr. Clark) was leader of the opposition during the election campaign, when he talked about what John Kennedy had done and when he said that he would do the same thing, he was talking about a totally different period, and what really worries me is that I do not think this government senses the difference between 1960 and 1979 and 1980. The earlier techniques do not work today because they are either too small or they are counter-productive. How can we use a stimulative deficit to deal with inflation on the one hand and unemployment on the other? It would not work.

The third factor which I think should cause a very significant change in our thinking is one of the principal causes of many of the problems we are facing. The idea that we are all of a sudden going to run out of energy, or that energy is a scarce commodity, is unique. We functioned until the early seventies on the basis that energy was a very cheap commodity and that all we had to do was use more of it. Of course, that does not hold today, so some very significant shifts have occurred. This government, the government before it, and all the governments of the world have to face up to the fact that there is a new set of factors which they just have not come to realize and with which they have not come to grips.

I dealt with one of the government's solutions to the present situation. Hon. members opposite talk about a stimulative deficit with a $2 billion to $3 billion tax cut. I think the government was wise in forgetting about that one. With an annual deficit of $11 billion or $12 billion, the extra $2 billion will not do much except add to the annual deficit.

Mr. Baker (Nepean-Carleton): Tell that to Herb Gray.

Mr. McRae: I tell that to everyone all the time. Hon. members have heard it three or four times in this House. This is the third or fourth time I have said it.

Hon. members opposite decided that maybe we could do something with a fancy scheme called mortgage interest deductibility. I do not want to use the evening to deal with that, but one of the things which really bothers me about the scheme is that the government has very little room to move. It chooses to put all its eggs in one basket for the next three

years, and that really does not deal with the basic problems we are facing.

What was the next thing this government decided to do? Maybe it could stimulate the economy by handing out a little green paper labelled "one share of Petro-Canada" and worth perhaps $100 to each Canadian. The government could give away another $2.5 billion because, of course, it will be giving away the assets of Petro-Canada. The Leader of the New Democratic Party (Mr. Broadbent) said that the government is going to privatize the assets, and that the government is going to assume all the debts of this company. At this point in time the debts are being discharged by the cash flow from the assets—

Some hon. Members: Oh, no!

Mr. McRae: Oh, yes! But that is not the way it is going to happen. The government is going to give away the assets and assume the debts. That is another little $2.5 billion item. Perhaps that is the way to stimulate the economy without giving a tax break; I do not know.

I would like to deal with another thing the government has brought in, and that is increased interest rates.

An hon. Member: You didn't do that?

Mr. McRae: I will say it again: increased interest rates. There have been three increases in the last three or four months, an all-time high, to something in the order of 13 per cent. I think this was the government which, when it was the official opposition, was condemning us for doing this kind of thing in the past.

There is a very marked difference in the times between when we were allowing interest rates to rise and today. Let me explain that. The difference may be subtle, but it is very important. Perhaps it is too subtle for the government to understand, but when interest rates were rising last year there was a relationship being kept between interest rates and the inflation rate. If the inflation rate was 9.5 per cent and the interest rate was 11.5 per cent, the actual rate minus inflation was about 2 per cent.

When the American inflation rate and our inflation rate were roughly the same and we needed a little difference between our interest rates and their interest rates to bring in capital, we had to keep our interest rates at least the same as, or a little higher than, American rates. However, that is not the situation today, and this is why I think this government does not understand the world in which we are living. Our interest rates today are 4 per cent to 4.5 per cent above our inflation rate.

Miss Jewett: It will soon catch up.

Mr. McRae: The American interest rate is roughly the same as the American inflation rate, so there is a big difference, a spread of about 4 per cent to 4.5 per cent. That is about the interest rate one would find in Switzerland. Now the minister says, "But we have to keep raising our interest rates to keep up with the Americans". However, there is a very important distinction between the two times to which I referred earlier. We do not have to keep raising our interest rates if there is a substantial spread between our interest rate and our inflation rate. There is a substantial spread today, and that is why the government should reconsider what it is doing.

We have a major deficit problem. We have a major problem when we raise interest rates. The Canada Savings Bond rate was brought up to 11 per cent. The interest the government has to pay is rising very rapidly. I think the minister used the figure of 15 per cent to 18 per cent. We will have to pay 18 per cent of the government's take to discharge interest charges on government debt. That will be within the next year, and this is the cause of high interest.

High interest rates are having a very bad effect. In addition, very high profits are having a very bad effect on the service part of our current account. I think it was stated by a member of the New Democratic Party that the service part of the account would be in deficit about $10 billion next year and would leave the whole current account in a deficit of about $8 billion. That is much more serious, I think, than the internal deficit. Some of these things are affected very severely by high interest rates.

What are we doing with high interest rates? The name of the game is to bring more capital in and eventually to send a great deal more out; borrow more, bring it in, and then have to pay interest on it. I feel that the government has to think very seriously about the times in which we are living and not just respond in traditional ways. It should not just ignore the fact that there is a relationship in most nations today between their current inflation rates and their current interest rates. These are extremely important factors, so I think the government must consider its position carefully.

I am very disturbed that the Minister of Finance comes into this House and brings in a borrowing bill. It is not one of the important bills he should be introducing. He should be bringing in a budget, but he brings in a borrowing bill. The major factor is the high interest rate for which he has been responsible. The governor of the Bank of Canada is not responsible for interest rates; the Minister of Finance is. He may get advice from the governor of the Bank of Canada, but at any time he can stop interest rates from rising.

There was a motion under Standing Order 43 that a committee meet with the governor of the Bank of Canada. The motion was accepted by all concerned, but we on this side ask a very simple thing of the minister. We ask that he appear. As the responsible person dealing with interest rates and with the financial structure of this country he should appear first, not the governor of the Bank of Canada. It was my party, when it was on the other side of the House, which always insisted that our minister be the first one to have anything to do with anything referred to a committee, yet this minister today comes into the House and says, "Well, I will go there some day when I am in town". Now this is the Minister of Finance speaking about what is perhaps the most important committee

to meet here in the next few weeks. Certainly it is the most important thing he has to do.

● (2100)

So, as a result of this indifference to Parliament, to the body in which this party professes to believe so strongly, I should like to move an amendment, seconded by the hon. member for Timmins-Chapleau (Mr. Chenier), which reads as follows:

That this bill be not now read a second time but be stood until the Minister of Finance agrees to appear before the Standing Committee on Finance, Trade and Economic Affairs at the pleasure of that committee and preceding the appearance of the governor of the Bank of Canada.

The Acting Speaker (Mr. Scott (Victoria-Haliburton)): Order, please. I have some reservations as to the wording of this motion and I reserve the right to let Mr. Speaker make a ruling on it tomorrow.

Mr. Mark Rose (Mission-Port Moody): Mr. Speaker, I was wondering for a moment, when I saw the Minister of Finance (Mr. Crosbie) stand up, whether or not I would have an opportunity to speak this evening.

An hon. Member: Why don't you stand up?

Mr. Rose: The hon. member for Okanagan North (Mr. Whittaker) asked me why I do not stand up. I would like to advise him that he could see me if he would return to me that orchard ladder he once borrowed when I lived in the Okanagan.

Some hon. Members: Oh, oh!

Mr. Rose: I would like to say that this is the first opportunity I have had to speak since I was resurrected and allowed to return to this House.

An hon. Member: He even looks like Lazarus.

Mr. Rose: I suppose it is impossible to give a second maiden speech. However, if one can be maiden more than once, it would probably be a miracle, and if it were a miracle, then I would be all for it.

As I have been away for a number of years, it was interesting to see the changes in Parliament. I would say that the changes I see are most revealing. The people who are offering the solutions to our country's problems are sitting in the opposition and are called Liberals, and the people who are sandbagging what the Liberals are trying to suggest as solutions to our problems in this country are now sitting in the government. It is almost the same old gang—new faces but the same old policies. I am not, of course, the first one to have noticed that.

We hear the government claiming that they have a mandate for restraint, and I will congratulate the new government for winning a minority Parliament. But if winning a minority government is a mandate, then I do not know what it means not to have a mandate, because if you look at the particular voting pattern in this country, you will find that more people in this country did not want that government than voted for it. So what kind of a mandate is that? It is artificial, it is an assumed mandate, and it does not have the backing of even 40 per cent of the Canadian population.

Mr. Knowles: It has only 36 per cent.

Mr. Rose: As a matter of fact, the hon. member, who has been here since 1860, says that the mandate amounts to about 36 per cent.

Mr. Knowles: Parliament did not start until 1867.

Mr. Rose: I am sure you were here then, Stanley.

Anyway, I think a number of other people over this past couple of weeks during the throne speech debate have noticed the irony, almost the cynicism, of what has happened since the Conservatives have gone over there. The party across the way voted against cuts to UIC during the last Parliament. On July 1 they allowed them to come into operation. People notice those things, you know. People notice that there is a facade of new morality which is nothing more than a repetition of the old morality.

An hon. Member: They call it consistency.

Mr. Rose: Yes, I suppose you could. We have the nattily attired member who is the Minister of Finance. He is suggesting that maybe UIC has been too generous, that UIC competes with employment, that certain kinds of benefits discourage the incentive to work, and that unemployment is not as devestating as it used to be because a number of members of families have jobs when perhaps only the male breadwinner was unemployed. It is interesting to hear that coming from a member from the maritimes, or a member from the Atlantic provinces. I would imagine that the minister would prefer being called a member from the Atlantic provinces than a member from the maritimes.

We have heard a similar statement from the President of the Treasury Board (Mr. Stevens). Since those two men are responsible for the direction of this country and we expect from them a lot of hard discipline and diligent work, I would like to ask everyone whether the fact that they have a good deal of backing in terms of finances or, to put it in plain terms, the fact that they are rich men, lessens their incentive to work? I think they would be the first to deny it, but certainly for the Minister of Finance, as the representative of a part of the country which has the highest unemployment in Canada, to go on television and suggest that UIC benefits should be cut down, or that perhaps we should look at them with a view to cutting them down because they destroy the incentive to work, is hypocrisy. It is unbecoming to the very humorous Minister of Finance.

An hon. Member: Humorous?

Mr. Rose: His friends are laughing all the way to the bank.

Another matter is the raise in interest rates. Many hon. members have spoken about that and I do not intend to beat it to death, but I will tell you what it is doing to my riding. If you

think it is odd or ironic that I should be talking about constituents who sell real estate, let me say that the mortgage interest rates today are causing a slowdown in that industry as well as limiting the opportunity for young people to acquire homes because they cannot make the monthly payments. To say the deductibility will help them is stretching the imagination, because you must at least have the down payment and you must have the mortgage before you have the opportunity to get the benefits of deductibility or the tax credits.

These are the problems affecting the country, problems which many people look to the new government to solve. But if the government is not committed to governing, how can it solve any problem? The government is committed to standing back and letting some other agency, usually the private sector, look after the problems of the country.

Members of my party sitting here tonight and members of the Social Credit party sitting opposite us are here because of the failure of the old line parties to deal with problems in the past 30 years.

Some hon. Members: Oh, oh!

Mr. Breau: Are you just a reaction to us?

Mr. Rose: Your reaction to us is zilch.

The Acting Speaker (Mr. Scott, Victoria-Haliburton): Order, please. The hon. member should do us the courtesy to carry on with his speech.

Mr. Rose: Thank you, Mr. Speaker, for your intervention and protection, but I am accustomed to catcalls. I know that at least over there is a party of principles. I do not like their principles, but at least they have some.

• (2110)

I do not like the Gallup poll party opposite. Where will they go next? When they thought restraint was in, they moved to the right. Approximately ten years before that when they thought the new ethics, politics or counter culture was in, they moved to the left. Where will they go now? They will fall between two stools. They will get slivers. That is what will happen.

The third point I should like to make—

Mr. Kempling: What happened to the first two points?

Mr. Rose: I will go over my first two points again. I know the government whip has a very short attention span. So, for his benefit I will repeat what I said. Tories are going to cut UIC. They were against it. Tories are going to raise interest rates. They were against that too. They are going to cut short-term programs like Canada Works designed for people who need to work this winter, in spite of the fact that we have record high unemployment in nearly every municipality. Especially central Canada, Quebec and the maritimes are suffering high unemployment, including most of the constituencies located in the maritimes.

The government has presented us with a bill to authorize the borrowing of $7 billion for public works and general purposes. Just read the bill. We have not been told what public works nor even to what general purpose the bill refers. That is left deliberately vague. I assume what they are intending to do during the life of this Parliament—or at least this session—is to reveal these public works one by one and dazzle us with their revelation. It is rather like Pandora's box.

My hon. friend, the hon. member for Winnipeg North (Mr. Orlikow), made a comment about the government's belief in deficit spending and that they will borrow up to $7 billion. We do not know to what general purposes the money will be put, nor do we know why Canada needs to borrow this money at all right now. I was not able to hear the justification for this borrowing, but I assume it is for some worthy purpose. But before dealing with question two as to what use this money is to be put, let me deal with questions one and three.

The government's answer to question one is to go futher into deficit spending and to borrow seven thousand million dollars to make up and to overcome the deficit caused by that spendthrift, drunken sailor govenment which just preceded them. That is not a bad line. In other words, they blame the previous government for all their own financial woes. Premier Bennett in British Columbia and Premier Lyon in Manitoba have been using this very effectively, so I take it that it is quite a good line. I expect we will hear more and more of it, as we have already heard it from the Minister of Finance several times.

The general philosophy of the government goes something like this in very, very folksy terms,"Folks, we did not want to be big meanies, we didn't want to be tough guys. We are sorry for the shape you are in because of that awful previous government that you elected. But you folks want too much. You want to take too much out of the economy and you do not put enough back in, so consequently all of us have to tighten our belts so that our government can make certain hard decisions in order for our system to survive."

I think that is true. It is important for the government to make tough decisions in order that the system we have lived under survives. In order to have it survive we have to cut health care. We have to cut human resources. We have to cut day care. We have to cut out the lunch program in day care in British Columbia, and we have to cut out the outreach programs for women. And as less money filters down through the provinces to the universities we have to cut educational spending. Why do we do all these things? We do it so the system can survive. Sure, it is said to be for our own good. Now, what is this system we are trying to preserve? It is a system which accords special privileges to the well-heeled sector of Canadian society.

An hon. Member: Like Bill Kempling?

Mr. Rose: Well, I would not be as gross as to name a particular member on the opposite side.

Anyway, certain segments of society certainly will survive because they are accorded certain privileges. Our system sur-

vives to help the greedy, notably the oil and gas companies, the mining companies, and the banks. Let me give a few examples.

Because of super write-offs Dome Petroleum Ltd. has paid no tax in ten years. That is why we have to borrow money. That is why we have seen heavy taxation loaded on to the middle and lower income earners. That is why we cannot give them the promised cut of $2 billion that the Prime Minister (Mr. Clark) promised during the campaign. It is because we give fast write-offs, depreciation allowances, and 100 per cent and 150 per cent write-offs to certain segments of our economy.

An hon. Member: Because they supply wealth.

Mr. Rose: Because they provide wealth? Partially, certainly. Because they supply employment? Partially, certainly. One would think those companies which are largely foreign-owned supply more in terms of the economy and jobs than small companies where similar kinds of write-offs are not accorded. The heart and soul of small town Toryism is in the small businessman. It resides within the main street businessman. What we see here is that our government will borrow $7 billion mainly to provide subsidies to the major corporations, most of them foreign-owned, and at the same time it is not willing to accord that incentive to the small businessman who employs far more people than do the large corporations in total. I think we should remember that. When people are concerned about what the Conservatives are doing as far as improving the economy and providing more jobs are concerned, they should have a look at their policies and see if they do that.

What we found in the past was that fast write-offs for machinery and equipment merely provided greater automation, and in fact did not produce jobs. If I had my druthers, if I wanted my own prejudices to apply here, I would say, "Sure, we will give you the money, all the tax money you want, and you just give the state an equivalent amount of equity. If we are going to give you that kind of money to run your business in terms of incentive, when you strike it rich then we expect to have that percentage of your equity owned by the people who gave you the money."

An hon. Member: Good idea.

Mr. Rose: Why should corporations get a free ride with the public taking the risks and the resource industry taking the profits? On top of that why should they pay no taxes? Shell paid no taxes last year. If one looks at the write-offs and wants to borrow $3 billion, $4 billion or $7 billion, the money not collected here amounts to $3 billion.

Mr. Lambert (Edmonton West): You are off your beam.

Mr. Rose: I beg your pardon? The hon. member said balderdash, or a similar and equivalent outburst, but I notice he is not in his seat. He is standing behind the curtain and making rude sounds.

Mr. Lambert (Edmonton West): I made my speech earlier.

[Mr. Rose.]

Mr. Rose: Yes, he is making rude sounds. I wish he would go away and sit down somewhere.

Mr. Lambert (Edmonton West): The hon. member should be ashamed of himself.

Mr. Rose: Well, that is half the amount of money that the Minister of Finance is attempting to have us agree to tonight.

The Tories say we should sell PetroCan, that it is costing too much. But not $3 billion. The annual cost of PetroCan is $350 million. Besides, PetroCan has the potential of earning a great deal of money. It reduced our foreing-owned petroleum resources from 96 per cent to 80 per cent, and I call that progress. Inco, the International Nickel Company, has had taxes deferred to the tune of $318 million since 1978. Can one imagine that ? I asked an IWA woodworker in my riding the other day if he had had any taxes deferred lately. This is a bit of a tear-jerker I suppose; some people might call me one of those dewy-eyed, sentimental New Democrats.

Mr. Blais: Resurrected.

● (2120)

Mr. Rose: A resurrected, dewy-eyed New Democrat. Someone suggests that perhaps we weep too long and too loudly for those people who are less well off than ourselves.

The President of the Privy Council and Minister of National Revenue (Mr. Baker) sits over there in his seat looking prim, true and blue.

Some hon. Members: Hear, hear!

Mr. Rose: At the same time that we have an income tax permitting fast write-offs and give-aways amounting to maybe $3 billion in tax breaks last year, the Department of National Revenue is hounding a married woman in my riding who filed an income tax return seven years ago and she was informed only a month ago she owes the treasury $200. It is all right to defer taxes for some outfits, but it is not possible for the average individual!

People make these comparisons. They know these things happen and they feel they are unjust. As far as this party is concerned there are times when we are not perfect. That is not very often.

Some hon. Members: Oh, oh!

Mr. Rose: We tend to be like all ideological parties, frequently a bit self-righteous about things, but not often.

I think you will recognize, Mr. Speaker, that when you give billions of dollars in tax breaks to corporations that do not necessarily provide taxes ultimately, or employment, and in contrast you hound and harass a young family for $200, that is unexplainable, unjust and unforgivable.

Let's take the banks.

An hon. Member: Good idea, let's take them.

Mr. Rose: I think the banks in general are run by nice people. Of course we have finance companies and credit unions flourishing and proliferating, if people like big words, in our country. We have the near-banks in Alberta. They are socialistic enterprises and the Albertans sort of tolerate them. Despite credit unions and finance companies, the banks are still the major financial institutions in our society. They have a near monopoly. I know there are some amendments to the Bank Act to sort of increase the competition coming up—that is if you believe that competition in a cartel is really competition. Anyway, we have this monopoly and we have that nice collection of members in the other place, strategically located as directors of most of the chartered banks. They are not doing too badly. We have been raising interest rates ten and 11 times in the last year, and the banks—

An hon. Member: There may be another one coming along.

Mr. Rose: Do you think so? I have just been told by my hon. friend beside me that we can expect another interest increase tomorrow. If the Minister of Finance had been as true to his convictions while in government as he was in opposition it would be "bye, bye, Bouey".

An hon. Member: That sounds like the title of a song.

Mr. Rose: As a matter of fact, it is an old song, but then we have heard nothing but old songs from members opposite.

Anyway, let us have a look at the way banks have been doing lately.

Mr. Nowlan: The last rose of summer.

Mr. Rose: I would think that when the member has an interesting riposte I will pause long enough to listen to it. If he would get his hand out of his mouth I would hear him more clearly. Even if I did I do not think it would be worth listening to.

What I want to tell you, and remind members opposite of, is that we are authorizing the Minister of Finance to go and borrow $7 billion. He is going to borrow $7 billion for what purpose? It is for public works and general purposes. One of the reasons we have to borrow all this money is that the banks are not paying their fair share in income tax. We have made that point a number of times, but it seems to me that people opposite are impervious to this fact. I think they are well to ignore this because, as long as the people in Canada keep electing Conservatives in large numbers, they are going to ignore it. That is the only lesson they will ever understand.

An hon. Member: They should vote Liberal.

Mr. Rose: They might. Most politicians are deaf to the cries of injustice. Many have a very bad set of hearing bones in their ears. It seems that while politicians cannot hear the cries of injustice from 20 feet away they can hear a paper ballot falling in a ballot box from 200 yards. That is probably the nature of the beast. I do not think that kind of disease escapes any of us because we are responsive to what people want when they express their views electorally, aside from all the debate and the most convincing arguments put forward by this member and other members on this side of the House.

Let us get back to the banks. In the third quarter of 1979 the Royal Bank earned profits of $57 million and some small change, with after tax profits of $56 million, paying a tax rate of 2.95 per cent.

An hon. Member: They own PetroCan.

Mr. Rose: If they own Petro-Canada, does that account for the fact that it has made so little money?

An hon. Member: That is right.

Mr. Rose: The member knows something I do not know. I did not know they owned Petro-Canada. I know the Royal Bank spends a lot of its money financing foreign takeovers in this country by American concerns. That is the part that bothers me, not whether it finances Petro-Canada. Good for them if they are. As a matter of fact, I will go down there tomorrow and make a deposit just on the hon. member's recommendation.

The Canadian Imperial Bank made a profit of $49 million, $42 million after taxes, with an effective tax rate of 12 per cent. The Bank of Montreal made a profit of $57 million in the third quarter, with an after tax profit of $58 and a tax rate of 14 per cent. That is not bad. The average person, of course, pays up to 50 per cent when he reaches a certain level of income. Certainly the small business tax on other segments of our society is much greater than what banks pay. I could go on and tell you about the Bank of Nova Scotia and the Toronto-Dominion, but the average tax rate on earnings for all chartered banks averaged 10.4 per cent for the third quarter of 1979.

I know this is very tiresome to members opposite. They think it is the same old song, attacking the banks. We have to sing the same old song because we have the same old injustices, and that is the problem.

Let us talk a little bit about the $2 billion the Minister of Finance is going to use over the next four years to subsidize mortgages, the banks I talked about, and the development industry generally. This was promised during the by-elections and confirmed the other day. I do not think the Minister of Finance is all that happy about it. Probably a subsidy of that kind is defensible under different times and under different circumstances, but when coming from a government that is constantly and publicly committed to restraint it is hypocrisy.

Whether we spend this $2 billion on mortgage interest deductibility or not, the fact is that if you add the $3 billion in giveaways through tax incentives, plus a number of other things I have discussed and the $2 billion in predicted mortgage interest deductibility you come close to the $7 billion the minister wants to borrow.

An hon. Member: Order.

Mr. Rose: I did not see the Speaker stand; I know I was being called to order.

An hon. Member: He didn't stand.

Mr. Rose: I should like now to return to question number two that I posed earlier, and that is precisely for what public works and for what other purposes does the minister need this money? I have not heard him discuss this at all, so I am naturally interested.

• (2130)

I have a suggestion. We have cut out Canada Works for most of Canada by a manipulation of the labour surplus rate to change it from 7 per cent to 9 per cent. That will affect many ridings in Canada, and it has completely precluded my riding from getting any of the former benefits. That means that some $350,000 and from 30 to 40 jobs that we had in Mission-Port Moody, parts of which have a youth unemployment rate of something near 20 per cent, will be denied this kind of economic boost next year.

I am quite familiar with the arguments against band-aid programs, such as Opportunities for Youth, which we had about ten years ago, and various other kinds of make-work projects, including Canada Works. I am well aware that many people think that these programs have a lot of shortcomings and that make-work programs do not provide anything of a lasting value frequently because nobody picks up the funding after the short-term financing is over. Consequently, the people who were working on those projects are cast adrift again.

I would like to make one point relating to that matter, and that is that these programs do provide jobs for young people who have difficulty finding work because they have no experience. Therefore they provide young people with first job experience and some hope. I believe that this winter especially, since the government has withdrawn Canada Works without notice and without giving us any other kind of program in its place, the government will be forced to institute some kind of emergency program to deal with unemployment throughout Canada before the winter is out.

I do not think that I will impress the government in this way particularly, since they seem to be absolutely stubborn about putting a complete stop to give-away programs when they apply to people. When these programs apply to industries, resources and banks, however, they cannot give them away fast enough. But when the give-away programs apply to people, there is a great reluctance on the part of the government to put their money where the voters' needs are.

Certain parts of my riding are desperately in need of a crash employment program this winter, and we in this party think that it should be administered through the municipalities. I notice that the Minister of Public Works (Mr. Nielsen) has just sat up and is listening—I thought I might have put him to sleep by now—and I would like to suggest to him that he discuss this matter with his cabinet colleagues because although there are a number of public works programs needed some are not necessarily federal.

The municipalities are equipped through their own experience, administrative capabilities and so on, and knowledge of the needs, to employ a great deal of money very quickly in programs such as pollution control and programs for roads, streets, lighting, sewers, and you name it, buildings, arenas, and the list goes on. These sorts of projects across Canada would provide great incentive to improve our municipalities and at the same time provide some hedge against the extremely destructive unemployment level this winter. I put that forward for the minister's consideration. It is a positive suggestion, but not a new one. I know that a lot of people will say that it is the same old nonsense and they have heard it before.

We are told we have to bite the bullet. The point is who will bite the bullet? Are MP's going to bite the bullet? Are corporation directors going to bite the bullet? Of course not. While we are in the Parliamentary Restaurant biting the filet mignon, the unemployed people in the street will be biting the bullet. I think that the government should consider those things and not be so hard and cruel and so bottom-line, because it makes people sick and it makes all of us on this side of the House sick, that the government could give away millions of dollars to pirates and buccaneers.

Mr. Nystrom: Buddies.

Mr. Rose: Yes, somebody has said buddies. The government gives away billions of dollars to these pirates and buccaneers while at the same time it is hard, cold, and unyielding to people who really need opportunities for work.

We need Winter Works projects and responsiveness from the government. I ask the government to restore these programs until they can develop the $300 million job-creating program for youth that they promised during the election campaign, and about which we have not heard a sound since the election.

I would like to discuss clause 2, briefly, which allows the government to borrow abroad in foreign currency and to repay that money in the same currency. It allows the government to borrow up to $7 billion. It allows the government to borrow almost the precise amount which the former minister of finance, the hon. member for Saint-Maurice (Mr. Chrétien) used a year ago to prop up the Canadian dollar. I do not want to argue at the moment about whether that was a wise decision. I happen to think that it was not a wise decision, but there are a number of people in this House who believe otherwise.

Nevertheless, we borrowed $7 billion to prop up the Canadian dollar and it did not work. So what it means is that we have $7 billion to repay at the rate of $10 million a year, adding to our balance of payments deficit. Some economists are saying that it is not the money that is owed by the nation, the national debt which is the problem. While our children will be responsible for that debt, if we borrow from ourselves, they are also beneficiaries of the profits accruing from that debt's interest.

For example at the end of World War II we had the highest national debt in history and subsequently the greatest prosperity. But we owed it to ourselves. The point that I am making here is that the $7 billion which was borrowed abroad by the former minister of finance, and the $7 billion borrowing which is proposed through this bill by the current Minister of Finance, constitute a very dangerous step because it means that massive amounts of money will be flowing out of the country to service that debt.

At the same time the argument is being used all the time that Canada's interest rate must be higher than that of the United States so that investment capital will flow into Canada. That theory has not worked either because if one looks at the figures of the last year, he will find that, despite our high interest rates, more money in terms of investments has gone out of the country than has come into it. I suggest that the $7 billion which the former government borrowed and the $7 billion which this government proposes to borrow could have been used to purchase the majority of the petroleum industry in this country for Canadians. If one is ideologically opposed to have that industry owned by the state, it could at least have been purchased through the use of that money from foreigners and owned by Canadian entrepreneurs.

I serve this as a particular warning to the Minister of Finance, and plead that he does not rush out to the money markets of the United States to borrow this $7 billion even though this bill would authorize him to do so.

We in this party would feel much better if this money were used to buy back our country, to stimulate development or, as the hon. member for Winnipeg North (Mr. Orlikow) suggested, for R and D to create jobs. If that were the case, my party could support it with some, if not a great deal, of enthusiasm and despite the concerns which I have expressed. But at the moment with all the information before us tonight, which is meagre at best, we are not really enchanted with the bill.

I hope that when the minister does get around to telling us how he intends to use this money, it will be used in a way that this party can approve of because, regardless of the fact that we are sometimes critical, we too want this country to go ahead, we too want to create full employment, we too want to see our country owned by Canadians, and we too want to see this government succeed in improving our nation. With that, I will conclude my remarks and prepare the way for someone else who might have at least 20 minutes to speak, and I hope that it is the minister.

• (2140)

Mr. Deputy Speaker: Order, please. Some time this evening the hon. member for Thunder Bay-Atikokan (Mr. McRae), seconded by the hon. member for Timmins-Chapleau (Mr. Chenier), moved a reasoned amendment while the Acting Speaker was in the chair. The latter did not make a decision but suggested that a decision should be made tomorrow. I have therefore arranged to be here early, before the minister takes the floor, so that a decision can be made before we conclude the debate on second reading of this bill.

The motion of the hon. member for Thunder Bay-Atikokan reads as follows:

That this bill be not now read a second time but be stood until the Minister of Finance agrees to appear before the Standing Committee on Finance, Trade and Economic Affairs at the pleasure of that committee and preceding the appearance of the Governor of the Bank of Canada.

[*Translation*]

Mr. Pinard: I rise on a point of order, Mr. Speaker.

Mr. Deputy Speaker: The hon. member for Drummond (Mr. Pinard) on a point of order.

Mr. Pinard: Mr. Speaker, are we to understand that you are ready to make a decision without hearing the arguments on the admissibility of the amendment?

Mr. Deputy Speaker: I was not there yet. I should say that even if the Acting Speaker who was then in the chair suggested that he had some reservations, he did not mention what they were. As for myself, I had the opportunity to consider the precedents and I want to advise hon. members that on four points at least I can hardly accept the amendment now under consideration. I could refer hon. members to the various sources of reference, but first I will merely indicate that, in my opinion, the amendment now under consideration is inconsistent with different principles which are the basis of reasoned amendments and the first principle which should identify such an amendment is that it should be declaratory and adverse to the bill.

[*English*]

Hon. members are referred to two different citations, Erskine May's nineteenth edition, and Beauchesne's Parliamentary Rules and Forms, fifth edition. The first condition that has to be attached to a reasoned amendment is that it may be declaratory of some principle of the bill or adverse to the bill. That is found at page 499 of Erskine May and citation 744 of Beauchesne. On that ground alone the amendment could be rejected.

There is another reference that suggests a reasoned amendment should not set a condition for second reading of a bill. At page 500 of Erskine May's nineteenth edition paragraph (2) reads as follows:

The amendment must not be concerned in detail with the provisions of the bill upon which it is moved, nor anticipate amendments thereto which may be moved in committee (k); nor is it permissible to propose merely the addition of words to the question, that the bill be now read a second time, as such words must, by implication, attach conditions to the second reading.

Hon. members will find similar citations in Beauchesne who referred to more recent times, as reported in Canadian *Journals*. At page 226 of the fifth edition of Beauchesne, citation 745(3) reads as follows:

It is not permissible to propose merely the addition of words to the question, 'That the bill be now read a second time', as such words must, by implication, attach conditions to the second reading.

Beauchesne cites this decision from the *Journals* of February 17, 1970, and April 23, 1971.

If hon. members read citation 749 on the next page they will find it is more precise and reads as follows:

An amendment to defer second reading of a bill until the subject matter has been considered by a committee is out of order in that it does not oppose the principle of the bill but merely attaches a condition.

To my mind, by proposing that the bill be not now read but that it be read only on a certain condition, such amendment does not indicate to me that it opposes the principle of the bill but merely that it attaches a condition. At the same time, however, the amendment anticipates the committee stage where such a decision could be made. I do not think that the hon. member by his amendment can give that kind of direction to the committee.

This being said, I am ready to hear opinions from hon. members, but I am sure I will have great difficulty in accepting the amendment on the basis I have just stated.

Mr. McRae: Mr. Speaker, I should just like to raise one small point. We realize, of course, that this is not a substantive amendment. We did not intend in any way to change the bill. We realize we cannot do that on second reading. We feel that it is very important, however, in a borrowing bill that the Minister of Finance (Mr. Crosbie) should explain what he is doing. We think at this particular point that the most vital part of the background to this borrowing bill is his appearance first before the committee, so that he can explain the events of the last several months which led to this borrowing bill. It is because he refused to come to the committee before the Governor of the Bank of Canada that we made this motion.

[*Translation*]

Mr. Yvon Pinard (Drummond): Mr. Speaker, the hon. member who has just spoken could well have proposed by way of an amendment what is commonly called, in Beauchesne's terms, a six months' hoist. Now, we have to know who proposed that six months' hoist during the second reading of the bill and its referral to committee?

It seems to me it would have been irresponsible to do so at this time, given the circumstances, because we on this side of the House do not intend to delay the passage of the bill. We do not want at all to prevent the government from having authority to borrow the funds which are needed to administer, except that the hon. member who moved the amendment acted in a much more responsible manner than permitted by the Standing Orders and by the tradition. When he suggested in his amendment that second reading of the bill be deferred until the Minister of Finance finally appears before the Standing Committee on Finance, Trade and Economic Affairs, we presumed that the latter would have the courage to do so before six months. But when we heard his answer today, Mr. Speaker, when he said that he would appear before the finance committee when he is in Ottawa, we thought that it did not sound very serious from a government which administers public funds.

[Mr. Deputy Speaker.]

• (2150)

The purpose of this amendment was, on the one hand, to avoid postponing the second reading of this bill to six months from now and, on the other, to show we are responsible people by requiring that before this bill is passed on second reading the Minister of Finance have the decency not to refuse to appear before the finance committee—

Mr. Deputy Speaker: I must nevertheless interrupt the hon. member for Drummond (Mr. Pinard). I could have intervened when the hon. member for Thunder Bay-Atıkokan (Mr. McRae) was making his remarks. In brief, what he has just said is somehow a continuation of what the hon. member for Thunder Bay-Atikokan suggested, meaning that they are debating the substance of the matter, not the point of procedure before us. I think I do not have to make a ruling on the appearance or non-appearance of the minister before the finance committee at such and such a time, but I must at this time make a ruling as to whether the amendment being proposed by the hon. member is in accordance with the rules and practices of this House. If the hon. member reads certain citations by our authors, he will note that in recent years proposed substantive amendments were more and more intended in their form to postpone passage of a bill for six months. They took that form because it is about the only one allowed in our system. As long as the procedure remains unchanged, I must apply the rules, and if I refer to Beauchesne's citation 744, as I already suggested in English, substantive amendments that must be introduced in the form of a motion may take various forms, and the first one is that they must constitute a declaratory resolution on some principle contrary to those in the bill itself. So the amendment introduced by the hon. member does not run counter to any part of the bill. It quite simply lays down a condition requiring the minister to appear before the committee over which I, as Speaker, do not have jurisdiction, that committee being also able to call the witnesses it wants and organize its work as it wishes. So as far as I am concerned, unless the hon. member for Drummond has other points to make, I would tell him that what he just said does not convince me at all to accept his amendment.

Mr. Pinard: Briefly, Mr. Speaker, my argument is as follows: you have quoted from Beauchesne, citation 744, but if we read from the fifth edition, citation 740—

[*English*]

—there are three types of amendments that may be proposed at the second reading stage of a bill. These are, first, the six months' hoist—

[*Translation*]

Precisely as the Minister of Public Works (Mr. Nielsen) is saying, that was not a six months' hoist. But my reasoning is as

follows: if the Minister of Finance agrees to appear before the committee before six months, then we remain within the spirit of what is allowed under the rules to move an amendment, and I wonder why the Chair favours or seems to favour that form of amendment and fix a six-month time limit. If, according to the rules, we are allowed to delay the second reading of a bill up to six months, I do not see why we cannot be allowed to move an amendment to suggest a condition under which second reading could take place before the six months. We on this side of the House have presumed that the Minister of Finance will be courageous enough to appear before the finance committee well before those six months.

Now, as a solution, it would be that much simpler if the Minister of Finance were to stand up tonight and say that he is prepared to appear before the finance committee ahead of the governor of the Bank of Canada.

Mr. Deputy Speaker: I realize that it is not easy to move a reasoned amendment according to Standing Orders. I have been in the chair many times in recent years and very few hon. members, except perhaps the hon. member for Edmonton West (Mr. Lambert), once, and also I believe the hon. member for Peace River (Mr. Baldwin) on another occasion, have managed to find a way to move such an amendment which was acceptable.

However, I must still apply our Standing Orders, which are based on the fundamental principle that the amendment must oppose the principle of the bill, and secondly, that the amendment must not include any condition aimed at preventing second reading of the bill. In the present case, the amendment does exactly what it should not do on both counts. There are also the other questions that I have examined concerning the operation of the committees and the fact that the hon. member has not succeeded in convincing me and did not even work very hard at it. I must therefore reject this amendment.

Mr. Herb Breau (Gloucester): Mr. Speaker, I would like to take a few moments to speak about Bill C-10, but first of all I wish simply to say that I hope that the Minister of Finance (Mr. Crosbie) and the government will learn something from what has happened in the House today. Indeed, Mr. Speaker, if the Minister of Finance and the government think that they will be able to play the clowns and give replies such as the one they gave this afternoon to the hon. member for Vaudreuil (Mr. Herbert), who had asked a very legitimate question after our party had stated that it was ready to grant unanimous consent to allow a motion to be moved which would really have helped the President of the Privy Council (Mr. Baker) to administer better the affairs of the House, then they are wrong. We said that we were ready to agree to that motion. We had granted unanimous consent even though we had not been notified beforehand. A private member, the hon. member for Vaudreuil, rose because he wanted to ask the following question: can the Minister of Finance now say whether he will testify before the finance committee and accept his responsibility for the financial policies of this country? Will the Minister of Finance tell the committee what he will do about the monetary policy of the governor of the Bank of Canada?

The Minister of Finance only played the clown and replied, "I shall come to the committee when I have the time and when I am in town". I must tell the Minister of Finance that if he wants to make some progress in the House, if he wants his colleague, the President of the Privy Council to be able to administer the affairs of the House efficiently, he should treat the members of Parliament as equals and reply to the questions asked by members on this side of the House like a Minister of Finance should do. I would also like to tell him that because of this, I have noted this evening that Bill C-10 requests the approval of the House to borrow $7 billion. I believe that if this is the attitude the government will adopt when myself, having been a member for eleven years and having taken part for five or six years in the works of the Standing Committee on Finance, Trade and Economic Affairs, I had the opportunity to see the hon. member for York-Peel (Mr. Stevens), the hon. member for St. John's West himself and other Conservative members at the time when they formed the opposition, come before the Standing Committee on Finance, Trade and Economic Affairs and, facing a bill as simple as this one, after the House of Commons had already accepted the principle of giving authority to borrow the money, spend hours, days, and weeks in discussions, I want to tell the Minister of Finance today not to think that other members on this side of the House and myself are going to accept stupid answers, answers from a Minister of Finance who thinks he can afford to show arrogance in the House of Commons like the Prime Minister (Mr. Clark) last week who arrived—

Mr. Deputy Speaker: Order.

Mr. Breau: Mr. Speaker, may I call it ten o'clock?

Mr. Deputy Speaker: Order. Perhaps it is a good time to call it ten o'clock.

* * *

BUSINESS OF THE HOUSE

Mr. Lefebvre: Mr. Speaker, I rise on a point of order. I should like to put a question to the government House leader.

• (2200)

[*English*]

Can the government House leader tell us what the order of business will be for tomorrow?

Mr. Baker (Nepean-Carleton): Mr. Speaker, we will be proceeding with amendments to the Post Office Act tomorrow. I presume we will not have the intemperate display of obstruction we observed from hon. members just a few moments ago,

given the fact that what the House is really doing now is dealing with the former government's own bill. It is like spanking your mother; it is not supposed to be done.

Mr. Lefebvre: If the Minister of Finance (Mr. Crosbie) has learned anything tonight and he makes a commitment, he will see that his clowning days are over. Now that he is in a responsible position, he should start acting as such.

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

[*Translation*]

Mr. Deputy Speaker: Order. We are already proceeding with the adjournment motion and perhaps the House would allow the hon. member for Mercier (Mrs. Hervieux-Payette) to speak to the question before us this evening.

PROCEEDINGS ON ADJOURNMENT MOTION

[*Translation*]

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

CANADA MORTGAGE AND HOUSING CORPORATION—INQUIRY WHETHER UNDERPRIVILEGED WILL BENEFIT FROM HOUSING POLICY

Mrs. Céline Hervieux-Payette (Mercier): Mr. Speaker, I come back to a question I put in the House, last Friday, to the minister in charge of the Canada Mortgage and Housing Corporation (Mr. MacKay). When I asked him for information of the Matthews task force report, he answered that the report would be politically neutral and objective because Mr. Matthews had married his daughter to a Liberal. I am sorry, Mr. Speaker, but I cannot accept that as a serious answer to so important a question. I therefore ask the minister, this evening, when he will release that report and what groups were heard, since I asked Friday who on the task force or what groups spoke on behalf of the humble people, and not in favour of both contractors and big business? I have heard rumors, Mr. Speaker, to the effect that the minister intended to change the president of the Canada Mortgage and Housing Corporation, very persistent rumors indeed which are working havoc again in Quebec and continue the witch hunt about political appointments in senior positions within Crown corporations. Mr. Speaker, I ask the minister whether the incumbent president has completed his term and fulfilled his mandate with the Canada Mortgage and Housing Corporation, or else whether he is leaving to make room for a future president from Quebec.

[Mr. Baker (Nepean-Carleton).]

Rumor has it that Mr. Mario Beaulieu would be offered the job. I ask the minister whether he could confirm that Mr. Beaulieu will be the next president of the Canada Mortgage and Housing Corporation. From there on, one obviously wonders whether the Canada Mortgage and Housing Corporation will remain as we now know it today.

I should like to go back briefly on the important role played by the CMHC on the social, economic and national level. We in the Liberal party recognize that for many years, together with the private sector, the government has developed a housing policy which is endorsed by OECD as one of the best in the world.

• (2205)

It enabled low-income families as well as senior citizens to find decent housing, even if this task is not quite over. It also made it possible to draft national standards guaranteeing the quality of construction in Canada. In this respect, Mr. Speaker, the possible elimination of the Canada Mortgage and Housing Corporation makes me wonder about the necessity for the National Building Code. As you know, enormous efforts and intensive negotiations have taken place to standardize building materials as much as possible. Would it not be possible that the disappearance of the Canada Mortgage and Housing Corporation would create even more regional disparities and increase building costs by eliminating the important function of the National Building Code?

We should remember that the corporation was created in 1946 to administer the National Housing Act. Its responsibility was to co-ordinate and support housing programs after some very gloomy years. At that time we had been through a depression. Now we have a recession and I think that the role of the Canada Mortgage and Housing Corporation is even more crucial now than at any other time in the last ten years.

As I said earlier, Mr. Speaker, there is still much left to do in the social housing field. About 400,000 Canadians have yet to find decent housing. What are we going to do in the absence of Canada Mortgage and Housing Corporation if we place the faith of those 400,000 Canadians in the hands of the private sector? I believe that it is in conjunction with the government that we can elaborate a national housing policy.

The Canada Mortgage and Housing Corporation did a tremendous job. Let me recall, Mr. Speaker, that in 1950 it had some 2,000 employees. In 1978, some 30 years later, it had 3,800 employees to serve all of Canada. Realizing that the corporation manages $10 billion and that some three million houses are covered by its services, I feel it is very well managed and for this reason it should remain a basic tool of development for our economy.

As you may know, the previous government channelled private funds, integrating as it did the role of private enterprise with that of government. On the other hand, housing policy

was not one of laissez-faire and letting things go adrift. It was planned by the government.

Suffice it to mention, Mr. Speaker, that in the case of housing mortgage insurance alone the Canada Mortgage and Housing Corporation charges only $35 while the private sector is currently charging between $200 and $400. Is this the way small-income citizens and the 400,000 Canadians who need better housing will achieve ownership? Does the minister know that in the last few years a quarter of a million new housing units were built, and those 250,000 units created 250,000 annual jobs?

[*English*]

The Acting Speaker (Mr. McCain): Order, please. I regret to advise the hon. member that her time has expired.

Mrs. Hervieux-Payette: Mr. Speaker, may I have another moment? I have just one more sentence.

The Acting Speaker (Mr. McCain): Well, just seconds, yes.

Mrs. Hervieux-Payette: Would the minister now tell us whether or not he will dismantle CMHC?

Hon. Elmer M. MacKay (Minister of Regional Economic Expansion): Mr. Speaker, I welcome the opportunity to come here this evening and respond to the hon. member's questions. I will tell her at the outset that we are certainly not going to dismantle CMHC.

I want to explain to the hon. member that I do not want her to think I was being facetious the other day when she asked her question. I thought she was putting her question in a rather facetious way herself when she referred to the fox in the chicken coop metaphor, and I am sorry she did not have a chance for a supplementary.

● (2210)

I want to assure the hon. member that, as I said at the outset, we will not do anything to seriously impair or damage CMHC. Quite the contrary, we hope to strengthen the organization. The hon. member, who obviously knows a bit about housing, will recognize that the projections for future demand for housing will have changed, as demography has shown. In future we may be looking more on the question of rehabilitation or renovation of housing, questions such as revitalizing the urban core. The days of urban or suburban sprawl are gone because of energy conservation.

The matters she raises with respect to the task force report and when it will be made public, I can answer as follows. I have not yet seen the final report. When I do, I intend to study it carefully. It will be submitted to cabinet, and indeed so will the considered opinions of CMHC with respect to the housing strategy. It is my intention to make this report public as soon as it has received the proper evaluation.

Again I want to assure the hon. member that both we in the government and CMHC recognize our social responsibilities, and in no way do we intend to de-emphasize or diminish this commitment of providing and sustaining affordable shelter to those Canadians who do not have access to it.

I agree with her that there are nearly one half million families who pay over 30 per cent of their income for shelter. This group includes elderly people, single parent families, and young Canadians.

Hon. members, including the hon. member who raised the question, will have an ample opportunity to contribute their thoughts and their expertises to this government's housing policy. I think she would agree that my predecessor last year in Edmonton started the process of disentanglement, but what we are doing—

The Acting Speaker (Mr. McCain): Order, please.

REGIONAL ECONOMIC DEVELOPMENT—DREE COMMITMENT RESPECTING SYDNEY STEEL CORPORATION

Mr. Andy Hogan (Cape Breton-East Richmond): Mr. Speaker, in reply to my first question concerning the matter of $50 million promised for Sysco during the last election, the minister mentioned the following:

Considerable moneys in the past, which were allocated, were not managed or used too wisely.

The minister, of course, is correct in his observation, but there is a danger that newspapermen and others will think the federal government has given much more money than it actually has to the provincial publicly-owned steel plant in Sydney since Black Friday on October 13, 1967. The fact is that for almost 13 years what the federal government allocated in grants to the steel plant until the recent $6 million from the present government, amounted to a combined sum of $25 million to $30 million. Before the 1974 election, the federal government gave a loan guarantee of some $70 million to the steel plant which, while very helpful, is not the same as a grant.

Of course it can be argued that the Nova Scotia government owns the Sydney Steel plant, but it was obvious to some of us that the logical buyer, once Hawker Siddeley pulled out, should have been the Cape Breton Development Corporation which was set up to rehabilitate Cape Breton's economy. With all of Devco's faults, it would have done a better job than the provincial government of Nova Scotia which appeared not to know which end was up in the hiring of top management personnel for the steel plant.

The minister is, of course, quite right, as everybody in Nova Scotia now knows, about the waste and mismanagement at the steel plant which has brought it literally to its knees, with an albatross of some hundreds of millions of dollars in debt.

I should like to ask the minister if he could find out for me what the actual debt is and how much of it is a result of strictly operating deficit and how much is interest payments for the loans by the corporation. On April 28, 1979, Mr. Tom Kent, the then Sysco president, was quoted in the *Cape Breton Post* as saying that the debt was $166.4 million. Sysco's loss for the last fiscal year was alleged to be $64.2 million, which

included $29.2 million in operating losses, $22 million in interest charges, and $12 million in depreciation.

In passing, Mr. Speaker, I want the minister to know that many of the supervisory, middle management personnel and union members at the plant want to know why one whom they consider as very largely responsible for the present situation at Sysco is still kept on as a member of Sysco's board.

In my supplementary question I asked once again about the use of the submerged injection process at Sydney. It was a failure in the past and has been rejected by Stelco and U.S. Steel. Is it not true that the Davy-Ashmore report of 1971-72 recommended the tried and true basic oxygen furnace technology? The modified type is called Q-BOP and can cook a batch of steel faster and cheaper because, among other things, it does not need a special building and certain auxiliary services which a complete basic oxygen furnace shop would need.

• (2215)

The continuous casters are a later technology and assume the use of either of the above oxygen processes. Sydney Steel, to my understanding, is the only steel plant in the world with continuous casters tied to open hearth—hardly a way, I would think, to rehabilitate such an operation and attempt to make it competitive. I realize that we have lost the golden years since 1971 in an attempt to turn the plant around. The debt composition has to be rearranged or it will surely go under.

My understanding is that there was a request by the province of Nova Scotia to have the previous federal government absorb or wipe out at least the $70 million loan mentioned earlier, and they refused to do that. Is that correct? Some say there are no precedents for doing such a thing. It is my understanding that the provincial government of Premier Buchanan had promised to guarantee the borrowing of $100 million by Sysco if Ottawa were to write off the $70 million. I am sure an argument could be made to support the no precedent conclusion. It is my understanding—and the minister can correct me if I am wrong—that the last minister responsible for DREE negotiated from that position. However, the fact is there is ample precedent. In 1978 some $800 million of CNR debt was transferred by the government into common shares. Thus the debt and interest charges were cancelled.

In March, 1977, $625 million was cancelled from the St. Lawrence Seaway debt principle. Bill C-3 authorized the cancellation of some $600 million of Air Canada debt. The cancellation of airport debts for revolving fund airports—for example, Dorval, Pickering, Malton and Mirabel—is to be done in a new supply bill and will cost $660 million. Finally, the government is planning to cancel $742 million in debts accrued by the National Harbours Board. Of course this has not yet happened.

The net result of these debt cancellations is that all areas of transportation are more profitable and thus would be easier to privatize. The debt cancellation is accomplished by having the Treasury Board absorb the debt. All the operations noted here are owned by the federal government which makes debt cancellation a simpler process. Sysco is provincially owned, but I cannot see how the assumption by the federal government of the debts of a provincially-owned company should cause serious problems. I think the minister will recognize that Sysco has been the subject of much study. In fact it has been so studied that the reports would fill a section of a normal library. It is time for all concerned to get off the pot and to modernize the plant, instead of continually keeping the people in uncertainty and despair in that area. They deserve better.

[Mr. Hogan.]

Hon. Elmer M. MacKay (Minister of Regional Economic Expansion): Mr. Speaker, I welcome the opportunity to receive in the House of Commons this evening the comments of the hon. member opposite who is very concerned with the subject he has raised, as I am myself. We both recognize that there is perhaps no greater concern to our province from an economic standpoint.

First, I am glad to give to the hon. member my assurance that I will obtain a complete breakdown of the debt structure and meet with him to discuss it. It is not as straightforward as it might seem, because of the nature of the debt. But I certainly agree with him that there is ample precedent for writing off debts of various kinds in the jurisprudence of the federal government over the years.

The hon. gentleman did raise in his question specifically the submerged injection process. Perhaps I should put on record at this time that this process, as the hon. member knows, relates to introducing oxygen below the surface of the hot metal as opposed to introducing the oxygen or air from above on to the hot metal. Apparently this has caused difficulties in the past. I am assured, as a result of inquiries I had made, that none of the $7.2 million was used for any purpose related to the submerged injection process, but rather to rebuild certain parts of the open hearth furnaces and other structural work.

I should like to assure the hon. member opposite that, as far as our administration is concerned, we have a continuing commitment to doing what we can to modernize and improve conditions at Sysco. I think he would recognize that while it might be desirable to do so quickly, from a physical point of view it is not quite that simple, either.

First of all we must try to undo and, to some extent, rehabilitate some of the symptoms which were caused during the past few years of mismanagement. Once this is accomplished I am certain that we will, in accordance with the knowledgeable requests from management, and in accordance with the advice received from the work force, which is equally important, which is a very dedicated work force and which has in effect subsidized that plant over the years, as indeed the work force has in Trenton, Nova Scotia, at another important heavy industrial undertaking, and with the best advice we can get from that management and the work force, and under the instructions of the Nova Scotia government, undertake our responsibilities to the people of Cape Breton and of Sysco.

• (2220)

I am not so sure, although it is a matter for future discussion and debate, that Devco would necessarily have been able to effect what the hon. member suggests it might have, but conditions in Devco are improving because of the increased prospects for the use of coal. It may be that the member is correct. In any event, I want to assure him again that he has my co-operation in making available to him the kind of information he wants and, indeed, to all members of the House. I share his concern for the rehabilitation and eventual modernization of this very historic and necessary steel mill.

The Acting Speaker (Mr. McCain): The motion to adjourn the House is now deemed to have been adopted. Accordingly, this House stands adjourned until tomorrow at two o'clock p.m.

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

HOUSE OF COMMONS

Wednesday, October 24, 1979

The House met at 2 p.m.

● (1405)

ROUTINE PROCEEDINGS

[*Translation*]

SOCIAL SECURITY

REQUEST THAT PRINCIPLE OF UNIVERSALITY OF FAMILY ALLOWANCES BE MAINTAINED—MOTION UNDER S.O. 43

Hon. Monique Bégin (Saint-Léonard-Anjou): Mr. Speaker, under the provisions of Standing Order 43 I ask for the unanimous consent of the House to move a motion dealing with an important matter of pressing necessity.

In view of the fact, as we all know, that 1979 has been designated as the International Year of the Child by the United Nations and that October 24, that is today, has been selected as the Day of the Child by the ministers of education in Canada, I move, seconded by the member for Westmorland-Kent (Mr. LeBlanc):

That the House urge the government to state unequivocally that family allowances paid to Canadian mothers for their children will remain universal.

Mr. Speaker: The House has heard the motion of the hon. member. Pursuant to Standing Order 43, such a motion can be presented for debate at this time only with the unanimous consent of the House? Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

[*English*]

PETRO-CANADA

SUGGESTED DEDICATION OF RIDEAU CLUB DESTROYED BY FIRE—MOTION UNDER S.O. 43

Mr. Bob Kaplan (York Centre): Mr. Speaker, I rise, under the provisions of Standing Order 43, on a matter of urgent and pressing necessity.

I move, seconded by the hon. member for Outremont (Mr. Lalonde):

That the site of the recently destroyed Rideau Club, which faces the Parliament Buildings in Ottawa, be dedicated to the construction of the central Canada branch of Petro-Canada to serve as a reminder to the government and the Canadian people of the importance of this vital Crown corporation.

Some hon. Members: Hear, hear!

* * *

PENSIONS

REQUEST THAT LAZAR REPORT BE MADE PUBLIC—MOTION UNDER S.O. 43

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, under the provisions of Standing Order 43, and seconded by the hon. member for Mission-Port Moody (Mr. Rose), I move:

That this House is pleased to learn that there is a government document known as the Lazar report which recommends that action be taken to provide substantial increases in pensions as well as other important improvements, and this being the day when a freedom of information bill is being introduced, this House calls on the government to drop the secrecy, to make public the Lazar report forthwith, and to indicate when it proposes to take action thereon.

Mr. Speaker: In accordance with the terms of Standing Order 43, the presentation of this motion for debate at this time can be done only with unanimous consent. Is there unanimous consent?

Some hon. Members: Agreed.

Mr. Speaker: The House has heard the terms of the motion. Is it the pleasure of the House to adopt the said motion?

Some hon. Members: Agreed.

Motion agreed to.

Some hon. Members: Hear, hear!

* * *

[*Translation*]

FISHERIES AND OCEANS

REQUEST THAT LARGE TRAWLERS NOT BE ALLOWED TO OPERATE IN ZONE 4T—MOTION UNDER S.O. 43

Mr. Herb Breau (Gloucester): Mr. Speaker, under the terms of Standing Order 43, I request the unanimous consent of the House to move a motion concerning a matter of urgent and pressing necessity.

Considering that the decision of the Minister of Fisheries and Oceans (Mr. McGrath) to allow fishing vessels of 100 feet or more to fish 6,000 metric tons of cod in the 4T area of the Gulf of St. Lawrence from November 1 will have adverse

effects on crab fishing because they will destroy crab stocks, I move, seconded by the hon. member for Gaspé (Mr. Cyr):

That the Minister of Fisheries and Oceans be requested by the House to rescind his decision which favours large fishing companies to the detriment of all the independent fishermen of the Atlantic provinces and of the province of Quebec.

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

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

[*English*]

FISHERIES

OFFSHORE VESSELS OPERATING IN GULF OF ST. LAWRENCE—MOTION UNDER S.O. 43

Hon. Roméo LeBlanc (Westmorland-Kent): Mr. Speaker, I rise, under the provisions of Standing Order 43, on a matter of pressing urgency.

Since the large offshore fishing boats based outside the Gulf of St. Lawrence have recorded increased landings in the last two years, and whereas the small inshore fishing vessels based in the Gulf of St. Lawrence have not yet attained their full catch rate and are subject to a shorter fishing season, I move, seconded by the hon. member for Gaspé (Mr. Cyr):

That this House directs the Minister of Fisheries and Oceans to rescind, before the starting date of November 1, his decision to allow the return of non-Gulf based fishing vessels to compete with small inshore fishermen.

Mr. Speaker: In accordance with Standing Order 43, the presentation of such a motion for debate at this time can be done only with unanimous consent. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

[*Translation*]

FINANCE

REQUEST GOVERNMENT DISALLOW FURTHER INCREASES IN INTEREST RATES—MOTION UNDER S.O. 43

Hon. Marcel Lessard (Lac-Saint-Jean): Mr. Speaker, I rise under the provisions of Standing Order 43 and ask for the unanimous consent of the House to move a motion on a matter of urgent necessity.

In view of the crisis that successive increases in interest rates have recently created in Canada; given the negative impact that interest rates of 14 per cent to 18 per cent have on small businesses and workers in general who run the risk of being laid off; and also in view of the urgency of putting an end to ever-rising interest rates, I move, seconded by the hon. member for Saint-Hyacinthe (Mr. Ostiguy):

That this government refuse for the time being any new increase in interest rates and introduce compensatory measures such as tax exemption adjustment, now set at $1,000, on income originating from interest or dividends.

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

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

• (1410)

[*English*]

THE ENVIRONMENT

CALL FOR GUIDELINES TO ESTABLISH AIR QUALITY LAWS—MOTION UNDER S.O. 43

Mr. Bob Corbett (Fundy-Royal): Mr. Speaker, I, too, rise under the provisions of Standing Order 43. In view of the present efforts of the Pittston Oil Company, of New York, to locate an oil refinery in Maine which would produce unacceptable and intolerable levels of air pollutants in New Brunswick, and in line with the statement made in the House on October 22 by the Postmaster General and Minister of the Environment (Mr. Fraser) that both the United States and Canada "were polluting each other and effective control could best be undertaken on a co-operative basis", I move, seconded by the hon. member for Saint John (Mr. Ferguson):

That this House request the minister to consider a study which would establish guidelines for enforceable air quality laws and federal emissions requirements, complementary to those administered by the United States Environmental Protection Agency, which Canada does not have.

Mr. Speaker: Such a motion can be presented for discussion at this time only with the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

NORTHERN AFFAIRS

CALL FOR COMMITTEE STUDY OF NORTHERN MINERAL ADVISORY COMMITTEE REPORT—MOTION UNDER S.O. 43

Mr. Peter Ittinuar (Nunatsiaq): Mr. Speaker, I rise, under the provisions of Standing Order 43, on a matter of urgent and pressing necessity.

In view of the fact that the Northern Mineral Advisory Committee does not represent the broad range of interest in the north and, therefore, constitutes only one of the many sources of input which the government must consider when forming a northern mining policy, I move, seconded by the hon. member for Nickel Belt (Mr. Rodriguez):

That the report of the Northern Mineral Advisory Committee be referred to the Standing Committee on Indian Affairs and Northern Development, and that this committee seek representation from all groups involved in or affected by mining in the north.

Mr. Speaker: The presentation of such a motion for debate at this time, pursuant to Standing Order 43, can be done only with unanimous consent. Is there unanimous consent?

Some hon. Members: Agreed.

Mr. Speaker: The House has heard the terms of the motion. Is it the pleasure of the House to adopt the said motion?

Some hon. Members: Agreed.

Motion agreed to.

* * *

[*Translation*]

RESEARCH AND DEVELOPMENT

REQUEST FOR IMPOSITION OF SPECIAL TAX ON PROFITS OF OIL COMPANIES TO FUND PROGRAM—MOTION UNDER S.O. 43

Mr. Claude-André Lachance (Rosemont): Mr. Speaker, under the provisions of Standing Order 43, I request the unanimous consent of the House to present a motion whose urgency and national import are obvious.

In view of the news concerning the profits earned by two of the biggest oil companies operating on Canadian soil from January to September, 1979, to the effect that they have increased by an average of 50 per cent as compared with the corresponding period in 1978, an excellent year according to the leaders of the oil industry in terms of return on capital investment and net profit registered, and in view of the answer of the right hon. Prime Minister (Mr. Clark) to a question put by the Leader of the New Democratic Party (Mr.Broadbent) in the House yesterday, and I quote:

—that it is a matter of very real concern to this government to see that as much as possible of the revenues that come to energy companies operating in this country are reinvested in Canadian energy development.

I move, seconded by the hon. member for Etobicoke North (Mr. MacLaren):

That this government introduce, in the budget to be brought down in the near future in this House, a special tax to constitute a working capital fund financed by the excessive profits of oil companies operating on Canadian soil to be used for research and development in the field of new sources of energy, and to be levied according to the following formula: 25 per cent of excess profits made in 1979 and the following years by said companies, as compared with 1978 as the standard year, to the extent where those profits exceed, as is now the case, a minimal return of 15 per cent of capital investments.

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

Some hon. Members: Agreed.

Some hon. Members: No.

ORAL QUESTION PERIOD

[*English*]

THE CANADIAN ECONOMY

U.S. RAISE IN INTEREST RATES—CANADA'S INTENTIONS FOR THE FUTURE

Hon. Herb Gray (Windsor West): Mr. Speaker, I have a question for the Prime Minister, in the absence of the Minister of Finance who may fear that if he were here today there might be a snap meeting of the Standing Committee on Finance, Trade and Economic Affiars at which the minister would have to make an appearance.

Yesterday, several American banks raised their prime lending rates on business loans to a record 15 per cent. Will the Prime Minister assure the House right now that his government will not allow further increases in interest rates in Canada, which are already at record levels?

• (1415)

Hon. Sinclair Stevens (President of the Treasury Board): Mr. Speaker, perhaps I can reply to the hon. member's question. He commented upon the Minister of Finance being out of the House today. I can assure the hon. member that the Minister of Finance is away on government business in western Canada.

In answer to the hon. member's question, he is quite correct in indicating that there has been another increase in interest rates in the United States. This, as we all know, brings added pressure to the North American economy and particularly to our own interest rates. The government cannot give any assurance that interest rates in Canada will not go higher.

Mr. Gray: Mr. Speaker, I want to ask the acting minister, since he cannot give the assurance on interest rates which I sought, will he tell the House what estimate he and his government have made of the effect its high interest rate policy will have on the level of unemployment in Canada?

Mr. Stevens: Mr. Speaker, we have not made a current estimate of the impact of rising interest rates on unemployment in Canada but, as the hon. member knows, such estimates are continually being made by officials of the Department of Finance and other economists. I am sure that when those figures become available, we will be very pleased to provide the hon. member with an update.

Mr. Gray: Mr. Speaker, it is surprising, in view of the seriousness of the matter, that a government which is committed to open government does not have a current estimate right now which it could give to the House.

Some hon. Members: Hear, hear!

Mr. Gray: In view of the government's policy of moving domestic interest rates almost in tandem with the American rates to record high levels, and in view of the professed desire of the government to see domestic oil prices rise quickly to world levels, are not the acting minister and his government in fact telling the Canadian people that their policy is to have this country move into a recession?

Mr. Stevens: Mr. Speaker, I can assure the hon. member that that is certainly not the government's policy. I would draw to the hon. member's attention, since he has referred to the American situation so much today, what noted economists in the country have been saying. For example, last week an article stated that the Canadian government announced plans to encourage the development of a free market economy and to reduce the role of the public sector, and it went on to say that that policy boded well for the long-term prospects of the Canadian economy.

* * *

ENERGY

OIL PRICES—REQUEST GOVERNMENT ABANDON PLANS FOR FURTHER INCREASES

Hon. Marc Lalonde (Outremont): Mr. Speaker, my question is to the Minister of Energy, Mines and Resources. Since, even at present rates, home owners with a $40,000 mortgage negotiated three to five years ago will have to pay, under the present rate, approximately $1,022 more a year, and since the government is pressing ahead with the largest increase in oil prices in our history at a time when multinational oil companies are registering record profits, will the minister agree to abandon his plan for oil price increases equivalent to an additional tax of up to $200 a year on every home owner and car driver in this country?

Hon. Ray Hnatyshyn (Minister of Energy, Mines and Resources): Mr. Speaker, I have mentioned on previous occasions the fact that any speculation on the part of the hon. member or anyone else with respect to any price increase is premature. In those terms, I would ask the hon. member to consider the implications of merely standing pat or doing a flip-flop with respect to energy policy, as his party has done.

I also want to point out that in our considerations of the implications of price increases we are concerned about the economic consequences. We in this government want to make sure that measures are put in place which will, in fact, in the event of an increase, address these particular problems.

Mr. Lalonde: Mr. Speaker, if the minister had done his homework and read up on the previous government, he would have seen that we had a policy which took care of the average Canadian consumer and the average Canadian citizen.

[Mr. Stevens.]

Some hon. Members: Hear, hear!

Mr. Lalonde: If the minister will not act to protect the consumer and prevent the price of home heating oil reaching unconscionable levels, will he at least set up immediately the energy supply allocation board provided for by the Energy Supply Emergency Act passed by the previous Parliament, especially since his provincial colleagues in Calgary yesterday concluded that in view of the inaction of this government, they themselves would set up a purely interprovincial advisory committee on energy? Will he set up that board right now?

• (1420)

Mr. Hnatyshyn: Mr. Speaker, I simply reject out of hand any suggestion made with respect to the premise of that question. The fact is, and the hon. member knows, that my department has been working very hard in close co-operation with the provinces with respect to the Emergency Supplies Allocation Act and the background and support apparatus that may be required in the event of an emergency, real or apprehended.

The fact is that we are working hard. We have in our department taken the kind of support positions that will be available to us in the event of an emergency. I do not think it sits well with the hon. member to make accusations of the sort he has, because they are simply not true.

* * *

FINANCE, TRADE AND ECONOMIC AFFAIRS

INTEREST RATES—ORDER OF APPEARANCE OF WITNESSES BEFORE HOUSE COMMITTEE

Mr. Edward Broadbent (Oshawa): Mr. Speaker, I cannot understand the Liberals complaining about the government carrying out their policies; but that is another matter.

Some hon. Members: Question.

Mr. Broadbent: I should like to ask the Prime Minister a question about this important matter of interest rates that concerns every Canadian.

As the Standing Committee on Finance, Trade and Economic Affairs is planning to hear both the governor of the Bank of Canada and the Minister of Finance, will the Prime Minister reverse the decision forced upon two of his backbenchers by the Minister of Finance last night when he instructed them to support a motion that would have the governor of the Bank of Canada appear before that committee ahead of the Minister of Finance, when it should be the Minister of Finance who is there first to state government policy?

Right Hon. Joe Clark (Prime Minister): Mr. Speaker, I have such respect for Parliament that I would naturally not reverse the position of a parliamentary committee.

Mr. Broadbent: Mr. Speaker, neither the Prime Minister, when he was in opposition, nor I were content to let his predecessor get away with such glib answers. I should like to ask him if he thinks it is appropriate for any minister of the Crown, particularly a prime minister who has talked about reforms of Parliament, to direct his own backbenchers to vote in a way completely contrary to their own independent desires, as happened last night?

Mr. Clark: Mr. Speaker, I do not know what kind of relations exist in that party between backbenchers, as he calls them, and the leader. Certainly, in this party all members of Parliament come to their own conclusions.

Some hon. Members: Oh, oh!

Mr. Clark: I must note that that principle, which has been long established in this party, is so remarkable to the others that it evokes surprise and agony.

Some hon. Members: Hear, hear!

Mr. Clark: My answer stands. We have a recommendation from a parliamentary committee. I understand it was made in part because it reflects the interest of the governor of the Bank of Canada in having the earliest possible opportunity to appear before that committee. Naturally, that is not a recommendation that I propose to reverse.

Mr. Broadbent: Mr. Speaker, most people thought that the government was elected to lead the governor of the Bank of Canada, not follow him. That is not the implication of the Prime Minister's answers.

On the important question of interest rates policy, for which he has responsbility as head of the government, does the Prime Minister not think that by this time Canadians are fed up with having their interest rates dictated by decisions made in Washington instead of in this country? Does he not think Canadians would like to have a government that pursues the kind of successful low interest rate policies that have worked so well in dozens of countries of western Europe?

Mr. Clark: Mr. Speaker, I take it that the Leader of the New Democratic Party is asking me for an opinion. My opinion—which, I think, by the rules of the House perhaps I should not be giving—is that the people of this country do not want high interest rates. Neither do we. But we know that as a national government we have to work our way out of a very difficult economic situation, and this will not be done by ducking the hard decisions.

● (1425)

Some hon. Members: Hear, hear!

Mr. Chrétien: You had all the solutions in May.

Oral Questions

INTERNATIONAL TRADE

MEASURES TO PROMOTE CANADIAN EXPORTS

Mr. Roy MacLaren (Etobicoke North): Mr. Speaker, at an export conference yesterday, the Minister of State for International Trade forecast a record Canadian trade deficit for 1980-81 of $10 billion. On the other hand, in connection with the same conference, the Minister of Industry, Trade and Commerce is reported by the Canadian Press to have stated that government intervention on behalf of Canadian exporters has now ended, including market surveys and trade negotiations.

Can the minister of state please assure the House that there will be no cuts in measures to promote Canadian exports, including those specified by the Minister of Industry, Trade and Commerce?

Hon. Michael Wilson (Minister of State for International Trade): Mr. Speaker, what I said at the conference yesterday was that the trade deficit, the current account deficit, could reach a level of $10 billion. What I was indicating was the magnitude of the size of the problem that we have. It is a problem of a long-standing nature. As the hon. member well knows, it is one where there is a considerable amount of momentum attached to the problems that we got into in the middle seventies under the previous government.

We have said that considerable effort will be made on the trade side. There are a number of programs under review right now in the areas of trade promotion and trade policy. We had hoped that we would have some announcements to make on these reviews before the end of the year. There will not be a diminution of effort on the part of this government to support trade in this country. I should say—

Some hon. Members: Oh, oh!

Some hon. Members: Order.

Mr. Speaker: Order, please.

Mr. MacLaren: Mr. Speaker, may I take it from the answer of the minister of state that what the Minister of Industry, Trade and Commerce is reported to have said about specific cuts in market surveys and trade negotiations—that the government will remove itself from those areas—will not in fact now happen?

Mr. Wilson: Mr. Speaker, I believe the remarks that are attributed to the Minister of Industry, Trade and Commerce relate to a much broader area than just trade. There is no intention on the part of this government to remove itself from assistance on trade promotion or trade negotiations where it is appropriate for the government to be involved.

POSSIBLE MOVE OF CANADIAN EMBASSY FROM TEL AVIV TO JERUSALEM—EFFECT ON TRADE

Mr. Maurice Foster (Algoma): Mr. Speaker, a number of Canadian businesses have deplored the consequences of the

government's plan to move the embassy from Tel Aviv to Jerusalem and some experts have estimated that the cost of this loss in opportunity to bid will reach $5 billion worth of contracts to Arab states.

Based on the studies which have been done by his department, can the minister comment on whether this potential trade loss is accurate?

Hon. Michael Wilson (Minister of State for International Trade): Mr. Speaker, there have been studies done on the effect of the announcements in June of the possible movement of the embassy to Jerusalem. I cannot confirm right now the precise figure that the hon. member mentions. There is clearly a hiatus resulting in trade negotiations on contracts with those countries. We are concerned about it, we are following it closely, and we hope that the whole matter will be clarified shortly as a result of the trip made by the Hon. Robert Stanfield.

Mr. Foster: Mr. Speaker, I wonder whether the minister of state would table the studies which have been done by the Department of Industry, Trade and Commerce. At the same time, will he table the programs that he intends to cut out as announced by the Minister of Industry, Trade and Commerce yesterday?

Mr. Wilson: Mr. Speaker, the studies that have been carried out are, essentially, an ongoing review of the discussions that have been held between the department and interested companies who are doing business in that part of the world. I do not propose to make those public because they are confidential discussions between companies and officials in my department.

● (1430)

As far as the second part of the hon. member's question is concerned, I have said that I propose to have something to announce in relation to a trade policy and trade promotion activities.

* * *

FINANCE

VALUE OF CANADIAN DOLLAR—GOVERNMENT POLICY

Mr. Arthur Phillips (Vancouver Centre): Mr. Speaker, I have a question for the Acting Minister of Finance. Over the past year or so, the President of the Treasury Board and other ministers, including the Prime Minister, have made many statements to the effect that if elected they would take steps to raise the value of the Canadian dollar to approximately 90 cents U.S.

In view of the terribly pessimistic forecasts by the Minister of State for International Trade for a deterioration of our trade balance in 1980—and, indeed, 1981—is this still the government's policy?

Hon. Sinclair Stevens (President of the Treasury Board): Mr. Speaker, the hon. member asks if this is still the government's policy. I would like to correct him. It was never the government's policy.

In direct answer to the hon. member's question, I would say that the desirability of a stable dollar in relation to the American dollar is certainly something that all in this House surely seek. A higher dollar would be something that any government in power would like to achieve. As has been indicated time and again in the House, we are in a situation where, as the Secretary of State for International Trade indicated, the aftermath of the previous government's handling of our export position is something that will take some time to turn around. But I can assure the hon. member that it is being done.

Mr. Phillips: Mr. Speaker, I was really talking about the next two years, rather than looking at the past and reliving previous elections.

Since the trade minister forecast that the negative balance of payments would go from about $5 billion to $10 billion, we are looking ahead. What does the Acting Minister of Finance believe would be an appropriate level for the Canadian dollar in terms of the U.S. dollar?

Mr. Stevens: Mr. Speaker, the hon. member knows that such a hypothetical question cannot be answered in this House.

Some hon. Members: Oh, oh!

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INTERNATIONAL TRADE

STEPS TO SUPPORT CANADIAN EXPORTERS

Mr. Ray Chenier (Timmins-Chapleau): Mr. Speaker, my question is to the Minister of State for International Trade, whose job is to support exporters in many ways such as by keeping political, external relationship harmonious and productive.

[*Translation*]

I would like to know, Mr. Speaker, what the minister's itinerary will be for the weeks to come, and if it will include the Middle East.

[*English*]

Hon. Michael Wilson (Minister of State for International Trade): Mr. Speaker, I have no immediate plans to take any trips in the next few weeks. My intention is to be very active in support of Canadian exporters in other countries of the world and to support their business activities.

INTERNATIONAL DAY OF THE CHILD

SUGGESTED RECOGNITION BY ESTABLISHING CHILD-CARE CENTRE ON PARLIAMENT HILL

Mrs. Margaret Mitchell (Vancouver East): Mr. Speaker, my question is for the Minister of National Health and Welfare. Today is the International Day of the Child. As a symbol of this government's commitment to children, and to the urgent need across this country for more accessible and affordable child-care for all sectors of our population, will the minister establish a model seven-day a week child-care centre on Parliament Hill?

Some hon. Members: Hear, hear!

Hon. David Crombie (Minister of National Health and Welfare): I thank the hon. member for her question and, indeed, her preamble with regard to the International Year of the Child.

As to the specific request regarding a day-care centre, I will be happy to take that under consideration and report to the hon. member.

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[*Translation*]

SOCIAL SECURITY

REQUEST THAT PRINCIPLE OF UNIVERSALITY OF FAMILY ALLOWANCES BE MAINTAINED

Hon. Monique Bégin (Saint-Léonard-Anjou): Mr. Speaker, I would like to ask a supplementary question.

Following the excellent proposal made by my colleague from the other party in connection with the celebration of this famous Day of the Child, could we ask the Minister of National Health and Welfare if he is in favour of universal family allowances for all the little Canadians?

[*English*]

Hon. David Crombie (Minister of National Health and Welfare): Mr. Speaker, universal family allowances have served this country very well for a long time. When the hon. member occupied my position, she went through a number of models and options with respect to its use and brought in the child tax credit, a move that I applauded. She may therefore understand that I have been doing exactly the same thing in trying to deal with the child tax credit because I believed that was a good move on her part.

[*Translation*]

LOTO CANADA

INQUIRY WHETHER DISTRIBUTORS WILL SUE FOR BREACH OF CONTRACT

Mr. Irénée Pelletier (Sherbrooke): Mr. Speaker, I have a question for the Minister of State for Fitness and Amateur Sport.

Could the minister tell the House whether or not Loto Canada ticket wholesalers have just sued Loto Canada for $10 million because the new government has decided to dismantle the corporation and by so doing has not respected the contracts it had signed with them?

[*English*]

Hon. Steven E. Paproski (Minister of State for Fitness and Amateur Sport and Multiculturalism): Mr. Speaker, it is my understanding that no legal action has been taken by any wholesalers as far as my department is concerned.

[*Translation*]

INQUIRY WHETHER PROVINCES WILL ASSUME SHARE OF POSSIBLE DAMAGES

Mr. Irénée Pelletier (Sherbrooke): A supplementary, Mr. Speaker.

Since the minister has transferred Loto Canada to the provinces, can he tell the House if it is true that he will follow the fashion started by the new government and invite the provinces to participate in the payment of the sum which will be equitably distributed to the provinces?

[*English*]

Hon. Steven E. Paproski (Minister of State for Fitness and Amateur Sport and Multiculturalism): Yes, Mr. Speaker.

* * *

REGIONAL ECONOMIC EXPANSION

FINANCIAL ASSISTANCE IN DEVELOPMENT OF MINE IN CAPE BRETON

Mr. Russell MacLellan (Cape Breton-The Sydneys): Mr. Speaker, my question is for the President of the Treasury Board. The former government committed $10 million toward the initial cost of the development of the Prince mine. To date, this money has not been given to the Cape Breton Development Corporation; in fact, the Cape Breton Development Corporation has had to spend $4,700,000 of its own funds to do this work. When is Treasury Board going to pay this money which was promised to the Cape Breton Development Corporation?

Hon. Elmer M. MacKay (Minister of Regional Economic Expansion): If I might answer the hon. member's question, Mr. Speaker—which is a very relevant and good one—the answer is simply this: Treasury Board and the cabinet are

considering this matter; it will be dealt with in due course and it will not take very long.

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NORTHERN PIPELINES

FOOTHILLS' ROUTE—SETTLEMENT OF INDIAN LAND CLAIMS

Mr. Keith Penner (Cochrane): Mr. Speaker, my question is for the Minister of Indian Affairs and Northern Development. As the minister knows, there is a great deal of serious concern about the lack of progress in the settlement of the Yukon Indian land claims. This concern is being expressed not only by the Council of Yukon Indians but also by Mr. Robert Blair, chairman of Foothills Pipe Lines and the president of Foothills Oil Pipe Lines, a sister company, who cited this lack of progress as a reason for withdrawing his company's application before the National Energy Board.

Following the recent meeting with representatives of the Council of Yukon Indians, can the minister report to the House what plans he has to get negotiations going which will lead to a satisfactory settlement of this outstanding claim, a settlement which will open the door to economic development in the north?

Hon. Jake Epp (Minister of Indian Affairs and Northern Development): In response to the hon. member's question, Mr. Speaker, I must first indicate to him that meetings have been held with the Council of Yukon Indians and representatives of the Yukon territorial government. I had two meetings with the Council of Yukon Indians yesterday, and one meeting with the representatives of the Yukon territorial government. We all agreed it was essential that land claims negotiations begin and that they move forward speedily. All hon. members are interested in an early settlement.

We have not concluded the various matters that were on the table. I will be meeting with the Yukon territorial council representatives today at 5.30 and with the Council of Yukon Indians today at seven o'clock.

Mr. Penner: Is it not the case that the government really has no policy for the settlement of northern native claims? Will the minister get busy right away and apply himself to this serious matter and announce to this House, without any more delay, exactly what is the policy of the government in the settlement of these claims? Exactly what is the policy of the government?

● (1440)

Mr. Speaker: Order, please. That question contained not one, not two, but three argumentative points.

[Mr. MacKay.]

[*Translation*]

AIR TRANSPORT

SALE OF NORDAIR—INQUIRY WHETHER QUESTION WILL BE REFERRED TO CTC

Mr. Pierre Deniger (Laprairie): Mr. Speaker, my question is for the Minister of Transport. Last week he said in the House that he intended to make a recommendation to cabinet within a month concerning the sale of Nordair. In the meantime, does he intend to refer the matter to the Canadian Transport Commission?

[*English*]

Hon. Don Mazankowski (Minister of Transport): Mr. Speaker, I shall be making a proposal to cabinet on the disposition of Nordair and it will, naturally, follow that this will have to be approved by the CTC in due course.

[*Translation*]

Mr. Deniger: Mr. Speaker, I have a supplementary question. Is the Minister of Transport aware that the Canadian Transport Commission has exclusive authority to issue licences for the commercial operation of air carriers and the sale of these transportation undertakings? Is he and his government going to impose a political decision on an administrative tribunal?

[*English*]

Mr. Mazankowski: That is not at all the intention of the government. Any change in the ownership of Nordair will, naturally, have to be approved by the CTC.

* * *

INTERNATIONAL TRADE

TRADE IMBALANCE—EFFECT THEREON OF LOSS OF CERTAIN CONTRACTS

Hon. Robert K. Andras (Thunder Bay-Nipigon): Mr. Speaker, I have a supplementary question to the Minister of State for International Trade. Does his pessimistic view of the current account trade imbalance reflect his calculation of the loss of the Argentine contract, the loss of the Japanese contract, the loss of the Mexican contract, the disturbance to Middle East trade, all of which result from the actions or inaction of this government?

Hon. Michael Wilson (Minister of State for International Trade): First of all, we have not lost the Japanese contract. The Mexican contract is still being worked upon: there is a study which was commenced two months ago and we expect it to take about six months; then we shall be able to proceed with further negotiations in connection with that contract.

The statement I made yesterday with regard to the current account balance next year is related primarily to the fact that trade with the United States is likely to continue to be poor in the coming year. The deficit with the United States this year is

$1 billion, compared with a considerable surplus last year on trade alone. That, together with the continuation of their recession next year, will likely result in an increase in the current account deficit.

Mr. Andras: Can I take it the minister's answer is that he agrees his pessimistic view of the future trade picture is very much the result of the losses of those trading opportunities and contracts, which losses are the result of the actions of this government since May 22?

Mr. Wilson: I thought I made it clear that the deterioration in the trade picture is related to the recession which we are expecting will continue in the United States next year. In addition, the over-all current account deficit will be adversely affected by the increase in dividend payments next year as a result of the continuation of deficits from which we have been suffering for four years now.

Mr. Andras: Ten o'clock.

* * *

CANADIAN EGG MARKETING AGENCY

INQUIRY WHETHER INVESTIGATION INSTITUTED—PUBLICATION OF REPORT THEREON

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, my question is for the Minister of Agriculture. It is my understanding that the minister has asked the National Farm Products Marketing Council to investigate some of the allegations and charges made against CEMA.

Is the minister in a position to confirm that he has asked for an investigation? If so, can he tell the House the scope of that investigation; and, further, can he make a commitment to the House that the report, when it is finished, will be made public and that he will also refer it to the Standing Committee on Agriculture?

Hon. John Wise (Minister of Agriculture): In response to the hon. member's question, I did not have to contact the Farm Products Marketing Council or its chairman in order to instigate that inquiry: it is already in motion.

As to whether or not the report will be made available to the Standing Committee on Agriculture, I can give no commitment at the moment. I see no problem, though, in making it available. As I indicated yesterday, we have not only tabled the annual reports, but decided to have them referred to the appropriate committee.

Mr. Nystrom: A supplementary question to the Prime Minister. In view of the fact that CEMA has confirmed that it has hired in the past a company called Roygold, which is partly or wholly-owned by the general manager of CEMA, and in view of the possible—and I underline the word "possible"—implications of such a practice as far as other Crown corporations and agencies are concerned, can the Prime Minister tell the House whether or not he might move to have the same conflict of interest regulations as apply to government servants and government departments applied to all Crown corporations and public bodies of Canada?

Right Hon. Joe Clark (Prime Minister): I think that is a very valuable suggestion. It is one we are considering now. We shall want to see whether it has any implications which I might not have foreseen up to this moment. If there are not, it will be our intention to move in the direction the hon. member has suggested. Indeed, we have been considering doing so for some time.

* * *

NATIONAL RESOURCES

OWNERSHIP OF OFFSHORE MINERAL RESOURCES—FEDERAL OR PROVINCIAL

Right Hon. P. E. Trudeau (Leader of the Opposition): Mr. Speaker, my question is directed to the Prime Minister: it has to do with the policy of the government concerning offshore mineral resources.

I would remind the right hon. gentleman of his correspondence in September with the premiers and of the basic principles which he described in that correspondence as guiding this whole matter. The first, to refresh his memory, is that the province should own the mineral resources off the continental margin off its coast; the second is that such ownership would be consistent with, and subject to, the division of legislative competence between the Parliament and the legislature.

My question is: In this division of powers, is the Prime Minister retaining for the federal government the declaratory power and the expropriation power? In other words, would the federal government, in explaining its policy, indicate that in certain circumstances it would bring back federal jurisdiction over the offshore or might even bring back the ownership of the offshore resources as the constitution presently provides?

Right Hon. Joe Clark (Prime Minister): The purpose of the move we are making with regard to jurisdiction over resources under water is to try to bring that situation in line with provincial jurisdiction over resources under ground. The declaratory provision would apply in both cases.

Mr. Trudeau: Which is to say that the declaratory power and the expropriatory power could be used to bring these resources back under federal jurisdiction in circumstances that Parliament wished. I want to make sure that the Prime Minister is saying this, and that the policy of giving those resources to the provinces applies only until such time as the Parliament of Canada wants to bring them back.

Some hon. Members: Oh!

Mr. Clark: Of course, that emergency power resting with the Government of Canada will continue to rest with the Government of Canada. But I would make it clear—and I want this to be understood not only by the Leader of the

Opposition but by the provinces—that we do not contemplate invoking this power.

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[*Translation*]

EXTERNAL AFFAIRS

POLICY CONCERNING OFFSHORE RESOURCES

Mr. Alexandre Cyr (Gaspé): Mr. Speaker, my question is directed to the Secretary of State for External Affairs. When the Law of the Sea Conference held its ninth session in New York last August, this government's lack of interest was deeply regretted, because there was not a single minister present. An important subject of major significance for Canada is the development of offshore mineral resources. In 1978, the Canadian delegation proposed a ceiling on the production of nickel extracted from offshore nodules. It seemed possible to have this production ceiling formula accepted, but some consumer countries like Japan and those in Europe will no longer accept it.

Could the hon. minister advise the House about the diplomatic steps she will take with those countries to make sure that they accept the Canadian formula concerning the ceiling on the development of offshore resources, in order to protect the mining industry in Canada and prevent the closing of nickel mining operations in Sudbury and copper mining operations in the Gaspé region?

Hon. Flora MacDonald (Secretary of State for External Affairs): Mr. Speaker, this government attaches the utmost importance to the successful conclusion of the Law of the Sea Conference next year. My colleagues and I met the Canadian delegation both before and immediately after the last session. Concerning the ceiling to be put on the production of nickel, I must say that Canada continues to defend its interests and to exert pressures on other countries. In this connection, I have personally raised this question with the American Secretary of State, Mr. Vance, with the members of the European Economic Community and with other foreign affairs ministers.

INQUIRY WHETHER PRIME MINISTER WILL DISCUSS EXPLORATION OF OFFSHORE MINERALS WITH PRESIDENT CARTER

Mr. Alexandre Cyr (Gaspé): Mr. Speaker, my supplementary question is for the right hon. Prime Minister. In view of the present state of our mining industry, does the Prime Minister intend to add this matter of overmining of offshore nodules to the agenda of his conference with President Carter?

Right Hon. Joe Clark (Prime Minister): Mr. Speaker, this is a matter I would be willing to take up with the Secretary of State for External Affairs and, if it appears in the interest of our country that I should discuss it with President Carter, I would certainly be willing to do so.

* * *

• (1450)

[*English*]

INDIAN AFFAIRS

REQUEST FOR INQUIRY INTO POLICE KILLING OF CAUGHNAWAGAN

Mr. Ian Watson (Châteauguay): Mr. Speaker, my question is for the Minister of Indian Affairs and Northern Development and it relates to the inexcusable police killing of a Caughnawaga resident last weekend.

Does the minister intend to ask the Solicitor General to launch an independent inquiry into this disgraceful episode; or do the minister and his colleague, the Solicitor General, intend to request the establishment of a joint inquiry into this sorry affair by representatives of their ministeries as well as appropriate representatives from Quebec?

Hon. Jake Epp (Minister of Indian Affairs and Northern Development): Mr. Speaker, I want to indicate to the hon. member and to members of the House that I sent my condolences to the bereaved family following the incident. A coroner has been appointed, Mr. Cyrille Delage, for the purpose of having a full inquest. We have been in contact with the chief of Caughnawaga, and we are trying to clear my schedule so that I can go down there on Monday or Tuesday not only to discuss the police issue but other issues.

* * *

[*Translation*]

AGRICULTURE

CORN DRYING—REQUEST FOR INQUIRY INTO CAUSE OF PROPANE SHORTAGE

Mr. Marcel Ostiguy (Saint-Hyacinthe): Mr. Speaker, my question is for the Minister of Agriculture. Since this is harvest time for grain farmers, and since they must use dryers and there is a shortage of propane gas, can the Minister of Agriculture order an immediate inquiry to ascertain the cause of this shortage of gas which is harming Quebec farmers?

[*English*]

Hon. John Wise (Minister of Agriculture): Mr. Speaker, I appreciate the hon. member's interest. I must confess, in all honesty, that I am not aware of the fact that this situation exists. If the hon. member wishes to share some information with me, I can give him a commitment that I will consult with my colleague, the Minister of Energy, Mines and Resources, and will do everything possible to overcome the shortage, if indeed that shortage does exist.

NORTHERN PIPELINES

FOOTHILLS' ROUTE—CONSULTATIONS WITH U.S.

Hon. Allan J. MacEachen (Cape Breton Highlands-Canso): Mr. Speaker, I have a short question for the Secretary of State for External Affairs arising out of our exchange yesterday. The minister was good enough to tell us that she has raised the matter of Foothills with Mr. Vance. Would she be good enough to tell me the date? Was it during the regular consultation at the United Nations in the fall that the Canadian foreign minister had with the Secretary of State for the United States?

Hon. Flora MacDonald (Secretary of State for External Affairs): This was among many other matters that I discussed with the Secretary of State, Mr. Vance, concerning both our east and west coasts during our discussions in Tokyo at the time of the economic conference.

The hon. member may also wish to be informed, at this time, that I have heard from the president of Foothills to the effect that the support accorded by this government to the Foothills' project has been very gratefully welcomed and that Foothills will again be submitting their application to the National Energy Board tomorrow.

Some hon. Members: Hear, hear!

Mr. MacEachen: I am just a little puzzled by the hon. member's answer, because the Prime Minister told us not so long ago that the matter was not raised at Tokyo.

Some hon. Members: Oh, oh!

Miss MacDonald: The question is whether or not the Prime Minister had raised it. I had said that I had been the one who had spoken to the U.S. Secretary of State. I trust the hon. member will realize that there was more than one person at the Tokyo conference.

Some hon. Members: Hear, hear!

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TRANSPORT

GRAIN—USE OF PORT OF CHURCHILL

Mr. Rod Murphy (Churchill): Mr. Speaker, my question is for the Minister of Transport. In view of the fact that the port of Churchill shipped only 500,000 tonnes this year instead of the 600,000 tonnes which was the target, and since the first ship to Churchill did not reach there until August 9 instead of mid-July—and even at that time there was not enough grain at that port—would the minister inform the House of the steps the government will take to guarantee that this northern port is used to full capacity for the benefit of all Canadians?

Hon. Don Mazankowski (Minister of Transport): Mr. Speaker, I welcome the hon. member's question and I assure him and other hon. members of the House of this government's support for the greater utilization of the port of Churchill. To that end, we will be taking steps to encourage its increased utilization both in terms of providing better access and of improving the facilities on site.

We are distressed by the fact that the shipments are down this year compared with last year. However, it was essentially a matter of supply, and I have discussed this matter with the Canadian Wheat Board officials. I am sure that, together, we will be able to put our act together and ensure we will have record shipments for the next year.

Mr. Murphy: Mr. Speaker, in view of the fact that it is possible and efficient to use Canadian icebreakers in Canada's north and this would help to lengthen the season, would the minister provide a guarantee that icebreakers will be used next spring and that Canadian ships will be available, instead of our having to wait for weeks for foreign ships to come to our ports?

Mr. Mazankowski: That is a matter that has been considered. As a matter of fact, it had been hoped that we would be able to get a load out of Churchill prior to the regular shipping season; however, we were not able to get an order at that time. But that work is still going on and the marine administrator is in contact with officials of the Canadian Wheat Board and other interested parties to make the necessary arrangements to ensure we can work toward extending the season.

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[*Translation*]

REGIONAL ECONOMIC EXPANSION

PRIORITIES OF FEDERAL GOVERNMENT FOR PROGRAMS

Hon. Marcel Lessard (Lac-Saint-Jean): Mr. Speaker, I would like to ask a question of the Minister of Supply and Services. Since he indicated recently that a meeting between federal ministers and their Quebec counterparts would take place in Montreal or Quebec City, with a view to discussing certain priorities and projects that the federal government could carry out in Quebec with the $85 million that GM does not want to use for the moment, could the minister tell us whether he intends to apply pressure, or merely indicate to the Quebec government whether he intends to recommend that the decentralization program involving the Jonquière taxation data centre be carried out? Further, does he really intend to maintain the priorities of the federal government rather than those of the provincial government?

Hon. Roch La Salle (Minister of Supply and Services): Mr. Speaker, obviously during his visit throughout Canada the Minister of Industry, Trade and Commerce will discuss economic priorities with each province. The minister responsible for energy and commerce, the Minister of State for Federal-Provincial Relations and myself will discuss, during our visit,

an economic scheme which would affect mostly Quebec and I would like to assure the hon. member that the present government knows what projects ought to be continued. But the right hon. Prime Minister agreed—and I think this is true to his policy—to consult with the provinces before trying to reconcile the objectives of both sides.

● (1500)

QUEBEC—INQUIRY WHETHER SUBSIDIES WILL INCREASE

Hon. Marcel Lessard (Lac-Saint-Jean): Mr. Speaker, I would like to ask the minister if the government really intends to spend more money in Quebec than was previously planned. Furthermore, is the $85 million in addition to what was normally going to be spent in Quebec, or is it just a transfer which in fact will add nothing to what was going to be spent in Quebec anyway? I ask this question, Mr. Speaker, because rumour has it that the federal government is going to spend more in Quebec than was previously planned, which I think must be inaccurate. I would like the minister to clarify that matter.

Hon. Roch La Salle (Minister of Supply and Services): Mr. Speaker, I do not know where the hon. member got that information. What I know is that we are prepared to listen to the provinces, including Quebec, and to discuss with the Quebec government priorities in that province which would be in line with national objectives. As for saying whether the amounts will be more or less important than had been planned, I will let the minister responsible answer that question. The hon. member should know that we have already shown great generosity in the GM case, because while the former government had promised $50 million, we raised that offer to $80 million.

* * *

TRANSPORT

GOVERNMENT PRIORITY TO IMPROVEMENT OF SERVICE BETWEEN MONTREAL AND MIRABEL

Mr. Marcel Roy (Laval): Mr. Speaker, in view of the urgent need to improve ground transportation between Mirabel and downtown Montreal via Laval, and to help make international airport services at Mirabel profitable, is it the minister's intention when he meets with the Quebec government to consider that request as a priority, as something that is urgently needed and that would also provide jobs during the construction period and for future generations?

Hon. Roch La Salle (Minister of Supply and Services): Mr. Speaker, there is no doubt we consider that project as very important, and in the views of some Liberals it is more important than the Place Guy Favreau project. At any rate, I would repeat for the benefit of the member that we want to hear the recommendations and submissions of the Quebec government, after which we will decide.

[*English*]

Mr. Speaker: Order. I have received three notices of privilege, one from the hon. member for Comox-Powell River (Mr. Skelly), one from the hon. member for Nickel Belt (Mr. Rodriguez) and a third one just now from the hon. member for Algoma (Mr. Foster). I presume the question of privilege of the hon. member for Algoma arises out of today's question period. Therefore I think I should take it into account now, and I will do the other two in the order I have just indicated.

* * *

PRIVILEGE

MR. FOSTER—LOST TRADE OPPORTUNITIES—REQUEST FOR DEPARTMENTAL STUDIES

Mr. Maurice Foster (Algoma): Mr. Speaker, my question of privilege arises out of the question which I directed to the Minister of State for International Trade (Mr. Wilson) this afternoon. I put a question to him concerning the trade opportunities which were lost due to the Israeli embassy question. In his response he indicated that he was not prepared to make available to members of this House copies of the studies which had been done by his department, yet he indicated that he was making these studies available to the companies which were involved.

It would seem to me that on this day, when we will be debating freedom of information legislation in the House, the hon. minister would want to reconsider his position and make these studies available to members. Surely freedom of information legislation will give members a new privilege, in that they will have access to greater numbers of government documents on which to base their opinions and judge government programs. I am not asking for the individual documentation or the correspondence with individual companies. I am asking for the over-all studies which have been made available to companies, yet the minister has indicated that he is unwilling to make them available to members of the House.

Hon. Michael Wilson (Minister of State for International Trade): Mr. Speaker, I am not aware of which studies the hon. member is referring to that have been made available to individual companies. What I said in answer to his question was that the studies which have been done are studies discussing the particular statements or comments made to us in relation to their own particular business in the Middle East. That is the information which I said that I could not make available to the House because it is strictly confidential.

MR. SKELLY—RADIO OPERATORS' DISPUTE—REQUEST THAT MINISTER WITHDRAW REMARKS

Mr. Ray Skelly (Comox-Powell River): Mr. Speaker, I rise on an important question of privilege. I refer to an answer given yesterday in the House by the hon. Minister of Trans-

port (Mr. Mazankowski) concerning the withdrawal of designated services by flight service centre and coastguard radio operators. The statements made by the minister in the House yesterday led members to believe that designated services were being provided when in fact they are not. Also his remarks led members of the House to believe that there had been no recorded incidents where flight safety had been compromised. This is certainly not the case.

To substantiate my second point first, in the last two days there have been more than 50 major breaches of air safety in western Canada. In fact, these were reported to the Ministry of Transport. I would suggest that some of the more serious ones are very reminiscent of the scenario which unfolded in places like Tenerife and Cranbrook where equipment was left on the runway, where instances of aircraft taking off in different directions on the same runway have occurred.

On the second point I would suggest the minister's statement that designated services are still being provided is not the case. In fact it has been reported widely that operators have withdrawn all services except guarding emergency frequencies. I would ask the minister to withdraw his statements, conduct an immediate investigation and report to the House tomorrow on what he plans to do with this very serious situation.

Hon. Don Mazankowski (Minister of Transport): Mr. Speaker, I welcome the opportunity to respond to the hon. member's question of privilege, because I think it might give me an opportunity to clarify what may have been a misinterpretation. If the hon. member looks at my answer, I think he will see that I said the following:

I am informed that where the prescribed duties are being carried out by the designated employees as per schedule, there are no difficulties.

I think that is the key word. Certainly it was not my intention to imply that in all cases the necessary services to be provided by the designated employees in fact were being carried out.

Furthermore, I indicated at the time that I had not been informed of any recorded concerns of matters affecting safety or security, and that if the hon. member in fact had some examples, I would be pleased to look into them. I have been informed by the department that the allegations referred to in a press conference yesterday in connection with Quesnel, Lynn Lake, Quebec City, Fort Chimo, Lac Rone Riviere, Schefferville, Uranium City and Toronto do not appear to be based on any fact or foundation. As far as the preliminary investigations are concerned, I want to assure the hon. member, the House and the public that these matters are being investigated currently by Department of Transport officials.

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HOUSE OF COMMONS

PRESENCE OF PHOTOGRAPHERS IN CHAMBER

Mr. Speaker: Before dealing with the question of privilege of the hon. member for Nickel Belt (Mr. Rodriguez), may I take this moment to inform the House that members will have observed still photographers on either side of the chamber during the last couple of days. Earlier in the week I had intended to indicate that last year this matter was raised with the special committee having to do with television in the House. As a result of the position the print media had been put in since the introduction of television, they are not able to take direct photographs which they can use in print, as is available to the television or electronic media. Therefore, they asked if we might try at some time to experiment with this.

Nothing could be done at that time. Recently I discussed this matter very briefly with the House leaders and indicated that we ought to experiment for a period of a week or perhaps two. During this time it is our intention to take these photographs. They will not be used in any way except for the internal use of the House, for examination by House leaders and discussion with the parties, to determine whether it is appropriate to carry this practice on or discontinue it. If it is appropriate to carry it on, we shall discuss upon what basis, under what controls and under what regulation.

I simply want to indicate to the House that there is this request that these photographs be made available, not only for journalists but for archival and related purposes—for library purposes, biographers and things of that sort. There have been quite a number of requests of this nature. Until we do an experiment of this sort, we are not really able to evaluate the difficulties or the advantages of it. Therefore, this is to be treated purely as an experimental period of approximately a week or ten days, at which time it will be evaluated by House leaders, and in turn, I presume, discussed with caucuses before anything further is done.

* * *

• (1510)

PRIVILEGE

MR. RODRIGUEZ—PROCEEDINGS OF STANDING COMMITTEE ON FINANCE, TRADE AND ECONOMIC AFFAIRS

Mr. John Rodriguez (Nickel Belt): Mr. Speaker, I rise on a question of privilege that I consider to be an extreme one which infringes not only on my rights as a member of this House but on the rights of the members of this House on either side.

The question of privilege arises from an incident which took place last evening at the Standing Committee on Finance, Trade and Economic Affairs. We are all aware that the standing committees of the House are in control of their own agendas and their meeting times subject, of course, only to this House.

The first meeting of that standing committee last Thursday gave its steering committee a direction by agreeing that the Minister of Finance (Mr. Crosbie), as the person responsible for monetary and fiscal policy in this country, should be asked to appear before the Standing Committee on Finance, Trade and Economic Affairs first, to be followed later on by the

governor of the Bank of Canada. The steering committee meeting had in attendance the Parliamentary Secretary to the Minister of Finance (Mr. Ritchie York East), the chairman of the Standing Committee on Finance, Trade and Economic Affairs and representatives from the major parties on both sides of this House.

The steering committee submitted its report last evening to the committee and, lo and behold, there was the parliamentary secretary presenting an amendment to that agreement that had been reached. The amendment proposed by the parliamentary secretary in effect reversed the order of appearance before the standing committee. It put the governor of the Bank of Canada first and the finance minister somewhere down the line.

It seems to me, Mr. Speaker, that we should keep in mind the statement by this government in the Speech from the Throne at page 4, as follows:

> Proposals will be submitted to the Standing Committee on Procedure and Organization to strengthen the powers and resources of parliamentary committees, to accord more prominence to private members' initiatives, and to make my ministers more accountable to you.

In other words, Mr. Speaker, the ministers are accountable to Parliament; it is not the committees that are accountable to the minister. That was the process followed by the previous government. Here we have a wonderful opportunity for this government to start off on a new beginning, on a new footing, but in fact we have the Minister of Finance pulling the strings of the Standing Committee on Finance, Trade and Economic Affairs. I resent that as a member, and members of this House ought to resent it. The committee—

Mr. Speaker: Order, please. I think the hon. member for Nickel Belt (Mr. Rodriguez) will realize that even if I accept his entire premise without any qualification, he is in serious difficulty in attempting to establish this matter as a question of privilege. He indicated that steps had been taken at the steering committee and that in turn the steering committee reported and dealt with it in a certain way, a way that he resents. I accept all that and his resentment is his right. Nevertheless, the proceedings of a committee remain the proceedings of the committee. As the hon. member understands, this House ought not ever to be considered as a court of appeal in respect of a committee's decision on procedural matters or on other matters taken in the committee.

If the hon. member wishes to reopen the matter before that standing committee, that can be done. If he wishes to take action when that committee endeavours to report, there are certain things that may take place. However, I have to accept what he has described and examine it to see whether on its face it constitutes privilege, but from what he has told me so far I am not able to do that.

Mr. Rodriguez: On a point of order, Mr. Speaker, I do not resent the report of the steering committee. What I resent is the interference by the Minister of Finance with an agreement that had been reached among members of the Standing Committee on Finance, Trade and Economic Affairs. I do not appreciate this attempt to pull the strings of a standing committee of Parliament to which the minister is subject. It is not the committee that is subject to the Minister of Finance. If he wants to hide behind the governor of the Bank of Canada, let him go right ahead and do that, but do not make me a party to that kind of jiggery-pokery.

Mr. Speaker: Order, please. I have indicated to the hon. member that he has raised what he considers to be matter of resentment. It may even be a grievance that he can air before the committee. However, I cannot find any basis for privilege in it.

MR. YURKO—MOTION ON CONSTITUTIONAL AMENDMENT—OMISSION IN OFFICIAL REPORT

Mr. Bill Yurko (Edmonton East): Mr. Speaker, I rise on a question of privilege to draw to your attention and to the attention of the House a serious printing error in *Hansard* which I noted last night. This is an unfortunate printing error but it is necessary that I point it out and that *Hansard* should correct it, as it changes the entire meaning of a paragraph.

The error relates to notice of motion No. 2 which was debated in this House on Monday, October 22. In the Monday, October 22 order paper, the second paragraph in paragraph 10 read as follows:

> On the receipt of such validated petition, the Parliament of Canada shall, before the lapsing of two full years from the date of receipt of the validated petition, hold a national referendum on the substance of the petition and shall enact into law the substance of the petition if such petition receives a 75 per cent plurality of all votes in Canada and no less than a 50 per cent plurality of all votes in each and every province of Canada.

I should note that *Votes and Proceedings* of October 22, 1979, is identical in this respect to the order paper. However, Mr. Speaker, *Hansard* itself has an entirely different version and I shall read it as follows:

> On the receipt of such validated petition, the Parliament of Canada shall, before the lapsing of two full years from the date of receipt of the validated petition, hold a national referendum on the substance of the petition if such petition receives a 75 per cent plurality of all votes in Canada and no less than a 50 per cent plurality of all votes in each and every province of Canada.

The sentence "and shall enact into law the substance of the petition" was left out of *Hansard*. I brought this to the attention of *Hansard* and I hope the correction will be made.

MR. KNOWLES—ACTING MINISTERS—TABLING OF ORDER IN COUNCIL

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I rise on a question of privilege. Earlier today the President of the Treasury Board (Mr. Stevens) responded to a question in his capacity as the Acting Minister of Finance, which leads me to suggest that it would be of advantage to all members of this House if the order in council indicating who are the various acting ministers could be tabled, so that we might all know. Perhaps if the government House leader arranged for the tabling of that order in council, it could be appended either

to *Votes and Proceedings* or to *Hansard* so we could all have it.

Hon. Walter Baker (President of Privy Council and Minister of National Revenue): Mr. Speaker, I tabled that order in council on the second or third day of this Parliament. I have another one changing the acting capacity from one minister to another which I intend to table either today or tomorrow. I assure my friend that the other order in council was tabled here, I forget the day, but either on the second or third day.

Mr. Speaker: I think it is a worthy suggestion that either the previous order in council, or the proposed one, if it is comprehensive, should be—

Mr. Baker (Nepean-Carleton): They are the same, Mr. Speaker.

Mr. Speaker: I was not certain whether the new order in council dealt with only one change or constituted a comprehensive list. In any case, I suggest that a comprehensive order in council covering all acting ministers ought to be printed at some time as an appendix to *Hansard*, perhaps today or as soon as possible.

Hon. Allan J. MacEachen (Cape Breton Highlands-Canso): Mr. Speaker, I wonder if the President of Privy Council and Minister of National Revenue (Mr. Baker) would indicate whether the Minister of Industry, Trade and Commerce and Minister of State for Economic Development (Mr. de Cotret), who is in the other place, has an acting minister in the House of Commons?

Mr. Baker (Nepean-Carleton): Mr. Speaker, I can deal with that in just a moment. The first acting minister for the Minister of Industry, Trade and Commerce and Minister of State for Economic Development is the Hon. Michael H. Wilson, Minister of State for International Trade. In fact, there are two ministers in the House, and the second acting minister is the Minister of State for Small Business and Industry (Mr. Huntington).

● (1520)

Mr. MacEachen: I have one further point, Mr. Speaker. I have been puzzled again by the reply of the hon. minister. Did the minister take under consideration the unusual situation which was created by having Mr. Wilson, as he called him—and I do it respectfully—as the acting minister when he has not had assigned to him any statutory authority? I have been wondering how it is possible for the minister to operate not only as Minister of State for International Trade but also as an acting minister, when as far as I know no responsibility has been assigned to him by order in council except to describe him as an assistant to the Minister of Industry, Trade and Commerce. Would the minister consider that and give us some clarification?

Private Members' Public Bills

Mr. Baker (Nepean-Carleton): Mr. Speaker, the minister has authority under an order in council, so I am advised. In any event there is an order in council, 1979-2783, an order of the Government of Canada, designating the hon. gentleman as the acting minister. The hon. gentleman is a member of Her Majesty's Privy Council for Canada, and I think that that ought to satisfy my good friend with respect to the minister's capacity. Moreover, I want the hon. member and you, sir, to know that the Government of Canada is exceedingly proud of the Minister of State for International Trade and the way in which he has conducted himself in this House.

ROUTINE PROCEEDINGS

[*Translation*]

FINANCE, TRADE AND ECONOMIC AFFAIRS

FIRST REPORT OF STANDING COMMITTEE

First report of Standing Committee on Finance, Trade and Economic Affairs—Mr. Clarke (Vancouver Quadra).

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

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[*English*]

FREEDOM OF INFORMATION ACT

MEASURE RESPECTING ACCESS TO GOVERNMENT RECORDS

Hon. Walter Baker (President of Privy Council and Minister of National Revenue) moved for leave to introduce Bill C-15, to extend the present laws of Canada that provide access to information under the control of the Government of Canada and to amend the Canada Evidence Act, the Federal Court Act and the Statutory Instruments Act.

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

* * *

BUSINESS OF THE HOUSE

PROCEDURE RESPECTING INTRODUCTION OF PUBLIC BILLS ON ORDER PAPER

Mr. Speaker: May I refer hon. members to the practice which has been followed by the House invariably in the recent past with regard to the introduction and first reading of private members' public bills. On today's order paper there are listed some 285 bills standing in the names of various hon. members. It was, of course, not practical or possible for the Chair to review the provisions of each of these bills. Might I therefore suggest to the House that we adopt the procedure which was agreed upon in the past several sessions, namely,

that we proceed to the introduction and first reading of these bills today so that each may be scrutinized between now and its calling for second reading, in order to allow the Chair to consider whether or not there are defects in the bills with respect to the practices and usages of the House.

I suggest that, by unanimous consent, all the private members' public bills listed for introduction on today's order paper be deemed to have been introduced, given first reading, ordered to be printed and to stand for second reading at the next sitting of the House, subject, as always, to a subsequent examination as to the procedural regularity of each bill.

Is the procedure to which I have just referred agreeable to the House?

Some hon. Members: Agreed.

Mr. Lambert (Edmonton West): Mr. Speaker, I rise on a point of order. While perusing the list I found at approximately No. 275—actually it appears as the second item in the first column on page 20 of the order paper—a bill which is in my name. It reads:

An act to change the name of the electoral district of Edmonton West.

That is complete news to me. There has actually been a bill submitted with wording to the effect "An act to amend the Electoral Boundaries Readjustment Act". It was Bill C-342 introduced last year. How on earth somebody would connect that with changing the name of Edmonton West, which is, I suppose, the most historic name in the province of Alberta, I do not know. Such a proposal would only merit that I be run out of town on a rail.

Some hon. Members: Hear, hear!

Mr. Speaker: I take it that in the sense of the hon. member's representation, that item will be deleted from the order paper as soon as possible, which we will do. It is so ordered.

PRIVATE MEMBERS' PUBLIC BILLS

[*English*]

INTRODUCTION AND FIRST READING

Bill C-201, an act to encourage investment in business by employees.—Mr. Munro (Esquimalt-Saanich).

Bill C-202, an act to amend the Statistics Act.—Mr. Wenman.

Bill C-203, an act respecting foreign economic boycotts.—Mr. Kaplan.

Bill C-204, an act to amend the British North America Act, 1867 (language rights).—Mr. Allmand.

Bill C-205, an act respecting the protection of borrowers and depositors.—Mr. Caccia.

[Mr. Speaker.]

Bill C-206, an act to amend the Criminal Code (abortion).—Mr. Herbert.

Bill C-207, an act respecting the International Maritime Boundary between Canada and the State of Alaska.—Mr. Fulton.

Bill C-208, an act to amend the Hazardous Products Act (aluminum wiring).—Mr. Peters.

Bill C-209, an act to amend the Divorce Act (alimony and maintenance orders).—Mr. Greenaway.

Bill C-210, an act respecting Canada Prayer Day.—Mr. Richardson (Beaches).

Bill C-211, an act to amend the Hazardous Products Act.—Mr. Robinson (Burnaby).

Bill C-212, an act respecting Petro-Canada.—Mr. Stollery.

Bill C-213, an act to amend the Unemployment Insurance Act, 1971 (labour disputes).—Mr. Reid (Kenora-Rainy River).

Bill C-214, an act to amend the Combines Investigation Act to provide for the standardization of warranties and to define the minimum provisions thereof.—Mr. McKenzie.

Bill C-215, an act to amend the Canada Elections Act (permament voters list).—Mr. Buchanan.

Bill C-216, an act respecting Family Week.—Mr. Corbin.

Bill C-217, an act respecting the age of retirement.—Mr. Mitges.

Bill C-218, an act to amend the Canada Elections Act.—Mr. Evans.

Bill C-219, an act respecting farm equipment emergency repair parts.—Mr. McKinley.

Bill C-220, an act to amend the Criminal Code (time limits for prosecution of offences).—Mr. Robinson (Etobicoke-Lakeshore).

Bill C-221, an act to amend the Criminal Code (parental abduction of children).—Mr. Friesen.

Bill C-222, an act to provide for the employment of handicapped persons in the federal Public Service and in the federal jurisdiction.—Mr. Rae.

Bill C-223, an act to amend the Unemployment Insurance Act, 1971.—Mr. Oberle.

Bill C-224, an act respecting public referendums on the subject of capital punishment.—Mr. Kushner.

Bill C-225, an act to amend the Income Tax Act (rights of taxpayers).—Mr. Hopkins.

Bill C-226, an act to amend the Canada Labour Code (health and safety committees).—Mr. Rodriguez.

Bill C-227, an act to amend the Criminal Code (capital punishment).—Mr. Graham.

Bill C-228, an act to prohibit discriminatory and restrictive trade practices, resulting from foreign economic boycotts.—Mr. de Corneille.

Bill C-229, an act respecting the enforcement of maintenance orders.—Mrs. Appolloni.

Bill C-230, an act to amend the Department of National Health and Welfare Act to create a national council for the aged.—Miss. Bégin.

Bill C-231, an act to amend the Broadcasting Act (equal time to opposition parties).—Mr. Orlikow.

Bill C-232, an act to amend the Supplementary Retirement Benefits Act (pension index).—Mr. Wightman.

Bill C-233, an act to provide for the establishment of an authority to conserve for public use all abandoned railway lines in Canada.—Mr. Watson.

Bill C-234, an act to stimulate regional development and to combat regional disparity.—Mr. De Bané.

Bill C-235, an act respecting the recovery of alimony and maintenance.—Mrs. Hervieux-Payette.

Bill C-236, an act to amend the British North America Act, 1867 (abolition of the Senate).—Mr. Knowles.

Bill C-237, an act to provide for the accountability to Parliament of Crown agencies.—Mr. Roy (Laval).

Bill C-238, an act to readjust the representation of Québec in the House of Commons and to readjust the electoral districts in Québec.—Mr. Caouette.

Bill C-239, an act to amend the Official Languages Act (supremacy of the act).—Mr. Gauthier (Ottawa-Vanier).

Bill C-240, an act to amend the statute law relating to income tax.—Mr. Lambert (Edmonton West).

Bill C-241, an act respecting National Heritage Day.—Mr. MacGuigan.

Bill C-242, an act to establish a press council for Canada.—Mr. Scott (Victoria-Haliburton).

Bill C-243, an act to amend the Public Service Staff Relations Act and the Canada Labour Code to provide for the establishment of sector bargaining.—Mr. Jelinek.

Bill C-244, an act respecting the Port of Vancouver.—Mr. Phillips.

Bill C-245, an act to amend the Railway Act (definitions).—Mr. Brisco.

Bill C-246, an act to amend the British North America Act, 1867 (national capital of Canada).—Mr. Isabelle.

Bill C-247, an act respecting the political affiliation of members of the House of Commons.—Mr. Ouellet.

Bill C-248, an act to amend the House of Commons Act (vacancies).—Mr. Malone.

Bill C-249, an act respecting a Northern Development Plan.—Mr. Murphy.

Bill C-250, an act to amend the Criminal Code (young offenders).—Mr. Woolliams.

Private Members' Public Bills

Bill C-251, an act respecting confidential communications between elected representatives and their constituents.—Mr. Kaplan.

Bill C-252, an act to amend the Criminal Code (mandatory breathalyzer and blood tests).—Mr. Wenman.

Bill C-253, an act to amend the Criminal Code (abortion and the unborn infant).—Mr. Roche.

Bill C-254, an act to amend the Criminal Code (death sentence).—Mr. Greenaway.

Bill C-255, an act to amend the Interest Act.—Mr. Herbert.

Bill C-256, an act to amend the criminal law (punishment of certain offences).—Mr. Munro (Esquimalt-Saanich).

Bill C-257, an act to protect the Canadian environment by instituting mandatory impact assessment procedures prior to the construction of installations potentially damaging to the environment.—Mr. Wenman.

Bill C-258, an act to amend the Royal Canadian Mounted Police Act.—Mr. Robinson (Burnaby).

Bill C-259, an act respecting the right to life.—Mr. Reid (Kenora-Rainy River).

Bill C-260, an act to grant a pardon to all persons convicted of certain offences (Louis Riel).—Mr. Peters.

Bill C-261, an act respecting fair foreign exchange.—Mr. Kaplan.

Bill C-262, an act to amend the Juvenile Delinquents Act (restitution for wilful damage).—Mr. Kaplan.

Bill C-263, an act to amend the Bank of Canada Act (provincial representation).—Mr. Wenman.

Bill C-264, an act to provide for collective bargaining rights for employees of the House of Commons.—Mr. Robinson (Burnaby).

Bill C-265, an act to amend the Criminal Code (gun control).—Mr. Fulton.

Bill C-266, an act to amend the Criminal Code (abortion).—Mr. Robinson (Burnaby).

Bill C-267, an act to amend the Criminal Code (driving while disqualified under provincial law).—Mr. Robinson (Etobicoke-Lakeshore).

Bill C-268, an act to amend the Criminal Code (abortion).—Mr. Richardson (Beaches).

Bill C-269, an act to amend the Criminal Records Act.—Mr. Robinson (Etobicoke-Lakeshore).

Bill C-270, an act to amend the British North America Act (House of Commons representation).—Mr. Robinson (Burnaby).

Bill C-271, an act to amend the Criminal Code.—Mr. Kaplan.

Bill C-272, an act to amend the Canada Labour Code (refusal to work).—Mr. Rodriguez.

Bill C-273, an act to amend the Criminal Code (sexual exploitation of children).—Mr. Friesen.

Private Members' Public Bills

Bill C-274, an act to amend the Canada Labour Code (safety of employees).—Mr. Rodriguez.

Bill C-275, an act to amend the Unemployment Insurance Act, 1971 (voluntary contributions).—Mr. de Corneille.

Bill C-276, an act respecting the cost of publishing public reports.—Mr. Herbert.

Bill C-277, an act respecting disclosure of credit rating records.—Mr. Reid (Kenora-Rainy River).

Bill C-278, an act to amend the Criminal Code (abortion).—Mrs. Killens.

Bill C-279, an act to amend the Criminal Code (death sentence).—Mr. Kushner.

Bill C-280, an act to amend the Income Tax Act to authorize payment of the child tax credit on a trimester basis.—Miss. Bégin.

Bill C-281, an act to amend the Official Languages Act (notices and advertisements).—Mr. Gauthier (Ottawa-Vanier).

Bill C-282, an act to amend the Immigration Act.—Mr. Stollery.

Bill C-283, an act to amend the Criminal Code (parental abduction of children).—Mr. Friesen.

Bill C-284, an act to amend the Criminal Code (abortion).—Mr. Dionne (Northumberland-Miramichi).

Bill C-285, an act to amend the Combines Investigation Act.—Mr. Robinson (Burnaby).

Bill C-286, an act to amend the Public Service Employment Act.—Mr. Evans.

Bill C-287, an act to provide for the establishment of the office of Parliament Hill Curator.—Mr. Watson.

Bill C-288, an act to amend the Criminal Code (death sentence).—Mr. McDermid.

Bill C-289, an act to amend the Canada Council Act (financial accountability).—Mr. Wenman.

Bill C-290, an act to amend the Criminal Code (abortion).—Mr. Yurko.

Bill C-291, an act to amend the Immigration Act, 1976 (admission of entrepreneur trainees).—Mr. Kaplan.

Bill C-292, an act respecting the disclosure of financial interests by Senators, Members of the House of Commons and certain other persons.—Mr. Knowles.

Bill C-293, an act to amend the Canada Labour Code (Canada Labour Relations Board).—Mr. Rodriguez.

Bill C-294, an act to amend the Canadian Human Rights Act.—Mr. Robinson (Burnaby).

Bill C-295, an act to amend the Official Languages Act.—Mr. De Bané.

[Mr. Speaker.]

Bill C-296, an act to amend the Canada Labour Code (provision for increased minimum hourly wage).—Mr. Knowles.

Bill C-297, an act to encourage the growth of the reserve force of the Canadian Forces.—Mr. Robinson (Etobicoke-Lakeshore).

Bill C-298, an act to amend the Canada Labour Code (vacation pay).—Mr. Rodriguez.

Bill C-299, an act to amend the Canada Pension Plan (disability pension).—Mr. Caccia.

Bill C-300, an act to amend the Criminal Code (gun control).—Mr. Haliburton.

Bill C-301, an act to change the name of the electoral district of Cowichan-Malahat-The Islands.—Mr. Taylor (Cowichan-Malahat-The Islands).

Bill C-302, an act to establish the Canadian Solar Energy Institute.—Mr. Caccia.

Bill C-303, an act to amend the Criminal Code (death penalty).—Mr. Crosby (Halifax West).

Bill C-304, an act to amend the Criminal Code (capital punishment).—Mr. Gamble.

Bill C-305, an act to amend the Unemployment Insurance Act, 1971 (benefits to adopting parent).—Mr. Rodriguez.

Bill C-306, an act to provide for emergency measures to deal with the inflation of prices.—Mr. Caouette.

Bill C-307, an act to amend the Prisons and Reformatories Act.—Mr. Robinson (Burnaby).

Bill C-308, an act to promote the participation of small business in federal government programs and contracts.—Mr. Reid (Kenora-Rainy River).

Bill C-309, an act to amend the Citizenship Act (time off without loss of pay).—Mr. Knowles.

Bill C-310, an act to protect individuals, companies and businesses from the consequences of foreign boycotts.—Mr. Orlikow.

Bill C-311, an act to provide for the establishment of a Canada sea coasts conservation authority.—Mr. Watson.

Bill C-312, an act respecting Canadian Ports.—Mr. Phillips.

Bill C-313, an act to amend the Canada Elections Act.—Mr. Robinson (Burnaby).

Bill C-314, an act to amend the Combines Investigation Act.—Mr. Rodriguez.

Bill C-315, an act to amend the Resources and Technical Surveys Act (map quality control).—Mr. Corbin.

Bill C-316, an act to amend the Bank Act (sale advertisements).—Mr. Gauthier (Ottawa-Vanier).

Bill C-317, an act to amend the Combines Investigation Act (class action).—Mr. Rodriguez.

Bill C-318, an act respecting Crown corporations (not agents of Her Majesty).—Mr. Herbert.

Bill C-319, an act to amend the Official Languages Act (supremacy of the Act).—Mr. Corbin.

Bill C-320, an act to amend the Atomic Energy Control Act (provincial representation).—Mr. Wenman.

Bill C-321, an act to amend the Canada Labour Code (eleven general holidays with pay).—Mr. Knowles.

Bill C-322, an act to amend the British North America Acts, 1867 to 1975, with respect to the quorum of the House of Commons.—Mr. Knowles.

Bill C-323, an act to amend the Canada Labour Code (three weeks annual vacation after three years).—Mr. Knowles.

Bill C-324, an act to amend the Criminal Code (abortion).—Mr. Oberle.

Bill C-325, an act respecting the acquisition of lands by non-Canadians.—Mr. Stollery.

Bill C-326, an act to amend the Criminal Code (culpable homicide redefined).—Mr. Robinson (Etobicoke-Lakeshore).

Bill C-327, an act to amend the Motor Vehicle Safety Act (crash restraint protection devices).—Mr. Friesen.

Bill C-328, an act to amend the Canada Labour Code (termination of employment).—Mr. Rodriguez.

Bill C-329, an act to amend the Criminal Code (obscene broadcasting).—Mr. Herbert.

Bill C-330, an act to amend the Canada Grain Act (notice of grade).—Mr. Nystrom.

Bill C-331, an act to amend the Canada Elections Act.—Mr. Allmand.

Bill C-332, an act to amend the Criminal Code (death sentence).—Mr. Mitges.

Bill C-333, an act to amend the Immigration Act, 1976 (undesirable aliens).—Mr. Richardson (Beaches).

Bill C-334, an act to amend the Canada Pension Plan (mining employees).—Mr. Rodriguez.

Bill C-335, an act to register lobbyists.—Mr. Friesen.

Bill C-336, an act to amend the Criminal Code (pornography).—Mr. Friesen.

Bill C-337, an act to readjust the Electoral Boundaries in the Provinces of Quebec and Newfoundland.—Mr. Ittinuar.

Bill C-338, an act to amend the Unemployment Insurance Act, 1971 (labour dispute).—Mr. Orlikow.

Bill C-339, an act to amend the Statistics Act.—Mr. Robinson (Burnaby).

Bill C-340, an act to establish a commission to provide an awareness and understanding of the Holocaust era.—Mr. de Corneille.

Bill C-341, an act to encourage the use of the government's purchasing policy to stimulate regional development.—Mr. De Bané.

Bill C-342, an act to amend the Criminal Code (death sentence).—Mr. Elzinga.

Bill C-343, an act to amend the Canada Labour Code (secret Ballot).—Mr. Wenman.

Bill C-344, an act to amend the Criminal Law Amendment Act (No. 2), 1976 (punishment for murder).—Mr. Woolliams.

Bill C-345, an act respecting the implementation of International Labour Organization Convention 96, concerning fee charging employment agencies.—Mr. Caccia.

Bill C-346, an act respecting Immigration.—Mr. Caccia.

Bill C-347, an act to establish a universal emergency telephone number.—Mr. Friesen.

Bill C-348, an act to amend the Canada Elections Act (choice of polling day).—Mr. Kaplan.

Bill C-349, an act to change the name of the electoral district of Rimouski-Témiscouata.—Mr. Allard.

Bill C-350, an act to amend the Public Service Employment Act (discrimination as to age or physical handicap or health).—Mr. Herbert.

Bill C-351, an act respecting legal tender (braille numbers).—Mr. Mayer.

Bill C-352, an act to amend the Public Service Staff Relations Act.—Mr. Orlikow.

Bill C-353, an act to amend the Canada Pension Plan (survivor's pension).—Mr. Rodriguez.

Bill C-354, an act to amend the Railway Act (movement of western grain).—Mr. Benjamin.

Bill C-355, an act to amend the Unemployment Insurance Act.—Mr. Robinson (Burnaby).

Bill C-356, an act to amend the Criminal Code (capital punishment).—Mr. Jelinek.

Bill C-357, an act to proclaim a day in commemoration of Sir John A. Macdonald.—Mr. de Corneille.

Bill C-358, an act to amend the Criminal Code (soliciting for the purposes of prostitution).—Mr. Phillips.

Bill C-359, an act to permit the recall of a Member of Parliament by the initiative of constituents.—Mr. Kaplan.

Bill C-360, an act respecting the independent dealer.—Mr. Whelan.

Bill C-361, an act to amend the Canada Shipping Act (pollution).—Mr. Friesen.

Bill C-362, an act to amend the Federal Court Act (disclosure of documents).—Mr. Oberle.

Bill C-363, an act respecting the cost to the public of government regulation.—Mr. Kaplan.

Bill C-364, an act to amend the National Energy Board Act (provincial representation).—Mr. Wenman.

Bill C-365, an act to amend the Canada Evidence Act (incriminating statements).—Mr. Orlikow.

Private Members' Public Bills

Bill C-366, an act to amend the Broadcasting Act (advertising on children's programs).—Mr. Friesen.

Bill C-367, an act respecting a Canadian Bill of Rights for Children.—Mr. Friesen.

Bill C-368, an act to amend the Food and Drugs Act (controlled drugs).—Mr. Woolliams.

Bill C-369, an act to amend the Canada Elections Act (freedom to campaign).—Mr. Whittaker.

Bill C-370, an act to amend the Canada Labour Code.—Mr. Evans.

Bill C-371, an act to amend the Canada Labour Code (certification of union).—Mr. Rodriguez.

Bill C-372, an act to change the name of the electoral district of Notre-Dame-de-Grâce.—Mr. Allmand.

Bill C-373, an act to amend the Parole Act.—Mr. Robinson (Burnaby).

Bill C-374, an act to provide for the establishment of a Canada-Alaska and Maine corridors authority.—Mr. Watson.

Bill C-375, an act to amend certain statutes to encourage the employment of the physically handicapped.—Mr. Symes.

Bill C-376, an act to amend the Criminal Code (off-track betting).—Mr. Allmand.

Bill C-377, an act respecting the acquisition of certain property of the International Nickel Company Limited without compensation.—Mr. Rodriguez.

Bill C-378, an act to readjust the representation of Quebec in the House of Commons to establish the electoral district of Îles-de-la-Madeleine.—Mr. Bujold.

Bill C-379, an act to amend the Railway Act (half-fare railway tickets for senior citizens).—Mr. Knowles.

Bill C-380, an act to amend the Old Age Security Act and to amend certain other Acts in consequence thereof to change the name "old age pension".—Miss Bégin.

Bill C-381, an act respecting war criminals in Canada.—Mr. Kaplan.

Bill C-382, an act to amend the Holidays Act.—Mr. McMillan.

Bill C-383, an act respecting public hearing for federal agencies.—Mr. Waddell.

Bill C-384, an act to amend the Federal Court Act (production and discovery of documents).—Mr. Woolliams.

Bill C-385, an act respecting the conduct of a public referendum.—Mr. Chrétien.

Bill C-386, an act respecting political partisanship.—Mr. Wenman.

Bill C-387, an act to provide for the establishment of the office of Archeological Curator for Canada.—Mr. Watson.

Bill C-388, an act to amend the Canada Labour Code.—Mr. Oberle.

[Mr. Speaker.]

Bill C-389, an act to amend the Narcotic Control Act, the Food and Drugs Act and the Criminal Code.—Mr. Robinson (Burnaby).

Bill C-390, an act respecting noise in factories.—Mr. Robinson (Etobicoke-Lakeshore).

Bill C-391, an act respecting the Alaska Panhandle Boundary Settlement of 1903.—Mr. Fulton.

Bill C-392, an act to readjust the representation of Newfoundland in the House of Commons (Labrador).—Mr. Rompkey.

Bill C-393, an act respecting the designation of a day to commemorate the Holocaust.—Mr. de Corneille.

Bill C-394, an act to recognize the Capitals of the Provinces and to amend the National Capital Act.—Mr. Crosby (Halifax West).

Bill C-395, an act to amend the Criminal Code (search warrants).—Mr. Allmand.

Bill C-396, an act to amend the Combines Investigation Act.—Mr. Allmand.

Bill C-397, an act respecting a national holiday.—Mr. Stollery.

Bill C-398, an act to amend the Canada Elections Act (use of contributions).—Mr. MacGuigan.

Bill C-399, an act to amend the Canada Labour Code.—Mr. Herbert.

Bill C-400, an act to amend the Criminal Code (pornographic displays).—Mr. Kaplan.

Bill C-401, an act to amend the Foreign Enlistment Act (recruiting by advertising).—Mr. Rodriguez.

Bill C-402, an act to amend the criminal law (punishment of certain offences).—Mr. Blenkarn.

Bill C-403, an act to amend the British North America Act, 1867 (tenure of Senators).—Mr. Herbert.

Bill C-404, an act respecting Public Referendums in Canada on Questions relating to the Constitution of Canada.—Mr. Reid (Kenora-Rainy River).

Bill C-405, an act to establish the Journal of Public Comment.—Mr. Kaplan.

Bill C-406, an act to amend the Canada Labour Code (strike or lockout).—Mr. Jelinek.

Bill C-407, an act to amend the Statutory Instruments Act.—Mr. Robinson (Burnaby).

Bill C-408, an act respecting the political affiliation of members of Parliament.—Mr. Malone.

Bill C-409, an act to amend the Canada Labour Code (secret ballot voting on strike votes).—Mr. Jelinek.

Bill C-410, an act to provide for the establishment of an Indian-Eskimo Employment Authority.—Mr. Watson.

Bill C-411, an act to provide for posthumous pardons.—Mr. Penner.

Bill C-412, an act to amend the Public Service Staff Relations Act and the Canada Labour Code to provide for the establishment of sector bargaining.—Mr. Jelinek.

Bill C-413, an act to establishment an investment fund for small unit investment in Canadian companies listed on stock exchanges.—Mr. Kaplan.

Bill C-414, an act to amend the Criminal Code (abortion).—Mr. Reimer.

Bill C-415, an act to amend the Income Tax Act (attendance at educational institutions outside Canada).—Mr. Wenman.

Bill C-416, an act to amend the Export Development Act (foreign competition).—Mr. Rodriguez.

Bill C-417, an act to amend the CRTC Act.—Mr. Robinson (Burnaby).

Bill C-418, an act to amend the National Transportation Act (provincial representation).—Mr. Wenman.

Bill C-419, an act to amend the British North America Acts, 1867 to 1975 (duration of House of Commons).—Mr. Peters.

Bill C-420, an act to amend the Criminal Code (abortion).—Mrs. Appolloni.

Bill C-421, an act to establish an agency for the purpose of monitoring and reviewing the outflow of investment capital from Canada.—Mr. Fulton.

Bill C-422, an act to amend the Canada Elections Act (publication of the result of opinion polls).—Mr. Herbert.

Bill C-423, an act to amend the Canadian Radio-television and Telecommunications Commission (provincial representation).—Mr. Wenman.

Bill C-424, an act to amend the Criminal Code (impaired driving).—Mr. Robinson (Etobicoke-Lakeshore).

Bill C-425, an act to amend the Railway Act (fences).—Mr. Wightman.

Bill C-426, an act respecting parliamentary reform.—Mr. De Bané.

C-427, an act respecting a minimum allowance for housewives.—Mr. Lambert (Bellechasse).

Bill C-428, an act to amend the Criminal Code (death sentence).—Mr. Scott (Victoria-Haliburton).

Bill C-429, an act respecting the designation of the Speaker of the House of Commons as the Member for the Electoral District of Parliament Hill.—Mr. Knowles.

Bill C-430, an act respecting trafficking in exotic pets.—Mr. Watson.

Bill C-431, an act to establish a Sunset Law for Canada.—Mr. Forrestall.

Bill C-432, an act to provide for public inquiries respecting the control of food additives, agricultural chemicals and other chemical products.—Mr. Nystrom.

Private Members' Public Bills

Bill C-433, an act to amend the Broadcasting Act (advertising on children's programs).—Mr. Herbert.

Bill C-434, an act respecting the official designation of "Nova Scotia".—Mr. Nowlan.

Bill C-435, an act to promote profit sharing by employees in business.—Mrs. Hervieux-Payette.

Bill C-436, an act respecting a National Forestry Policy.—Mr. Caccia.

Bill C-437, an act to amend the National Transportation Act (review and re-hearing).—Mr. MacGuigan.

Bill C-438, an act respecting the age of retirement.—Mr. Wenman.

Bill C-439, an act to amend the Canadian Wheat Board Act (provincial representation).—Mr. Wenman.

Bill C-440, an act to amend the Canada Elections Act.—Mr. McKinley.

Bill C-441, an act to provide for the Protection of News Sources (Press Privilege).—Mr. Peters.

Bill C-442, an act respecting the international airport at Ottawa.—Mr. Isabelle.

Bill C-443, an act to amend the Citizenship Act.—Miss Nicholson.

Bill C-444, an act to amend the Western Grain Stabilization Act (contributions on advance payments).—Mr. Nystrom.

Bill C-445, an act to divide the calendar year into three parliamentary semesters.—Mr. Friesen.

Bill C-446, an act to amend the Criminal Code (abortion).—Mr. Daudlin.

Bill C-447, an act to amend the British North America Act, 1867 (National Capital of Canada).—Mr. Herbert.

Bill C-448, an act to change the name of the electoral district of (Hastings-Frontenac)—Mr. Vankoughnet.

Bill C-449, an act to amend the Income Tax Act (payment of income tax).—Mr. Harquail.

Bill C-450, an act to amend the Winding-Up Act (publication of notices).—Mr. Gauthier (Ottawa-Vanier).

Bill C-451, an act to amend the Criminal Code (capital punishment).—Mr. Froese.

Bill C-452, an act to amend the Canada Labour Code (reserve forces training leave).—Mr. Robinson (Etobicoke-Lakeshore).

Bill C-453, an act to amend the Criminal Code (cruelty to animals).—Mr. Friesen.

Bill C-454, an act to amend the Public Service Staff Relations Act (strike ballots).—Mr. Forrestall.

Bill C-455, an act to amend the Criminal Code (invasion of privacy).—Mr. Woolliams.

Bill C-456, an act to amend the Criminal Code (death sentence).—Mr. Fretz.

Private Members' Public Bills

Bill C-457, an act respecting employment with the Government of Canada not covered by the Public Service Employment Act.—Mr. Orlikow.

Bill C-458, an act to amend the Broadcasting Act (educational use of programs).—Mr. McKenzie.

Bill C-459, an act to amend the Canada Labour Code (vacation pay).—Mr. Domm.

Bill C-460, an act respecting the televised advertisement of beer and ale.—Mr. Friesen.

Bill C-461, an act to amend the Criminal Code (in relation to the reinstatement of capital punishment).—Mr. Guay.

Bill C-462, an act to amend the Criminal Code (N.S.F. cheques).—Mr. Turner.

Bill C-463, an act to amend the Canada Council Act (Killam-Dunn).—Mr. Forrestall.

Bill C-464, an act to establish the Office of Ombudsman.—Mr. Reid (Kenora-Rainy River).

Bill C-465, an act concerning the exportation of the growth and produce of Canada.—Mr. Peters.

Bill C-466, an act to amend the Bank Act (qualification of directors).—Mr. Herbert.

Bill C-467, an act to amend the Indian Act.—Mr. Robinson (Burnaby).

Bill C-468, an act to amend the Canada Labour Code (maternity leave).—Mr. Rodriguez.

Bill C-469, an act respecting the disclosure of ingredients of restaurant foods.—Mr. Nystrom.

Bill C-470, an act respecting the use of Social Insurance Numbers.—Mr. Friesen.

Bill C-471, an act to amend the constitution of Canada (federal general elections).—Mr. Malone.

Bill C-472, an act to amend the Railway Act (signs, notices and forms).—Mr. Gauthier (Ottawa-Vanier).

Bill C-473, an act to provide for the constitution of a Federal Transport Commission of Inquiry (impartial investigation of transport accidents).—Mr. Forrestall.

Bill C-474, an act to amend the Citizenship Act.—Mr. Stollery.

Bill C-475, an act to amend the Immigration Act, 1976 (sponsors).—Mr. Richardson (Beaches).

Bill C-476. an act to amend the Canada Pension Plan to defer payment of the pension at the claimant's discretion.—Miss Bégin.

Bill C-477, an act to amend the Divorce Act (Living separate and apart).—Mr. Robinson (Etobicoke-Lakeshore).

Bill C-478, an act to establish a Bill of Rights for children.—Mr. Robinson (Burnaby).

Bill C-479, an act respecting collective bargaining by employees of Parliament.—Mr. Forrestall.

[Mr. Speaker.]

Bill C-480, an act to amend the Criminal Code (restoration of the death sentence for first degree murder).—Mr. Gilchrist.

Bill C-481, an act to amend the Agricultural Stabilization Act.—Mr. Nystrom.

Bill C-482, an act to prohibit aid to foreign countries consistently violating human rights.—Mr. Kaplan.

Bill C-483, an act to amend the Canada Elections Act (reduction in federal election period).—Mr. Jelinek.

Bill C-484, an act to provide for a full public accounting of tax expenditures by the Government of Canada.—Mr. Rae.

ROUTINE PROCEEDINGS

[*English*]

POINT OF ORDER

MISS MACDONALD—FOOTHILLS PROJECT—RESPONSE DURING QUESTION PERIOD

Hon. Flora MacDonald (Secretary of State for External Affairs): Mr. Speaker, earlier today in response to a question from the hon. member for Cape Breton Highlands-Canso (Mr. MacEachen), I think I used the words, with regard to Foothills and their wire to me, that they would be submitting an application tomorrow morning. In order to clarify that I should read their actual words regarding what they will be submitting to the National Energy Board:

Tomorrow morning, Wednesday, Foothills will file with the NEB another four volumes of material including 1,150 pages and 60 maps. Thus we have complied with all the information requests of the board and the Foothills all land route application is ready to be heard when we make that formal request of the board.

* * *

ATOMIC ENERGY

ESTABLISHMENT OF SPECIAL JOINT COMMITTEE

On the order: Government notices of motion:

October 22, 1979—The President of the Privy Council:

That a special joint committee of the Senate and the House of Commons be appointed to inquire into the economic, social, environmental, health and international considerations bearing upon the role of the Government of Canada in the development, use, regulation and export of nuclear energy, including but not limited to:

(a) energy and economic policy considerations:

(i) the costs, risks and benefits of nuclear electric generation in comparison with practical alternatives;

(ii) the role of fission power in the national energy economy;

(iii) the allocation of federal research and development funds for nuclear energy matters, including the potential for a Canadian role in the development of fusion technology;

(iv) the relation of Canadian nuclear science and technology to industrial strategy and quality of employment objectives;

(b) social and environmental policy considerations:

(i) the basis for the adequacy of national nuclear, health, safety and environmental standards and of compliance monitoring;

(ii) the responsibility for and adequacy of radioactive waste management, both high and low level;

(iii) public rights of access to information in nuclear matters;

(c) federal-provincial considerations:

(i) an examination of federal instruments, structures and responsibilities for the development and regulation of nuclear equipment, technology, materials and facilities;

(ii) the role of federal agencies and the adequacy of federal legislation in the event of a nuclear accident and in the prevention of harm to man and the natural environment;

(iii) the evolution of intergovernmental arrangements for, and views of the provinces on, the financing of nuclear energy;

(d) international considerations:

(i) an examination of Canada's nuclear export policy;

(ii) an examination of Canada's safeguards requirements for the export of materials, nuclear materials, equipment and information in the context of the development of an effective international non-proliferation system;

that ten members of the House of Commons to be designated at a later date be members on the part of this House on the special joint committee;

that the committee have power to appoint from among its members such sub-committees as may be deemed advisable and necessary and to delegate such sub-committees all or any of their powers except the power to report directly to the House;

that the committee have power to send for persons, papers and records, and to examine witnesses and to print such papers and evidence from day to day as may be ordered by the committee;

that the committee have power to sit during sittings and adjournments of the House of Commons;

that the committee have power to adjourn from place to place within Canada;

that the committee be empowered to retain the services of expert advisors and to commission studies or research to assist in its work and that it also be empowered to retain such professional, technical, clerical and stenographic help as may be required;

that the committee submit reports from time to time and in any case a final report not later than October 31, 1980 which shall include recommendations for the revision or replacement, if need be, of the *Atomic Energy Control Act* together with such other matters within its general mandate as it wishes to report on or recommend;

that a quorum of the committee be 7 members, whenever a vote, resolution or other decision is taken, so long as both Houses are represented and that the joint chairmen be authorized to hold meetings, to receive evidence and authorize the printing thereof, when 5 members are present so long as both Houses are represented; and

that a message be sent to the Senate requesting that that House do unite with this House for the above purpose, and to select, if the Senate deems it to be advisable, . . . members to act on the proposed special joint committee.

Mr. Speaker: Pursuant to Section 2 of Standing Order 21, this government notice of motion stands transferred to and ordered for consideration under government orders later this day or at the next sitting of the House.

* * *

BRITISH NORTH AMERICA ACTS, 1867 TO 1974

REVIEW OF RULES BY STANDING COMMITTEE ON PRIVILEGES AND ELECTIONS

On the order: Government notices of motion:

October 22, 1979—The President of the Privy Council:

That the Standing Committee on Privileges and Elections be authorized pursuant to section 7, chapter 13, Statutes of Canada, 1974-75-76, to review the Rules provided by subsection 51(1) of the *British North America Acts, 1867 to 1974*, as amended by the *British North America Act (No. 2), 1974*, and to make recommendations with respect to any amendments, alterations or modifications thereto that appear to the committee then to be necessary or desirable.

Mr. Speaker: Pursuant to section 2 of Standing Order 21, this government notice of motion stands transferred to and ordered for consideration under government orders later this day or at the next sitting of the House.

MOTION TO ADJOURN UNDER S.O. 26

[*English*]

RAILWAYS

CANCELLATION OF TRANSCONTINENTAL PASSENGER RAIL SERVICE

Miss Pauline Jewett (New Westminster-Coquitlam): Mr. Speaker, I ask leave, seconded by the hon. member for Winnipeg North Centre (Mr. Knowles), under the provisions of Standing Order 26, to move the adjournment of the House for the purpose of discussing an important and specific matter requiring urgent consideration, namely, the cancellation of transcontinental passenger rail service to several important areas and centres across Canada due to take effect on Saturday of this week, despite a serious breach of the principles of democracy and federalism in the making of these decisions, specifically, the lack of opportunity for public appeal and the absence of provincial consultation, and in spite of the terrible inconvenience that will be caused to the people in the areas and centres affected, with service to New Westminster and Fort Langley in British Columbia being cancelled, service between Capreol and Winnipeg and between Edmundston and Quebec City being cancelled, and service in northern New Brunswick being drastically cut back.

Mr. Speaker: In accordance with the provisions of Standing Order 26, the hon. member for New Westminster-Coquitlam (Miss Jewett) gave me notice, as required within the rule, within the time prescribed and gave me also an opportunity, therefore, to consider whether or not this kind of matter is proper for discussion under Standing Order 26.

Hon. members will realize that it is with some difficulty that the emergency rule, as it is sometimes called, would be applied to a decision to be taken by a board. Obviously, there are circumstances in which that could take place, but on the face of it, it certainly does not appear to be the general area in which we would be looking for the application of an emergency.

I would like to refer the hon. member, with respect to the guidance and application of this rule, to the language of subparagraph 16(a) of the Standing Order which reads:

The right to move the adjournment of the House for the above purposes is subject to the following conditions:

(a) The matter proposed for discussion must relate to a genuine emergency, calling for immediate and urgent consideration;—

S.O. 26

● (1530)

In this case it is difficult to see that a genuine emergency of that nature is contemplated when it is a decision before a regularly constituted board. Although I ought not to forever rule that out it certainly would not on the face of it appear to be the proper application of the rule.

In addition, in this particular case, of course, this matter can scarcely be said to come upon the House as a surprise. In fact, the hon. member's seatmate raised the matter by way of question on October 12, in which the hon. member then asked whether on that particular day the Minister of Transport proposed to redirect any of the deliberations that were then before the Canadian Transport Commission about this matter.

Furthermore, I would have to take into account the fact that it is now not only a matter of weeks or months but in fact a matter of years that the Via Rail service was established with the intention of rationalizing into one service the existing two service transportation facility. Obviously that contemplated the cancellation of certain runs. That has taken place over not only one set of hearings but several sets of hearings.

The hon. member, of course, is not alone in expressing her displeasure at the actual decisions and cancellations at the hearings and at the discussions that have taken place, or at the absence of the hearings, as the hon. member's deskmate now reminds me again.

In any case, in case there were any doubt about this matter, I have looked at the precedents for guidance and happily have been able to refer to a decision of my predecessor who, in his usual distinguished way, dealt with a similar matter on June 22, 1970. At that time the reasons had to do with matters before the Canadian Radio and Television Commission. The hon. member for Matane at that time had filed a notice pursuant to Standing Order 26 requesting that a similar kind of unhappy decision or treatment before that board be taken into account under this rule. Mr. Speaker Lamoureux then said the following:

May I suggest to hon. members that the decisions taken by commissions while carrying out their normal functions should not constitute matters for urgent discussions. Even under the circumstances which seem to cause the hon. member some concern, it would seem to me difficult to justify the adjournment of our proceedings to allow interested members to express their views. I would point out to the House that if the CRTC decision was only made public recently, the problem itself has been discussed and commented, even in a controversial manner for several months, so that hon. members have had many occasions to express their views and present arguments for and against the project in question.

That reasoning seems to me to apply very directly to the present circumstances. I would therefore have to conclude that while there may be—

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please. While there may be many criticisms levelled, or concerns or many disagreements expressed, at the quality of the hearings or even in fact, as in this case, the complaint that there were insufficient or no hearings at all into this phase—this is, after all, a tertiary or at least secondary phase of a series of matters concerning rail transportation since the inception of Via Rail service—it would hardly seem appropriate to intervene now on the question of an emergency with this rather secondary or tertiary phase, as was exactly the case in the previous ruling to which I have referred. Therefore, I do not think this is a proper matter for consideration under Standing Order 26.

[Mr. Speaker.]

ROUTINE PROCEEDINGS

[*Translation*]

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. David Kilgour (Parliamentary Secretary to President of Privy Council): I ask, Mr. Speaker, that all questions be allowed to stand.

Mr. Speaker: Shall the questions stand?

Some hon. Members: Agreed.

* * *

MOTIONS FOR PAPERS

Mr. David Kilgour (Parliamentary Secretary to President of Privy Council): Mr. Speaker, I ask that all notices of motions for the production of papers be allowed to stand.

Mr. Speaker: Is it the pleasure of the House that they be allowed to stand?

Some hon. Members: Agreed.

[*English*]

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

Mr. Hal Herbert (Vaudreuil): Mr. Speaker, I just heard the parliamentary secretary say there was to be no production of papers today. I should like to refer him specifically to two motions on which I thought at this first opportunity he would be most anxious to table the documents. The first is No. 3, which deals with the decentralization of the Department of Veterans Affairs to the province of Prince Edward Island. In view of the flip-flop of the government in changing its mind and deciding to follow through with the previous government's intention to decentralize to Prince Edward Island, I assumed automatically that the documents it must have in its possession to arrive at that conclusion would be tabled today. I suggest that since this is an important item for consideration, he should give consideration to tabling them next week at that opportunity.

I should also like to draw his attention to item No. 10. This item was much sought after by the present Minister of Labour (Mr. Alexander) who presumably has access to this document. I suggest that since it is now in the hands of the government whose members were so anxious to get it in the last Parliament, he should also give his attention to producing this document for all members of the House.

Mr. Speaker: Order, please. Shall the notices of motions stand?

Some hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

WAYS AND MEANS

PETROLEUM ADMINISTRATION ACT

Hon. Ray Hnatyshyn (Minister of Energy, Mines and Resources) moved that a ways and means motion to amend the Petroleum Administration Act, laid upon the table Monday, October 22, 1979, be concurred in.

Motion agreed to.

* * *

PETROLEUM ADMINISTRATION ACT

INCREASE IN EXPORT CHARGE

Hon. Ray Hnatyshyn (Minister of Energy, Mines and Resources) moved that Bill C-16, to amend the Petroleum Administration Act, be read the first time.

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

* * *

POST OFFICE

MEASURE RESPECTING CERTAIN POSTAL RATES

The House resumed from Monday, October 22, 1979, consideration of the motion of Mr. Fraser that Bill C-11, respecting certain postal rates, be read the second time and referred to the Standing Committee on Transport and Communications.

Mr. John Rodriguez (Nickel Belt): Mr. Speaker, the other evening I was participating in debate on second reading of Bill C-11, which is really a bill in principle to retroactively approve by Parliament an order in council made under the Financial Administration Act to justify and legalize increases in postal rates. I said at that time, Mr. Speaker, that we agreed in principle with the bill. We have no quarrel with it. Indeed, we

welcomed the new approach that, in effect, orders in council made under the Financial Administration Act be brought to Parliament. That was a good principle that was being established by this government and we had no problem with it.

We then turned our attention, Mr. Speaker, to problems we felt this government could have solved with respect to postal services in this country. We would have hoped they would place the same assiduity into solving problems in the Post Office as they had done in dealing with retroactive postal rate increases. We said first off that they were well aware of the importance of the postal service to the people of Canada. Indeed, they were well aware that it is probably the most important public service problem in this country today.

We further pointed out that, in effect, knowing that problem, we now have a ministry related to postal services—a Postmaster General (Mr. Fraser) who has been given dual responsibility. One would have thought that the Postmaster General would have his hands full just dealing with problems in the Post Office and trying to bring about harmony in the post office which would result in good postal service for the people of Canada for the taxes they pay. That is the first problem.

Why did the government lay on the Postmaster General the onerous task of dealing with post office problems? It seems to us on this side of the House that there should have been one minister with that responsibility. We said that, in effect, while they were in opposition the Conservative party knew well the problems in the Post Office. Indeed, their speeches could fill books and books of *Hansard* in which they properly identified the major problem in the Post Office, which is a human problem—the relationship between management and workers in the Post Office. The government therefore had an opportunity, a golden opportunity, to make a new beginning. They did not have to apologize for the government of the past. It was not of their political stripe. They could have dumped the problem on the previous government and had a new beginning. Why did they not wipe out the 60,000 grievances which are hanging fire and which are the cause for much of the abrasiveness in management-personnel relationships within the Post Office? They are allowing those grievances to stand.

• (1540)

We also raised the question of the leadership in the Post Office. In particular, I will be emphatic in saying that the deputy postmaster general, Mr. J. C. Corkery, and Mr. J. A. Paré, the assistant deputy postmaster general, personnel, ought to have been removed from their positions. What a wonderful opportunity it would have been for the government to have removed them. It could have blamed them for being Liberals. Maybe someone found out they were Tories, I do not know, but it would have been a wonderful opportunity to wipe them out.

Mr. Fraser: The hon. member made this speech the other night.

Mr. Rodriguez: I am just recapping so that it will read with some continuity in *Hansard*.

Mr. Fraser: It is appreciated.

Mr. Rodriguez: I am glad that the minister is here, Mr. Speaker; I make these suggestions in all honesty and fair-mindedness. I think that Mr. Corkery and Mr. Paré have been the bones of contention in the Post Office. Indeed, the insights that Mr. Corkery had are well documented in transcripts of the trial of Jean-Claude Parrot. I will quote from that transcript because it gives us an insight into the kind of leadership in the Post Office, the leadership of Mr. Corkery. At page 221 of the transcript of the trial it deals with the impressions Mr. Paré said he had. Indeed, it was part and parcel of the strategizing to deal with the latest incident of industrial dispute in the Post Office. The question asked was this:

Did you have any particular, apart from this information gathering technique, did you have any other strategy at the point of the legal strike call?

Mr. Corkery answered:

Well, I think our strategy basically had to be based, was based on the assumption that the majority of the employees would not support a full-blown strike. Whether that was valid or not nevertheless it was the strategy on which we based our planning, and really, in that situation, it was a "wait and see" kind of strategy—the extent of it, the degree of it, could they sustain it, or would it die of its own accord.

Here we have management of the Post Office entering into negotiation with a strategy in mind that, in effect, the workers could not sustain a strike anyway, so why should they have to negotiate in good faith? In my opinion that is very eye-opening, and I recommend to the minister that he read this transcript. If I had a person responsible to me as a manager, I would fire him on the spot after reading this transcript.

At page 224 of the transcript the question asked was:

So your assessment, let us say by the 17th October, would be what, in relation to the over-all operation?

The answer given by Mr. Corkery was as follows:

We had misjudged, miscalculated our strategy, and basically they had been able to launch a full-blown strike, and we were out of it.

Finally on page 254 the question asked was this:

And it was your view, when you found out what was going on in the field, that legislation would not be required? When you found out what was going on, as you indicated this morning, you were of the view that the majority of the employees of the Post Office, CUPW, would not support a strike?

The answer to that question was this:

Our original recommendation to our minister was on the basis that we thought that if we went the legal strike route they would not be able to sustain the strike.

So the advice and the whole strategy for negotiations that the minister was getting from chief personnel in his department was based on the fact that they believed the workers could not sustain a strike. That is bargaining in bad faith. Mr. Speaker, that is absolute bargaining in bad faith.

I make this suggestion again to the minister, that in my opinion the top brass of the Post Office should be removed. If he wants to shuffle them off to Buffalo or send them to the Senate or promote them to the level of their incompetence, go right ahead. But I think these people have been abrasive in terms of human relation in the Post Office and ought to be removed. That is the only way we can create any sort of harmonious industrial climate in the Post Office. I make those suggestions to the minister in good faith. The minister has a golden opportunity to start again.

My last point concerns the question of the Crown corporation. I heard those phonies on the Liberal opposition benches asking the minister when he will bring in the Crown corporation bill. Those people had 16 years to do it. There were several recommendations by way of royal commissions recommending the establishment of a Crown corporation in the Post Office. When was the bill brought in for a Crown corporation in the Post Office? It was in the twilight months of Liberal office before the last election. So those people were not serious about the Crown corporation.

I say to the minister that it gives me some cause for concern when he says that the Crown corporation bill will be brought in after Christmas. He did not say which Christmas. I wish the minister would indicate which Christmas. Will it be the Christmas of 1980, the Christmas of 1981 or the Christmas of 1983? The workers themselves in the Post Office agreed to the suggestion that the Post Office ought to be made a Crown corporation.

There is one further thing that gives me some cause for concern. I asked the Postmaster General—and he is a fine chap—if he would hold firm because in his back benches he has a gentleman, now elected to this House from York East, who undertook a study for the Conservative party when it was in opposition with respect to the Post Office. Among his suggestions I find two of them which are totally odious and would indeed exacerbate conditions in the Post Office at this time. One suggestion he proposed—and I am speaking of the hon. member for York East (Mr. Ritchie), who I think has a following in those back benches—was the removal of the right to strike by postal workers. I cannot think of any action that would throw the Post Office into even more turmoil than we have experienced over the last 16 years than this one. I urge the minister to ignore that recommendation completely.

The second recommendation which gives us concern on this side of the House is the one that proposes that those sectors of the Post Office which are flexible or viable should be sheared off to the private sector—in other words, those parts of the Post Office which generate surplus so that we can cross-subsidize those parts of the Post Office that are predominately service. In effect, he is promoting privatization. I cannot think of anything more detrimental to the Post Office than shearing off the potentially profitable sectors of the postal service into private hands. In effect, what will happen is that the deficits in the Post Office will rise, Parliament will be asked to increase postal rates continually and, of course, it will discourage public usage. That is a dead end, a cul-de-sac. I suggest that the minister ignore those two particular recommendations of the Ritchie report completely because they are two of the most dangerous proposals in the report.

I do not know what can be done in this regard, although I think the Postmaster General recognizes the problems, but how the previous administration could have proceeded against the leader of CUPW, a very brave union leader in this country, I cannot understand. The workers were given the right to remove their services, they were given the right to collective bargaining, but the minute they acted as a trade union, based on misinformation and miscalculation by Mr. Corkery, lo and behold, Parliament forced those workers back to work 24 hours after their strike began. That legal action by the previous administration has aggravated and created a festering sore for years to come. I urge the minister that if there is anything he can do to halt this whole process of Mr. Parrot going to jail to do so. I think it is unseeming that the power of Parliament was used to crush the leadership of 20,000 workers. All they were doing was acting in the manner which was consistent with good trade union leadership, and that was to represent their leader as vigorously as he was elected to be their leader.

• (1550)

I do not know what can be done from a legal standpoint. I ask the minister to look at the possibilities as to what can be done. I see the minister rising, so I will resume my seat. Hopefully, he will have something to say.

Mr. Fraser: I take it that the hon. member has—

Mr. Deputy Speaker: Order, please. Is the minister rising to participate in the debate or to answer a question? It is not the practice for a member who has the floor to direct a question to another member. The minister will have an opportunity when closing the debate to answer questions. Otherwise we will have confusion. Is the minister rising on a point of order?

Mr. Fraser: On a point of order, Mr. Speaker. Certain questions have quite clearly been put to me in the hon. member's closing remarks. I am prepared to meet some of those directly at this time if it is the wish of the House that I do so. I will not be long. If it is not the wish of the House and Your Honour is ruling that I rise at the close of debate, that is what I will do.

Mr. Deputy Speaker: The minister has the right to reply at the end of the debate. He has already spoken. If another member seeks the floor, there may be like questions from other members and the minister would be standing up regularly. It would be like Committee of the Whole and that is not the normal procedure when the Speaker is in the chair.

Mr. G. W. Baldwin (Peace River): Mr. Speaker, I will not keep the minister long from replying to the very pertinent questions put to him. However, there are a few comments I wish to make in this debate. What the hon. member for Nickel Belt (Mr. Rodriguez) said may in the course of my remarks provide a very useful prelude.

I first want to congratulate Your Honour for sitting where you do. The wisdom of that has been shown by the remarkable perception you just showed in your comments on the point of order.

This is a rather traumatic experience for me. I will be compelled during the course of this debate to say something complimentary to the minister. After 16 years in opposition, that is rather hard to do. During the 16 years I sat in opposition, I tried desperately to find ways and means to compliment ministers then sitting on this side. Unfortunately, they gave me little opportunity to do so. I want to put on record that I am not going to make a practice of this, that even on this side ministers will have to earn the right before I say things which are satisfactory and complimentary.

In this bill the minister has been wise to repair an omission which took place during the aegis of the former administration. He has also been wise as a lawyer to take a decision to regularize attempts made by the previous administration to fix postal rates by regulation and order in council under section 13(b) of the Financial Administration Act.

The government won the first round in the court of first instance, the Federal Court. I read the judgment and the reasons for judgment. Over the two or three years this has been an issue, I have examined the statutes and regulations. In my opinion, the government would have lost and deserved to have lost on appeal in connection with this particular trial.

Let me put on record very briefly the circumstances leading up to this amendment. The Postmaster General (Mr. Fraser) has already done that, but I would like to elaborate to some extent. The fixing of postal rates has, over the years, been the prerogative of Parliament. It so intimately and in such detail affects the lives of ordinary people that, to all intents and purposes, it is akin to a form of taxation. If there is one principle which should abide in this House, it is that taxation of the public and the taking of money from the public in the form of fixing of postal rates should not be done until there is an opportunity to redress grievances.

That is the crowning feature in the process of legislation and taxation by legislation. I am not going to go into the details of the problems we have had with the Post Office. They are there. No doubt they will be discussed and debated for some time and new legislation will be brought forward. However, there is no doubt that over the past three or four years, if the government had seen fit, as it should have, to bring in legislation to fix postal rates, as has been the custom since confederation, it would have provided an opportunity for members of this House, the public, the unions and consuming public to have ventilated their grievances. There would have been a fair chance from 1974 or 1975 on for bills to be brought into this House to increase postal rates and for representations to be made during the course of debate and committee hearings.

I am not naive enough to believe that this House has the magic cure for all problems. I recognize its virtues as well as the fact that it has warts and defects, but it does provide a forum in a situation of this kind. I suggest to members of this House and the government that they not neglect in future any opportunity to provide to the members of this House, representing the public, the opportunity to debate and discuss at length and in detail problems which arise. I have every reason

to believe if that had been done, it would have alleviated or smoothed over some of the problems.

For many years I practised law in a small town. I had people come to me and say "Mr. Baldwin, I have a problem with my neighbour. If I get a good crop next year, I will pay you some money if you will sue him." I said I did not think they could sue because they would not win the case. They informed me that all they wanted was their day in court. The public which use the mails wanted their day in court through the medium of a committee of this House.

The unions could usefully have had a day in court five, six or seven years ago. I am by no means condoning some of the things the unions have done. However, if they would have had that opportunity, it might have been better. The management of the Post Office should have been before a committee of this House to explain and justify what was being done. I am not going to blame the last postmaster general. He received advice from officials in the Department of Justice. Anyone who reads the law reports will accept the fact there are many decisions in the courts that are against the government. That suggests that advice given by officials in the Department of Justice is not always right. I have a friend in Montreal, Peter Treu, who is a shining example of that fact.

In 1974, the then postmaster general, the hon. member for Papineau (Mr. Ouellet), said the following in response to a question:

● (1600)

Rates of postage for domestic letter mail are set out in section ten of the Post Office Act. Changes in those rates therefore are only possible by Act of Parliament. Any proposal for amending the Post Office Act will be announced in the government's legislative program at the appropriate time.

So there was a clear statement, a good statement, a proper statement, a legal statement by a member of this House who had responsibility for the Post Office, that the only proper legal way to fix postal rates was by coming to the House. But two years later we find the then postmaster general, Mr. Mackasey, I think, succeeded by others from time to time, saying: "We have found a new way; we can bypass Parliament, we can do it by regulation". And they proceeded to introduce a regulation under section 13 of the Financial Administration Act. Mr. Speaker, I say this as a warning to other ministers: that is a section of the act whose use is not justified in circumstances of this kind.

I have read the debates in 1968 and 1969 when the present section 13 of the Financial Administration Act was introduced. Mr. Drury, then president of treasury board, introduced this amendment and made it clear during the debate that there was no intention section 13 would ever be used for such a purpose as the fixing of postal rates. I took part in that debate. If his intention had been otherwise I would have had a lot more to say and the bill would not have carried as quickly as it did; a storm would have been raised in the House, and rightly so. However, the amendment was introduced. From 1968 to 1976 no attempt was made to use it. Suddenly, though, the government discovered it had a problem with regard to postal rates and thought: here is an easy way of doing things; we can change postal rates without going to Parliament.

This is no small, piddling matter, Mr. Speaker. The estimates of the Post Office run in the neighbourhood of a billion dollars. The deficit is very substantial and that deficit is taken care of in part by income from postal charges. I say this to the minister: it may well be that having regularized by statute what I consider to be irregularities and possibly illegality in the actions of the previous government, the present administration might desire to go ahead and secure an amendment to the Post Office Act giving it the right to fix rates by order in council until such time as Parliament comes to a decision with regard to the possible setting up of a Crown corporation.

If that were the case I would have no objection to its being done, but I suggest to the minister that attached to any amendment to the Post Office Act giving the government the right to act by regulation there should be provision for a negative resolution so that this House and the other place would always have the authority to consider the feasibility and propriety of changes which may have been made. This House should never cut the umbilical cord of its responsibility to hold government accountable when it comes to changing the law to effect the imposition of taxation or the fixing of rates. When we give the government the right to act by order in council, there remains with us a responsibility to ensure that we have the authority to take another look at the situation if we wish.

I pause there for a moment. Mr. Speaker, I have been very impressed by the calibre of the new members of the House, though I retain my affection for the older ones as well. There are 157 new members. This is a minority Parliament; it appears that the people of Canada like minority Parliaments and are not prepared to give one government a massive majority enabling it to do whatever it likes.

I hope that in the course of the operations of this Parliament members on all sides will watch with great care the use made by the government of regulations and orders in council even though such a practice is probably a necessary part of our administration today, government having seen fit to intervene so massively in every aspect of human life. It would be literally impossible to legislate all the things it is thought desirable to legislate, bearing in mind the infinite variety of human circumstances affected. But when we give the government the right to act by order in council, it is up to us to see that it is used, not abused. It is a responsibility which rests with every member of the House.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, like the speaker who was just preceded me I intend to intervene only very briefly. I am pleased to follow the hon. member for Peace River (Mr. Baldwin), who now sits directly opposite me. Like him, I am happy to see so many new members and so many young members in this Thirty-first Parliament, and I join him in welcoming them to this very important institution and to a very significant experience. I might add it is also a pleasure for me to see some of the older

members of the calibre of the hon. member for Peace River back here to take part in the proceedings of this Parliament.

With respect to the measure now before us, the second reading of Bill C-11, all I want to do is to bring a bit of perspective to the situation so that it will not appear that it is a case of the saints being over on the government side correcting what has been done by the sinners who now sit in the ranks of the official opposition. I would remind the government that not many years ago an almost identical thing happened, but in reverse. In that case it was the Tories who were the sinners and the Liberals who were the saints—it is hard to tell the difference between them.

Mr. Baldwin: We have been absolved.

Mr. Knowles: In any event, what has happened this year is that the Liberals, while in power, used the Financial Administration Act to increase postal rates, a practice which seems highly questionable—in fact, I think it is illegal. And the Tories, having come to power, are proposing to correct that situation by bringing in a statute to validate those rates. Incidentally, it is being done rather early in the game because of a court case.

Back in 1962, only a week after the election of that year, which was held on June 18, perhaps less than a week, the Conservative government of the day, led by the late Mr. Diefenbaker, brought in an order to raise certain import duties. As you know, Mr. Speaker, customs duties can only be raised by act of Parliament. But Mr. Diefenbaker and his cabinet found a way of doing it by using the Financial Administration Act. What they did was to use a provision in the customs tariff so as to transfer all rates of duty from one column to another. But that process produced higher rates than they wanted, so they forgave part of them by using the Financial Administration Act so as to bring in the amount of increase they wanted.

Throughout that Parliament the Liberals and New Democrats contended that this was an abuse of the powers granted by the Financial Administration Act. Mr. Diefenbaker and his Conservatives stood firm, however. They said the course they had taken was a correct one and they refused to budge. But in 1963 there was an election and the Liberals came to power. In the meantime, there was a court case just as there is now; persons affected by the higher rates were challenging the validity of the order in council which had been made. So the Liberals, when they came to power, brought in an act to correct the situation by validating the customs changes which had been made by the Tory government under the Financial Administration Act. So it is simply the case of the saints and the sinners having changed places. What surely is apparent by now is that any government must exercise extreme care about the use of the Financial Administration Act to bring about changes which ought to be brought about only by acts of Parliament.

● (1610)

In that connection my friend, the hon. member for Nickel Belt (Mr. Rodriguez), was quite within his right in drawing attention to some other things that might be done under the Financial Administration Act, particularly in terms of privatizing certain Crown corporations, and that this experience and the experience of 1962 and 1963 should underline the point that where there are things that are required to be done by an act of Parliament, no government should slither around that requirement by using unfairly and unjustifiably the provisions of the Financial Administration Act.

As I said, I simply wanted to add this bit of perspective and thus to point out that mistakes have been made on both sides, and in each case the other side has had to correct it. Let us hope that this is the last time the provisions of the Financial Administration Act are used improperly, as has been done in the instance I have cited, by both the Tories and the Liberals.

Some hon. Members: Hear, hear!

Mr. Ted Miller (Nanaimo-Alberni): Mr. Speaker, I would just like to express my appreciation to the last two gentlemen who have preceded me in this debate and whom I have found very helpful in my new role as member of Parliament. The hon. member for Peace River (Mr. Baldwin), who assisted in the seminar for new members, had comments that were very useful, particularly the comment about setting some priority on our time. In my own party, the hon. member for Winnipeg North Centre (Mr. Knowles) has been more than helpful—

Mr. Baldwin: I commend to you the virtues of rebellion too.

Mr. Miller: —in allowing us to sort out some of the paper work which we are obliged to go through every day in our jobs.

I am particularly pleased today to make some comments on the bill before us, Bill C-11. I found very quickly that usually we do not get a great deal of warning before having to rise to speak in the House. I have some comments to make which I thought would be useful to the minister who, I know, is sincere in trying to reorganize the postal service so that the community at large can have more confidence in it than it has had in the past.

I am also appreciative of the short comment which goes with this bill and explains the bill in terms that many of us can understand.

It states:

This bill would confirm the amendments to postage rates that were made by regulation.

This short statement allows us to find the germ of the idea in this bill. I think the public has some reservations about legislation, about legislatures and also about members who draw up that legislation. The public is somewhat confused about the laws and is searching for some simple way of regulating their lives around the kinds of regulations that are often imposed upon them.

I think the minister should be given credit for bringing this bill before the House because it gives us an opportunity here to debate postal rate increases so that the public can have an idea of why they may be justified. Often the public is simply told that the postal rates are going to go up by two cents on first class mail, and really we in the House of Commons do not have an opportunity to debate the reasons for that increase nor to give the public, through the House, a justification for it.

I think other ministers in the new government can also take note of the direction which the Postmaster General (Mr. Fraser) has given in the House. I think in particular of the area to which I have been assigned as critic, namely fisheries and oceans, and the amount of regulation that comes out of that department for people in the industry who are immediately affected by the regulations and who have no notification of them. Certainly any changes in the regulations do not receive great publicity. The Post Office Department is therefore setting an example to all other government departments.

Our party is in favour and supports the principle of bringing these postal rate increases before Parliament. We have no argument whatsoever with that and we hope that this practice will continue and that, as a result, the public will be better informed about the reasons for having to pay increased postage.

However, at a time when the public is expected to accept an increase in postal rates, they should continue to receive equal service, if not better service, for those increased rates. Unfortunately, the public is not getting that kind of service at present. The postal rates are going up but postal service does not improve.

Let me give an example. All members in the House, particularly those from the west coast, can appreciate the difficulties we have in responding to our constituents promptly when it takes seven or eight days for a letter to get from our constituencies to Ottawa. If it takes the same time for the response to reach our constituents, it takes at least a two-week period for a particular matter to be dealt with.

We hope the minister will receive the co-operation of the House when he starts negotiating with the Union of Postal Workers with the purpose of improving their morale and showing them that he is committed to improving postal service so that the public can get the same or better service.

Now I should like to deal with the concept of the privatization of some areas in the postal service. The business community is particularly concerned with getting efficient and rapid postal delivery, particularly of items that go by parcel post between businesses in this country and businesses abroad. There is an erosion of that service as a result of the inefficiency of the Canadian Post Office. The service providing delivery of packages is now being taken over by private enterprise. To some extent, it has been taken over by Air Canada and, I understand, there is an encroachment in that service by U.S. delivery firms which wish to get into the Canadian market. This party hopes that this will not be encouraged by the government.

We hope that the government will use the prospectively profitable parts of the postal service to support the less profitable ones, such as advertising brochures and first class mail for which we cannot afford to charge a sufficiently high rate to make it profitable. If we do not protect the consumer, the individual who is dependent on mail for personal correspondence and for mailing bills, if we do not protect community organizations and groups that are dependent on mail service for bulletins, brochures and communication with their members, the result will be a weakening of the community spirit and of the organizations that depend so much on keeping their members informed through mail. We urge this government to maintain and improve postal services which the community finds inadequate at present.

I am sure the minister is aware of some of the problems within the Post Office. We hope he will deal with them in such a way as to restore people's confidence, because at present people do not have confidence in the Post Office for many reasons. It may be strange for a New Democrat to be speaking about the business community in this House, but we do so often. In our speeches we refer often to what we would like to see for small businessmen. The small businessman in this country is suffering because the postal service is inadequate. In my community in Parksville, British Columbia, a rapidly growing community, many small businesses are dependent on the mail service. At the present time Parksville has been faced with a situation where for over a year and a half small businessmen and the general public have been unable to obtain post office boxes. In fact they are required to pick up their mail at general delivery points. There are over 250 names on a waiting list in Parksville. These people are hoping to obtain postal boxes so that they do not have to wait in line for their mail. It would require an expansion of post office facilities. Applications have been made but no positive response has been received from the Postmaster General at the present time.

● (1620)

What does this mean? It forces small businessmen to seek other ways of receiving deliveries or meeting deadlines for the delivery of mail. Small businessmen are not prepared to stand in line for 15 or 20 minutes, nor are they prepared to have their staffs do that. The postal services should meet the demands of small business and the growing public of Parksville who have been waiting very patiently for a good length of time.

An hon. Member: It has been 16 years.

Mr. Miller: It could have been a lot longer if there had not been a change of government.

Mr. Benjamin: We will see how much longer it will take.

Mr. Miller: Certainly we will look at that closely.

An hon. Member: Do you want to come over to this side?

Mr. Miller: I have no intention of crossing the floor. Probably we will be over there soon as legitimate New Democrats in a new government.

I congratulate the Postmaster General on his appointment. I assure him that my party is prepared to co-operate in any way possible to improve a very crucial Canadian public service. The comments I have had from colleagues dealing with the Post Office and the Postmaster General indicate that there has been good access to information and that the Postmaster General is attempting to meet the needs of our community. I hope he will continue to do that. We will support him in his actions.

Some hon. Members: Hear, hear!

Mr. Bill Blaikie (Winnipeg-Birds Hill): Mr. Speaker, I should like to begin by echoing the remarks of my colleagues regarding the principle of the bill, the principle of parliamentary approval of increases in postal rates. Because I want to keep my remarks brief, I will not say anything more about that.

In my view, a bill respecting an increase in postal rates provides us with an opportunity to talk about the level of service which ought to accompany those increases. Also it provides us with an opportunity to suggest, at the very least, that services ought to be maintained, if not increased.

I have two concerns with regard to service that I wish to bring up at this time. As we move to approve rates already in place, we should reflect on the level of postal service available to Canadians at this time. These concerns may not seem to be of national importance, but I submit that in city after city, place after place, town after town, and business after business, an accumulation of inadequacies in postal service constitutes one of those problems that, although it does not receive national attention, relates very concretely and practically to the lives of many Canadians. It ought to receive attention in this House in the same manner that any other issue receives attention.

Specifically I am concerned about the latest efficiency program of the Post Office, an efficiency program which has led to the removal of many letter boxes in Winnipeg and in other major Canadian cities. Much attention has been paid to this issue in the local Winnipeg media, and rightly so, as many people, particularly senior citizens, have been affected and will be increasingly affected as winter comes on by the imposition of a greater distance between them and the location at which they mail their letters.

On this issue I must say that I have had negotiations with the Postmaster General. He indicated that some of the removed letter boxes in the riding of Winnipeg-Birds Hill will be replaced. I have submitted a list of the missing boxes brought to my attention by constituents to help him decide which ones should be put back, as I understand that the efficiency program is not to be abandoned entirely. I trust this will happen, that the letter boxes I submitted for reinstallation will go back up some time next week. So far the only ones reinstalled, with a few exceptions—and I mean a few—have not been in Winnipeg-Birds Hill or any other area in Winnipeg but those areas which are popularly recognized as ones in which the social and economic elite of Winnipeg live. This would be a situation, should it continue, that I hope the minister would find outrageous. At least, I know my constituents would find the situation outrageous. Therefore, I am confident that the letter boxes will be put back in place.

In my view, efficiency and rationalization must not obscure the fact that postal services exist for the people, not the other way around. The use of the postal service must not be discouraged by bad service. One almost sees a parallel here between what happened with regard to postal service and what is happening to services provided by Via Rail, for instance. The more people that use a service, particularly an energy efficient service, the better it will be for all of us in the long run. The gas saved by mail trucks not having to go to as many boxes as they used to will not compare with the energy and human effort which will have to be expended getting letters delivered for people who cannot do it themselves, people who otherwise would have mailed them independently.

This brings me to my second concern, and that is home delivery service to new areas. Winnipeg-Birds Hill has many new housing subdivisions which do not yet have home delivery postal service. Some of those areas have been around for a long time, yet they do not have home delivery. Bringing home delivery to these areas will not only bring to the people concerned the service they had the right to expect when they bought their homes in those new areas, but also it will create employment. I will have more to say on this at a later time, as I do not have the details at this time to put before the House. I will be watching to see what happens in this area. I recommend government action in respect to this concern.

Mr. Arnold Peters (Timiskaming): Mr. Speaker, I will not be long either because I know the minister is anxious to close this debate. I should like to congratulate the Postmaster General (Mr. Fraser) on bringing this bill dealing with a retroactive increase in postal rates before the House. Also I congratulate him for the indication that future increases will be legislated in this House, rather than by orders in council as in the past.

I am sure the minister is upset about the idea that we are now paying 17 cents to mail a letter, yet we are receiving poorer postal service than ever before. I suppose we are in the age of computers and high technology.

Mr. Rodriguez: The age of Aquarius.

Mr. Peters: I think we have passed the age of Aquarius. Much has been said, but I think we should look at what has been done in the Post Office. People in the Post Office have told us for a long time that it was necessary to accelerate the sorting, collection and delivery of mail. I should like to ask hon. members individually if in their own experience there is less first class mail today than ever before. Most people do not use mail services any more. They use the telephone. We have probably become the most wasteful telephone service any-

where in the world. We make more telephone calls; we make more business telephone calls than ever was the case before. Certainly we are among the leaders in the world in respect of telephone service.

● (1630)

Not long ago the Post Office put out a beautiful brochure with a lot of b.s. in it indicating how well they were doing and how much mail they were handling—

An hon. Member: What does "b.s." stand for?

Mr. Peters: You can interpret it yourself in whatever language you use. That brochure contained a number of things. In the middle it showed sorting boxes as part of its operations. We operated in this country for years with only that part of the operation. Today we have boxes on the street that indicate that if you put your mail in that box at a certain time it will be picked up at a certain time. We have other boxes which indicate that if you put your mail in it will be picked up sooner or later, and I suppose we have other ones that just state "later".

I am sure the minister can remember when a former minister decided there was not going to be any first-class mail, except for postage purposes. All the mail, as indicated by this brochure, is automatically dumped in together with parcels, large brown envelopes, envelopes with little green markings on the side that indicate whether it is first-class, second-class or third-class, or some other kind of class, and occasionally with a few small first-class envelopes. If we were to take those envelopes out and handle them in the most appropriate way they could be delivered expeditiously. If we were to bypass the regional post office and all the terminal post offices we would have a decent first-class mail service in Canada again, one that would probably live up to the representation developed in years gone by by the Post Office Department in Canada.

I am sure other members of Parliament have carried out an investigation to determine the fastest possible way of sending mail. I have found that if you have a bunch of boxes, a bunch of *Hansards* or whatever else you want to send out and you put them in a bag with one first-class letter and mail the bag to yourself at your home address, you will get the mail quickly. I did this one Friday afternoon. When I arrived home by air on Saturday afternoon I picked that mail up off my porch where the mailman had delivered it.

Had I put that first-class letter through the post office in the normal way it would likely have gone from here to the main post office terminal and then through a lot of processes. Somebody would probably have looked at it, it would have been sorted four or five times, and someone would decide that if it should have a yellow dot on the front of it, they would send it to a different section. It might even have some typing on it which would involve something else. I ask hon. members if they have not found this to be true. Chances are it would take five days to reach a destination in northern Ontario. It may well take longer if the employees at the Post Office here decided to send it to the terminal in Toronto. That would involve a week or perhaps two. We really do not have much mail any more of a first-class category. If we handled that mail on a first-class basis it could be delivered expeditiously, but it would have to be sorted.

I can remember talking to some postal workers who said that on Monday morning they had stacks of mail to deliver. It was noon before they got halfway through their walks. They took the remainder of that morning mail and put it back in the box. They picked up the afternoon mail and started again on their walks. Often it was Wednesday before they finished delivering both the morning and afternoon mail from the Monday.

The hon. member shakes his head. He has not been here very long and probably has not had much experience with the mailing service here, but he will learn. Mail service to a member of Parliament is damned important, and it is damned important to the businessman. Much of the business of this country is done by mail service. Much of that mail involves bills, orders and other kinds of letters, but it is all mail that businessmen want delivered in an expeditious manner.

Some hon. Members: Oh, oh!

The Acting Speaker (Mr. Scott, Victoria-Haliburton): Order, please.

Mr. Peters: What I am saying is that if we decide to provide real first-class service, then 17 cents is a reasonable cost.

For years in northern Ontario if a farmer wanted a part for an engine or some piece of machinery that he could not buy locally, he would phone Toronto or send a night letter. If the supplier had the part he could send it by mail. He could have it put on the train that night in Toronto at six or seven o'clock and that order would be back in northern Ontario at six o'clock the following morning and the farmer would get it at eight. That was an excellent way of doing business.

Today if you send a letter to Toronto ordering a part you might as well send it via Tokyo because you probably will not get that part back for two weeks. The delay may not be entirely the fault of the Post Office but certainly the shipper will say it is and most people would back him up.

The previous government privatized mail service a long time ago. I have a former postmaster general sitting very close to me and he represents a riding right next to mine. He has the district post office in his area. It was very interesting to see how his government privatized this service.

Not long ago a newspaper man asked all the government departments in North Bay how they sent their mail, and, with the exception of the Department of Veterans Affairs, everyone that wanted the mail delivered as first-class mail sent it by courier. That former government privatized mail services by allowing these couriers to become engaged in a post office operation. Even the Post Office sends its mail that way. The Unemployment Insurance Commission sends its mail that way.

An hon. Member: Say that's not true, John.

Mr. Peters: If hon. members think that is untrue I will let them have a copy of the *Nugget*. Perhaps the hon. member does not read his home newspaper. An article in that paper indicated that the only department in North Bay that did not use courier service was the Department of Veterans Affairs, and even employees in that department said they did not think they did; they had considered it and decided against it. We as veterans have always waited a long time so we have not really pushed for faster service. Business people have pushed for faster service and take advantage of courier service.

What I am saying is that I think most people in this country would not be opposed to paying 17 cents for the expeditious delivery of a letter. However, a first-class letter cannot be handled expeditiously if it is going to be included with parcels, third-class mail, flyers and all that junk mail that people receive. That junk mail is delivered as fast as first-class.

There was a time when all the mail in a district post office had to be dealt with on the day of receipt. What the employees did was take all the mail left over at night, bag it and send it to another distribution point in the same part of the country. That meant that the mail would perhaps go to North Bay for redistribution. If it was left over that night in North Bay it would perhaps be sent to Timmins. If they could not handle it they bagged it and sent it back to North Bay. Often it was the middle of the week before that mail was handled at the original district office.

● (1640)

If I can find a way to send a letter from Ottawa to northern Ontario within 15 hours, then why does the Post Office take so long? I think it is up to us. I think we have allowed them to put all of the junk mail together. This brochure points out that they are handling many hundreds of tons of mail a shift, but that is not first class mail. It is true many organizations send out their junk mail. That is part of their business procedure. However, they are not paying to send out first class mail, yet they have their junk mail delivered just as fast as any other mail.

Mr. Rodriguez: What about the householders?

Mr. Peters: There is nothing more important than householder mail for members of Parliament. I hope that it is always in white envelopes and mailed in the most expeditious way. I am afraid that it does not matter whether it is packaged mail or parcelled mail because there is no such thing as preferential treatment.

If the government wishes to improve the mail, it should not be misguided by Post Office officials. It should not be misguided by my friend or the workers in the Post Office. The government wants to make the Post Office a Crown corporation. I do not want it made a Crown corporation until it is cleaned up. I am of the opinion that if the Post Office is made a Crown corporation, with the mess it is in today it is merely transferring the problem and calling it something else. The Post Office must be cleaned up, and as a department of the government it would not be very difficult to clean it up.

I know that the minister has been critical of the way the Post Office operates and of the staff, both union and managerial. These are things which can be corrected. The system can be adapted to where it is again sorting out mail so that those who are paying for first class mail will be guaranteed first class delivery. It is not for the Post Office to set up additional courier service to the 17 or 18 national courier services which are now in business. I know that the Post Office is contemplating this idea, and I believe they are experimenting with it.

I believe that we can design a system by using the means which are available to us in this very large country for moving mail expeditiously. If first class mail has a premium price, it should be given a premium position in the delivery system. If we can guarantee to businessmen that the post office will deliver the mail, it is a step in the right direction.

I am sure that the present mail service affects all members of Parliament. How many members in this House have been faced with the problem of getting a passport to someone in a very short period of time? In the first place, you do not want them to send the information by mail because it will never get there, so an alternative means must be found, usually by air. To ship a passport by air to Toronto costs $25, and to send it by bus costs $2.75. Surely the Post Office can find a way of supplying that kind of service at a more reasonable price and with the same guarantee of delivery. That is what the Post Office is for.

I am sure that all hon. members will remember as children hearing the saying "the mail must go through", and remember seeing the man on horseback delivering the mail. If we were still using that method the mail would probably still be getting there. It is not the fault of the employees. The Post Office has a very large network of employees, and not all of them are working in terminals. The employees working in the terminals are probably going crazy because they are dictated to by the machine which they are trying to operate.

Those people who deliver mail by truck, aeroplane or on the rural delivery systems all across this country make the effort. I am sure that you, Mr. Speaker, live in a rural area the same as I, and that you can say as well as I can that there are very few days in the year when the rural delivery man does not make every effort to drive on every back road on his route to deliver the mail. That employee makes the effort, and the government and members of government are not making the effort to provide that employee with the mail to be delivered in a reasonable period of time to the people for whom they are responsible.

Guaranteed mail delivery may have to cost more than 17 cents, but I am sure that it will not cost as much as what the bus company charges, and certainly not as much as what a courier service charges. I am also sure that the minister can do these things under the auspices of the Canadian postal service. It is something which the minister can aim for, and I will not oppose him, when he comes back in a few months—after he has had a chance to get rid of most of the bottleneck which occurs in the distribution centres—in his efforts to get first-

class mail into a position where it can be delivered expeditiously and be guaranteed.

When the minister has achieved that, I think most members of the House and most people in this country who want guaranteed mail delivery will be very happy to have delivery shifted back to the Post Office and away from the little red courier service and Wells Fargo or whoever is travelling up and down the highway delivering that mail today. It is a challenge for the minister, and I am sure that the Canadian public will pay the price if the Post Office is able to provide the kind of delivery which people are asking for. We should not allow the Post Office to be substituted by a private mail system, as we have allowed in Canada under previous governments, if we do not have a solution to the problem of first class mail delivery in this country.

Mr. Blais: Mr. Speaker, on a point of order, the hon. member who just had the floor made a comment—and I did not want to interrupt while he was speaking—relating to whether I read the *North Bay Nugget*. I can advise him that I read the *North Bay Nugget* religiously, and I can vouch for the comments which the hon. member made relating to the use of private couriers by the government as related in that paper.

My comments were across the aisle to the Postmaster General (Mr. Fraser), challenging him to indicate that the comments made by the hon. member for Timiskaming (Mr. Peters) were not true.

The Acting Speaker (Mr. Scott, Victoria-Haliburton): Order. At this time I must inform the House that if the minister speaks now he will close the debate.

Hon. John A. Fraser (Postmaster General and Minister of the Environment): Mr. Speaker, I will be brief. I indicated earlier in the debate that I would deal directly with some questions raised by the hon. member for Nickel Belt (Mr. Rodriguez). Before doing that, however, I want to thank all hon. members who took part in this debate and especially the new members, whom I want to compliment on their speeches, on how rapidly they have become accustomed to this House and on their contributions thus far. I also want to thank hon. members for the expressions of good will which I have received.

The problems in the Post Office are well known to all of us. They did not occur yesterday, they occurred from decisions taken some years back. It is my own estimate that in terms of recovery probably the corner was turned in a better direction about two years ago. But we have a long way to go yet. As Postmaster General I intend to be a champion for the people in the Post Office. There are 63,000 Canadians who are trying very hard to do their duty for the Post Office, and the vast majority of them have not had any commendation for a number of years now.

Some hon. Members: Hear, hear!

Mr. Fraser: The general assumption is that somehow the problems in the Post Office are there because the people working in the Post Office want them to be there. That is not true.

Some hon. Members: Hear, hear!

Mr. Fraser: I know that hon. members will remember that in our desire to improve the postal service there are 63,000 decent Canadians trying to do their very best. It is my intention to try to give them as much help as I can, and in that way serve the public interest.

I want to speak very briefly on a couple of points raised by my friend, the hon. member for Nickel Belt. I want to make it completely clear that I have no intention of bringing in a Crown corporation bill that removes the right to strike for workers who presently have that right to strike and are organized labour in this country.

• (1650)

I want also to tell the hon. member that I have no intention of taking the present Post office and hacking it up, taking its profitable parts and abandoning the essential service that the Post Office gives as a great Canadian institution.

I want also to say to the hon. member with respect to the grievances that he mentioned that the matter has been addressed although not resolved. The number of grievances is now much lower than the hon. member mentioned. I will be meeting with one of the union officials on Tuesday to discuss it further. I have already had discussions on that. I have had meetings with leaders of the unions and on November 7, under the aegis of the Canadian Labour Congress, there will be the first serious negotiating meetings for the structure of the Crown corporation. It is my hope that the bill we will present after those discussions have taken place will be more acceptable to both management and unions in the Post Office and I hope to this House, than was the previous bill.

Some hon. Members: Hear, hear!

Mr. Fraser: The hon. member for Nickel Belt made reference to bargaining in something other than good faith. I do not want to go into the past but I want to indicate that it is my determination that there be bargaining in good faith. As long as I am Postmaster General and can elicit any control whatsoever, that bargaining will be in good faith.

I want to indicate to the hon. member—and some hon. members who were in the House the other day know this—that because this would be the last contract for most of the unions under the Public Service Staff Relations Act, I have offered to the unions a short contract of one year under that act. This would deal with a minimum number of matters and leave the substantive matters aside to be dealt with after the Crown corporation is created and they can bargain under the Canada Labour Code.

I have gone further, Mr. Speaker. If they want a shorter contract of six months, I am prepared to bring legislation into the House which would amend the Public Service Staff Relations Act for the specific purpose of giving them that short

contract. I am doing this to try to indicate that, as Postmaster General, I intend to deal in very good faith with the people who work in the Post Office.

Some hon. Members: Hear, hear!

Mr. Fraser: Mr. Speaker, this concludes my remarks, and I thank hon. members. I should like to move that the motion now before the House be amended to go through all stages of second reading and third reading at this time.

Hon. Marc Lalonde (Outremont): Mr. Speaker, I would not want to delay the work of the House this afternoon. I only want to ask a question of the minister, if I may be allowed to do so at this stage.

Mr. Deputy Speaker: Is the minister willing to answer a question asked by the hon. member for Outremont (Mr. Lalonde)?

Mr. Fraser: Of course I will answer the hon. member, Mr. Speaker.

Mr. Lalonde: Mr. Speaker, I noted with great interest the commitment of the minister to keep the Post Office together as an integrated whole, and in particular his clear and categorical statement that there would be no question of selling off the profitable aspects of the Post office and keeping only the unprofitable and bad aspects of it, if you wish.

Can we count on the same positive attitude on his part vis-à-vis cabinet and his colleagues, when they are going to discuss the question of Petro-Canada—

Some hon. Members: Oh, oh!

An hon. Member: Out of order.

Mr. Lalonde: —and be sure that Petro-Canada will remain as an integrated whole, and that the same philosophy will be applied by the minister to Petro-Canada as the one he is stressing so strongly for the Post Office?

Mr. Fraser: Mr. Speaker, I am sure the hon. member does not expect me to get into a debate on Petro-Canada. We have before us a bill. It is a serious bill and I should like to get it through the House as quickly as possible.

Mr. Knowles: Mr. Speaker, I rise on a friendly point of order. I think it is very clear that the motion before us can hardly be amended as the Postmaster General suggested. But if he is, in effect, requesting the consent of the House that, following second reading, we go into committee of the whole and then on to third reading today, for our part we are prepared to give that consent.

Mr. Deputy Speaker: Order, please. Is the hon. member for Nickel Belt (Mr. Rodriguez) rising on the same point of order?

Mr. Rodriguez: No, Mr. Speaker, a separate point.

Mr. Deputy Speaker: I think I should recognize him and settle the question of procedure afterwards.

Mr. Rodriguez: Mr. Speaker, I should like to ask the minister if he would permit a question. I certainly appreciated the very strong statements and strong commitments he made to this House and the people of Canada and to the workers in the Post Office. I want to ask him one question although he did not deal with the other one I asked him.

Can he give the House the assurance that those in the top management of the Post Office who have really been an aggravation to good, healthy industrial relationships in the Post Office—the evidence of which we have presented to the minister and to the department—and I name two of them, Mr. Corkery and Mr. Paré, can be eased out of those positions as quickly as possible? I ask that in all seriousness.

Mr. Fraser: Mr. Speaker, I recognize that the hon. member for Nickel Belt asks the question in all seriousness. I have to say that I have no intention at the moment of removing either of those gentlemen. So far as the relationship between management and union is concerned, as long as I am Postmaster General I will work for improvement and the bargaining will be in good faith.

Mr. Deputy Speaker: Order, please. To come back to the request of the minister and the remarks of the hon. member for Winnipeg North Centre (Mr. Knowles), I believe the minister is requesting leave for the bill to be proceeded with through all stages today and thus is asking the unanimous consent of the House to first, modify the motion which is in front of us so that it can be referred to committee of the whole and at the same time, by the same consent, permit the House to go through all stages in the completion of the consideration of this bill. Is this agreed?

Some hon. Members: Agreed.

Mr. Deputy Speaker: I had better read the motion to the House as changed.

Mr. Fraser, seconded by Mr. Mazankowski, moves:

That Bill C-11, an act respecting certain postal rates, be now read a second time and referred to Committee of the Whole.

Is it the pleasure of the House to adopt the said motion?

Motion as amended, agreed to, bill read the second time and the House went into committee thereon, Mr. Laniel in the chair.

The Chairman: Shall clause 1 carry?

On clause 1—

Mr. Peters: Mr. Chairman, I should like to know from the Postmaster General if he intends to do anything about the problem that has been created by the inability of the Post Office to meet the needs of the general public and the business community, resulting in the establishment of all these courier services travelling up and down our highways. I refer particularly to the fact that government departments use those couri-

er services in Ottawa and from coast to coast. Does the minister intend to do anything about that?

Mr. Fraser: Mr. Chairman, I would say to the hon. member that all of these matters are very much under study. I have a much greater understanding of the difficulties the Post Office is facing, both through competition from the public and the private sector, than I had when I became Postmaster General. I am addressing my mind to many of the matters, in fact I would say to all the matters, the hon. member raised in his speech.

Mr. Blais: Mr. Chairman, I should like to pursue basically the same question. At the time when I had the privilege of occupying the position presently occupied by the hon. minister, we instituted a pilot project involving premium mail which was designed to remove as best we could some of the "bleeding" of our most remunerative mail through the private couriers. At that time an arrangement was made with certain government departments to have them act as part of the pilot project in terms of using premium mail to hasten the implementation of that program. Could the hon. gentleman indicate at this time whether the Post Office is in a position to use the experience it has gained through the pilot project in order to implement a national program?

• (1700)

Mr. Fraser: Mr. Chairman, we have a priority post program under way which stems from the study which the hon. gentleman is referring to.

Mr. Benjamin: Mr. Chairman, I would like to ask the minister a question about the location of post office boxes for the purpose of mailing letters. This matter has been raised by two or three of my colleagues.

Rather than having the Post Office make strict locations of post boxes according to distance, could the location of boxes be done more on a sociological basis or on a study of the make-up of the population? In Regina, for example, there are three or four areas where half to three-quarters of the population are senior citizens who now have a longer distance to walk through snow banks. Surely it would make more sense to have a higher concentration of mail boxes in an area such as that and a lower concentration in areas of high income.

Mr. Fraser: Mr. Chairman, I understand exactly the point which the hon. member is alluding to. In the city of Winnipeg, as hon. members know, I have given orders for a number of post office boxes to be returned to places to meet that specific problem.

The Chairman: Order, please. I regret to interrupt, but I have a point of order from the hon. member for Western Arctic.

Mr. Nickerson: Mr. Chairman, perhaps you can clarify a matter of order. I understand that we are now supposedly discussing clause 1 of Bill C-11. Clause 1 is very specific. It deals with certain orders in council that were made. I see no reference in clause 1 to the matter of post office boxes or any of the other matters that have been brought up by certain members. Could you direct us as to whether or not we are to actually debate only the specifics of clause 1?

The Chairman: The practice in Committee of the Whole has been that, whatever the content of clause 1, we allow general discussion. Of course, it should remain within the confines of the Post Office, or the particular subject matter. The hon. member will recognize that it is not easy for the Chair always to be on its feet to request an hon. member to speak specifically to a bill. If we did that, half the time of the House would be lost in a dialogue between the Chair and the hon. member who perhaps would speak longer trying to make a case about how his mail boxes are related to something in the bill. By giving some latitude and by allowing this practice of general discussion which has developed over the years, it has proved to be the best way to get results.

Mr. Blais: Mr. Chairman, my question is for the minister. It concerns courier post, premium mail or, as he calls it, priority post. This system was also dependent on ongoing negotiations with the main unions relating to putting that program in place. If I recall correctly, a great deal of co-operation had been obtained from the Union of Letter Carriers and this co-operation has been most helpful in carrying through that priority post. Has CUPW also joined in in offering that sort of co-operation so that the system can operate smoothly?

Mr. Fraser: Mr. Chairman, I am not aware this afternoon of any particular difficulties with respect to any of the unions in the Post Office in that regard.

Mr. Blais: Mr. Chairman, the hon. gentleman, also in reply to a question from the hon. member for Nickel Belt (Mr. Rodriguez), was offering his support to his senior officials; at least, that is the interpretation I got from his answer. I welcome that support. It is well needed because I think all workers in the Post Office, including the administrators, have to receive the minister's support.

I ask the hon. gentleman whether he recognizes, having said that two years ago was approximately the time when the Post Office came around the corner and started to climb upward, that he did not recognize as well that that was the period of time when the two gentlemen mentioned by the hon. member for Nickel Belt were employed in their present capacities.

Mr. Fraser: Mr. Chairman, I am sure the hon. member would not want to pursue a question of particular individuals in the Post Office, whether they be in unions or in management. I agree with the hon. gentleman who has had experience in this area that it is the duty of the Postmaster General to stand by his employees whether they are in management or on the labour side, unless there are particular reasons why disciplinary action or other measures should be employed.

Mr. Rose: Mr. Chairman, may I say that I do not think the minister has any position that he could take at the moment, when asked in public about a couple of names, other than to

defend those particular individuals. The minister has to defend his department whatever view he might hold privately. It is to be hoped that the minister will take a fresh look at the management and negotiating teams of the Post Office.

I reveal no particular confidence, because I do not intend to name anyone, but a number of years ago a former postmaster general revealed to me that his efforts to improve the Post Office and the management staff relationships within the Post Office were frustrated by appalling management attitudes and skills that existed at that time.

I recommend to the minister that, while I understand why he would choose, as he must, to defend two individual names, he look very thoroughly at some of the things relating to management skills, attitudes and negotiating attitudes that may have caused the kind of hostility, foot-dragging, entrenched positions, poor service, unhappiness and poor morale in the past. We must hope that in the future there will be a new attitude prevailing. In my view, most workers employed by the Post Office, regardless of their level, want to do a job for the public and are getting mighty tired of being the whipping boys for poor relations, business practices and working conditions about which they have little or no say.

May I conclude by saying that I welcome the sign that we have at least one minister on that side of the House who supports the addition of one more Crown corporation, rather than eliminating them right left and centre, which some of his colleagues seem dedicated to doing.

Mr. Fraser: Mr. Chairman, may I say to my hon. friend that when so many are going, if one stays behind it will do no harm.

With respect to the hon. member's specific reference to the attitude of management in negotiating for a contract, let me assure all hon. members that, whatever the situation has been in the past, there is a very conscious awareness that the difficulties of the past were partly due, at least, to mistakes in judgment on the management side. There is a great consciousness of that, and I can assure all hon. members that I am satisfied that while we may not have developed all the skills necessary, the attitude is very much improving. I want to assure all hon. members again that I regard that improving attitude as a very essential ingredient of better relationships in the Post Office.

• (1710)

Mr. Benjamin: Mr. Chairman, I want to follow up on my first question to the minister. His response narrowed down to what he has done in Winnipeg. Can we take it that the principle for the action he has taken in Winnipeg will be applied generally across the country, that the whole move regarding the location of mail boxes will be reviewed and those errors that occurred will be corrected in the areas I mentioned?

Mr. Fraser: Mr. Chairman, let me tell all hon. members that the Post Office has been operating under a very stern edict to operate as efficiently and effectively, from the point of view of cost, as possible. The consequence of that has been that where there were service functions that were not being utilized or were redundant, these were examined and studied. Steps were taken to cut them back or eliminate them altogether.

What happened in the city of Winnipeg was that a program was instituted to cut back on the number of boxes. What was found after that had been completed was brought to my attention by hon. members, originally by the hon. member for Winnipeg-Assiniboine and the hon. member for Winnipeg-Fort Garry, namely that too many boxes had been taken away. The consequence was that old age pensioners and older people were in a very difficult position.

I considered with care the representations brought before me. I am fully aware that this is a winter country and as a consequence I made changes. If the hon. member has a situation in his constituency or city which he thinks I should consider, I am prepared to do so. I am not prepared to say in this House that we are suddenly going to put back all of the post boxes taken away in a program designed to eliminate those not being used.

Mr. Benjamin: Just so we will not have to go through it all again, Mr. Chairman, perhaps the minister can go through the correspondence he received from not only Winnipeg and Regina but other cities. If he looks at that, we will not have to do it all over again.

Mr. Fraser: I suggest the hon. member speak to me. I have heard a lot of complaints about postal service this afternoon. The complaints I have received from my colleagues in the cabinet, and from those outside the cabinet on the other side of the House since we have come back, are as to whether I can do anything to cut off the mail.

Mr. Rodriguez: Mr. Chairman, I have six questions. I will begin with the sixth one. Very shortly CUPW and the Post Office employees will start negotiating a new contract, I believe in December. Rumours are going around that somehow or other the Department of Labour will take over the negotiations on behalf of the Post Office Department. Will the minister advise whether there has been any change in terms of persons who will be negotiating on behalf of the Post Office Department with the workers?

Mr. Fraser: Mr. Chairman, I can say to the hon. member that I will take every step to ensure that the most appropriate people are engaged in the bargaining.

Mr. Rodriguez: I am not going to be brushed off that easily. There are rumours to the effect that moves are being made by the labour department to take over negotiations on behalf of the Post Office Department. Is that rumour true or untrue? If it is true, will the minister tell us what role Treasury Board will be playing and what role his negotiators will be playing? That is extremely important, or we will be back to square one again.

Mr. Fraser: The Department of Labour will not be taking over the negotiations. With regard to the role of Treasury

Board, we all understand that is one of the basic questions of contention. As I say, I have put to my friends in the union the short contract. I hope this will be a way of resolving the serious difficulties that have occurred in the past.

I assure the hon. member I am acutely aware of the problems that any negotiating team has under the present structure when it does not know whether what it says is a final offer is really a final offer at all. Always there is the shadow of Treasury Board behind the bargaining table.

Mr. Rodriguez: I thank the minister for that precise answer. My next question relates to noise levels at Gateway in Toronto and other major terminals. Under the Public Service Staff Relations Act there is no part IV as there is in the Canada Labour Code. The minister is well aware of that because he was labour critic when he was in opposition. Has this very serious problem been brought to his attention? I know the minister is concerned about occupational health and safety in the work place. Will something be done with regard to studying very quickly what can be done to alleviate the noise levels?

Mr. Fraser: Mr. Chairman, I have to apologize to the hon. member. I cannot give a detailed answer. May I take the hon. member's question and return to him perhaps tomorrow or in the next few days with an adequate answer.

Mr. Rodriguez: My next question deals with the trial of Jean-Claude Parrot. After having been found guilty and sentenced, he is appealing the sentence. I spoke with the minister informally. Other leaders were also charged with having breached the Criminal Code. Those charges can be dropped by the Crown if it so desires.

I say to the minister in all seriousness that those responsible for the security of this nation who did such serious things as burning down barns and stealing were not exposed to that kind of sentencing. In the minister's desire for a more harmonious relationship between the department and those who work for it, will he assure us he will look into the possibility of dropping charges against those who have not yet come to court?

Mr. Fraser: Mr. Chairman, as Postmaster General I have not felt it my place to interfere with charges that are before the courts. That entire matter is one for the Department of Justice. The hon. member realizes that, with regard to Mr. Parrot's case, the sentence is under appeal. I understand the judges of the Court of Appeal have reserved and are considering this case. I do not want to say anything in this House that may be deemed to be interference in one way or the other with their deliberations.

Mr. Rodriguez: My next question is with regard to something the minister is concerned about, the practice in the past. There is documented evidence of this. Certain middle management tend to run around the ends of the collective agreement, particularly the very contentious technological change clause. Will the minister assure us that a memorandum will go to all levels of management in the Post Office instructing them to observe the collective agreement and not try to run around the ends of it, even though they may think it is in the best interests of the Post Office.

Mr. Fraser: Mr. Chairman, I want to assure all hon. members that I believe collective agreements should be honoured. That applies equally to the union that enters into the agreement and the management side that enters into the agreement. My answer has to be that I will do everything I can to ensure that collective agreements that are made will be honoured.

Mr. Rodriguez: The other question I have is with regard to grievances that are still pending. The history of these grievances shows that in many, many instances the cases were lost by management at all three stages, after which management appealed for adjudication. History has shown that on the eve of adjudication—and we have examples which I can provide—the Post Office withdraws its appeal for adjudication. The minister tells us that he will be meeting the leadership of one of the unions. Would he take a first step by seeing that these cases which the Post Office had lost at all three stages and appealed to adjudication, especially where the decision of an adjudicator had been given in a previous instance, will not be left hanging fire until the eve of an adjudication, that they will be dropped by the Post Office?

● (1720)

Mr. Fraser: As I told the hon. member, I have already met with representatives of one of the unions on this point and we shall be meeting again. I will take the hon. member's representations into account—they are similar to representations I have heard from union officials. This is certainly something I shall be looking into.

Mr. Rodriguez: My last question deals with superannuation delays. Many postal employees have decided to take their pensions and have applied for superannuation. In some cases they find delays are running in excess of six months. Is the minister prepared to look into this problem and try to alleviate it—to speed up payments—in whatever way necessary?

Mr. Fraser: I can give the hon. member the assurance that I will look into the matter immediately. I am not sure, though, that any delay necessarily is the fault of the Post Office.

Mr. Oberle: Mr. Chairman, I should like give the minister an opportunity to make a comment about an area of the Post Office which has traditionally not experienced much difficulty in management-labour relations, and that is the service dispensed by the Post Office in rural areas and the incredible anomalies and discrepancies which exist in the type of service the Post Office dispenses in rural communities by comparison with the type of service dispensed in the cities. For example a person living in the concrete jungle expects a postman to come to the door every day and complain if he does not arrive or if he is five minutes late.

I should like to draw a comparison with the service provided to a person living in mid-Canada or northern Canada in a small community where temperatures go to 40 below. These people have to start their automobiles to drive to the post

office to get their mail. When they get there they have to stand in line and often suffer the abuse and the hardships that are related to that kind of activity, and at the end of the year they get a bill for using the post office in that fashion, the bill, of course, being for the post office box. Obviously there is a serious discrepancy there.

I wonder if the minister wants to make a comment on this, whether the terms of reference that are to be issued to the new Crown corporation will recognize the needs of rural areas, whether thought is being given in the department to charging for the service that is dispensed in the cities commensurate with or similar to the service that people have to pay for in the rural areas.

All of us are painfully aware of the incredible cost of postal service in the country and all of us are committed to bringing these costs in line. But we cannot have it both ways. If the box rentals and the services that are provided in the rural areas continue to go up and if there is a continuation of eliminating many of those services, as has, of course, been the case in many of the northern areas of our country, then I suppose the people in the northern areas have a right to expect that people who live in cities will pay an equal share of maintaining this essential and proud service. I should like to give the minister an opportunity to comment and to assure us that he is cognizant of the situation.

Mr. Fraser: I want to thank the hon. member for raising this issue. He comes from a riding in which a great many people live in rural areas and he is cognizant of the situation he describes. I invite the hon. member and others to bring to my attention anomalies which come to their attention. I have noticed there is no hesitation on the part of hon. members to approach me directly with regard to problems in the Post Office.

I will say this: the cost of providing a national postal service is high. However, hon. members will be pleased to know that, as stated in the annual report—and I am generously giving some credit to the former postmaster general who is here with us in the House—the deficit is going down. It is down again by another $70 million or $80 million. The total deficit, if one includes the revenues the Post Office produces, is about $450 million. There are departments in the government which cost much more than that to operate. I am not saying the cost is not high; I am saying the cost is going down.

I can also tell hon. members that in some respects the service is actually increasing and getting better, though I know there are serious difficulties and some anomalies. I thank the hon. member for bringing them to my attention.

Clause agreed to.

Clause 2 agreed to.

Title agreed to.

The Chairman: Shall the bill carry?

Some hon. Members: Carried.

Bill reported.

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

Mr. Knowles: By leave.

Mr. Fraser moved that the bill be read the third time and do pass.

Mr. John Rodriguez (Nickel Belt): As the first speaker on third reading, I shall not delay the House but I do believe some closing remarks are in order before we pass this bill.

First, I want to say that the performance of the Postmaster General (Mr. Fraser) this afternoon augurs well for the future.

Some hon. Members: Hear, hear!

Mr. Rodriguez: I can only hope when they split his personality between Environment and the Post Office that common sense will prevail and that the powers that be will allow him to maintain his role as Postmaster General. I think he may have an easier time dealing with postal problems than with Inco.

• (1730)

The answers which the Postmaster General has given this afternoon were positive in tone, and I want to say that if this attitude is carried forward, then I think the people of Canada can expect an improvement in postal services. I was particularly impressed with the emphatic way in which he dealt with the question of keeping the Post Office together as an entity and his determination to transform the Post Office into a Crown corporation. Indeed, it was a welcome statement from the front benches these days which runs contrary to the neo-Conservative movement on the other side, according to which, instead of privatizing, we are now seeing a move toward Crown incorporating. That is indeed a most welcome statement.

It seems that the Postmaster General has come down firmly on the side of service. He recognizes that in a mixed economy there is a role for a Crown corporation to play, a Crown corporation that has unitary management and that can indeed cross-subsidize from those operations that are profitable to those that are mainly providing a service, and hence will oftentimes run a deficit. That is indeed a welcome principle to be established.

One would only hope that his sweet voice of reason with respect to the Post Office can sway those neo-Conservative minds on the other side with regard to Petro-Canada, because, in the same way, one can see Petro-Canada as being a service to the people of Canada. Indeed, it is a very appropriate comparison. It can be readily compared to the securing of energy for the Canadian people, in the form of the very oil that lights our industry and that keeps this great country going. When one compares it to mail delivery, one recognizes that it is equally, if not more, important.

I was also very pleased with the minister's attitude, certainly a very open attitude, towards those who are unionized in the Post Office as well as toward postal workers who are not unionized. The minister has an openness of attitude toward

the work place which is in contrast to what we saw in the revolving door policy of the previous government with respect to the position of the postmaster general. Indeed, how can one develop a meaningful relationship based on trust and communication when every six months the door is revolved and, lo and behold, a new joker jumps up and becomes postmaster general? In the space of eight years we saw six postmasters general. Before we even became accustomed to one postmaster general, lo and behold, he would be gone to run the RCMP while another postmaster general arrived to succeed him. It seems that this is vastly different from what we saw previously.

What I was also impressed with was the minister's decisiveness with which he intends to deal directly with the trade union movement in the Post Office. In the previous postmaster general we had an isolationist. He prided himself on having effectively run the Quebec City administration without a strike. That was easy because there was no trade union in the Quebec City administration. He believed slavishly every single thing his top bureaucrats told him. He was new to the position, he did not trust his own judgment, and he was not prepared to be open and speak out truthfully on the situation.

The answers given by the present minister today show us that there is hope that he at least will get to the bottom of the problem and seek the source of it, whether it be in management, whether it be one of the workers, or whether it be a technological problem. That is most helpful indeed.

The last point I want to make before sitting down is on the question of bringing an order in council under the Financial Administration Act so Parliament can have a say on it. That is extremely important when the government which sits on the other side has only 38 per cent of the vote.

An hon. Member: No, 35 per cent.

An hon. Member: No, 36 per cent.

Mr. Rodriguez: I hear 36 per cent. I heard 35 per cent and I have also heard 38 per cent, so I will stay in the middle and keep to 36.5 per cent.

Mr. Knowles: How about 35.6 per cent?

Mr. Rodriguez: Well, somewhere between 35 per cent and 38 per cent of the vote. It is a very important principle. We all recognize the limited mandate that this imposes, in effect. The principle that this bill establishes, which is the principle of Parliament having a say on orders in council made under the Financial Administration Act, is an extremely important principle as we move toward "privateering". I refer to privateering de Havilland and privateering Canadair.

An hon. Member: "Buccaneering".

Mr. Rodriguez: We know full well, and I bring this to the attention of hon. members and to people's attention, that the union leadership of de Havilland met with the President of the Treasury Board (Mr. Stevens) who, when asked whether he would bring the decision of privateering to Parliament, said no, he would not. I think that that would really be flying in the face of the principle which this government has started with Bill C-11.

So I urge members on the other side—and note that I am being reasonable today—

An hon. Member: You ought to see him on other days!

Some hon. Members: Hear, hear!

Mr. Rodriguez: It is very obvious that the Postmaster General brings out the best in me. That is more than I can say about the previous "Evel Knievel". Therefore, I would urge that principle upon members on the other side and ask that they remain constant with that principle which the bill envisages. Sure, the government might adopt the position of privateering, but there are others in the House who oppose it, and there are people in the country who may have another opinion. After all, all of them did not vote for this government. Therefore, that principle should be preserved and Parliament should be allowed to decide. Let the people's elected representatives decide. I wish the minister well and I want him to know that my services as Post Office critic on this side of the House are at his disposal. Should he ever require them, I will certainly be available at any time and will co-operate in trying to develop the Post Office as a useful and serviceable institution for the people of Canada.

Mr. Gordon Taylor (Bow River): Mr. Speaker, I will not delay the House very long but I want to commend the minister for what he has already done and express the hope that a great deal more will be done in order to get our mail moving the way we and the people of Canada expect it to move.

There are two points I would like to mention. My observations of the Post Office system since I have come here are, first, that there is not a definite chain of command throughout the Post Office. I find that there is authority at many of the local levels allowing the man in charge to make decisions and to have them carried out, but there has been so much red tape in the laws and regulations that have evolved over the last several years that it is not possible to hold a man responsible unless he is given authority to act, and if reference to Ottawa is required, which takes a period of three or four months, this does not lead to good administration at the local level or at any level, particularly at the regional level. These are able people, I believe, and if they are not, they should not be there.

● (1740)

I have been impressed with the ability of many people in the Post Office. If they were given the authority to deal with items at the local level, I think they could do so. Also, that chain of command has another effect. If something goes wrong, the minister or the deputy minister can put his finger on the responsible person. That person must hold that responsibility and rise up to it. If a change such as this was made, I believe we would see a tremendous improvement in our postal service almost overnight.

We should not expect the hon. minister to press a button and suddenly cure all the ills of the Post Office today. I

commend him for the manner in which he is looking at every problem in an attempt to solve them one by one. If the chain of command and responsibility at the local level are put together, I believe there will be a tremendous improvement in the Post Office in very short order.

Some hon. Members: Hear, hear!

Mr. Mark Rose (Mission-Port Moody): Mr. Speaker, I congratulate the minister and his department. I am pleased with his change of style in that he is attempting to respond fully to questions raised by various members, which I am sure the House appreciates. I should like him to know that.

My original intention was to say that the cabinet indicates that all the red Tories occupy the front benches and that all the prehistoric reactionary ones are in the back benches, but I realized that I was forgetting about the finance portfolio and could not make such a statement.

Some members urge an abandonment of the revolving door postmaster generalship and at the same time wish the minister greater longevity in his portfolio. That ignores the possibility when the Post Office is turned into a Crown corporation that there will not be the position of Postmaster General. Perhaps there will be someone in the House answering for Crown corporations, and the title "Postmaster General" will become part of our history. Members on this side will be pleased about that because we believe, as do the unions and other political parties, that perhaps the establishment of Crown corporations will result in a solution of some of the problems and will overcome the limitations in the current Public Service Staff Relations Act. Perhaps it will allow access to better breaks in terms of labour legislation and other matters. I am not debating that at the moment, but it is somewhat contradictory to wish the minister a long and happy life in his portfolio and to wish for an early start on Crown corporation legislation.

Someone mentioned the schizophrenia relating to the joint portfolios of Postmaster General and Minister of the Environment, but I think it was a very shrewd move on the part of the Prime Minister (Mr. Clark). As Postmaster General the minister can be in charge of distributing all the litter, and as Minister of the Environment he has responsibility for cleaning it up.

Someone mentioned that essentially the Post Office is a service, and I think a lot of members would agree. Also I think the minister mentioned that he was proud of the reduction in the deficit.

Mr. Benjamin: The deficit is being reduced by a reduction of service.

Mr. Rose: The government is reducing the deficit by reducing not only services, but by increasing the first class letter rate. Perhaps it could be justified, but equivalent increases should be applied to the other classes of mail. Many of the second and third class pieces of mail are flyers that are distributed by businessmen.

Mr. Rodriguez: And members of Parliament.

Mr. Rose: Yes, members of Parliament. I am not suggesting that these classes should be cut. God knows, we are inundated daily with business flyers and the like. Perhaps they should be subsidized to some extent, because they provide people with an opportunity to comparison shop in their homes. But I think second and third class mails should bear their share of increases in an attempt to reduce the deficit. We should not restrain ourselves right out of the post office business. Second and third class mail should bear equivalent cost increases, depending on the proportion of the post office costs they represent. The first class rate has been increased on two occasions in the last year. Perhaps I am wrong in that comment, but that is my recollection.

In conclusion, I should like to indicate that someone seems to be in doubt about the exact percentage of votes accorded to the government in the election results of May 22. I think the government has done exceedingly well, because with 36 per cent of the vote it achieved nearly half the seats, whereas our party got 18 per cent of the votes and 9 per cent of the seats. If that is not a call for proportional representation in the House, I do not know what is.

Mr. Blenkarn: There are too many of you as it is.

Mr. Rose: Someone is suggesting that there are too many of us. I hope that is not an example of Conservative arrogance. Regardless whether the hon. member opposite likes it or not, the people put us here.

Mr. Blenkarn: The people put me here as well.

[*Translation*]

Hon. J. Gilles Lamontagne (Langelier): Mr. Speaker, after spending a few hours listening to the remarks about the Postmaster General (Mr. Fraser) and, in the final analysis, the congratulations extended to the Messiah-minister, to the miracle worker Postmaster General, and also while waiting for my friend for Nickel Belt (Mr. Rodriguez) to address us a few last words in French, probably to bring the debate to a close, I think I should merely like to say that I listened very closely to the advice the Postmaster General got from the New Democratic Party.

I also took good note of the answers of the minister, and I can assure hon. members that they will be pinned up in my office; every time his intentions are transformed into actions and results, I shall be very pleased to cross them out, to show that the problem has been solved. I do not particularly want to congratulate the Postmaster General because, in a sense, that is his work, his responsibility and I know what responsibility that is; all I hope is that next year, when he tables his annual report for 1979-80, it will show that the year has been as efficient and productive as was the one of which we gave an account in our own last report.

[*English*]

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

Federal Business Development Bank

FEDERAL BUSINESS DEVELOPMENT BANK ACT

RENUMBERING OF CERTAIN SECTIONS

Hon. Ron Huntington (Minister of State for Small Businesses and Industry) moved that Bill C-4, to amend the Federal Business Development Bank Act, be read the second time and referred to the Standing Committee on Finance, Trade and Economic Affairs.

He said: Mr. Speaker, as I commence second reading debate on Bill C-4, a bill to amend the Federal Business Development Bank Act, I should like to start with a short summary of the bank's history. In 1974, the Federal Business Development Bank Act was passed by Parliament. It contained a section which provided for a maximum amount of paid-in capital to be provided by the government, $200 million. The act also provided a formula for the maximum lending commitment by the FBDB which effectively limits the bank's outstanding loan commitments to about $2.2 billion.

● (1750)

The FBDB Act provides that the bank can make loans where financing is not available under reasonable terms and conditions from private lenders.

Small business financing has been growing very rapidly in the past few years and this has been reflected in chartered bank loans and those of other private lenders. In addition, the strength in small business activity has been reflected in increasing amounts of funds being demanded from the FBDB by small and medium-sized businesses which cannot obtain the necessary term financing from private lenders.

As a result, the bank now has grown from approximately 24,000 customers on the books of the Industrial Development Bank, its predecessor, which had $1.2 billion outstanding at the time of the parliamentary consideration of the FBDB Act, to nearly 38,000 customers and $2.1 billion outstanding today.

Thus, after five years of operation since the passage of the FBDB Act, the bank is approaching the $2.2 billion lending ceiling. This is not surprising; in fact, it was almost traditional that such ceilings in the successive revisions of the Industrial Development Bank Act be set at a level which would cover about five years' operations, after which the bank's legislation would be reviewed.

A review of FBDB's objectives and policies is currently under way, but a housekeeping amendment is required in the interim in order to allow the FBDB to continue to service the financial requirements of small and medium-sized businesses. In any event, the government's position is that it is preferable to come to Parliament with the results of a thoroughgoing review of small business financing and the implications for the range of federal programs involved, rather than proposing extensive changes to the FBDB Act alone.

In summary, we have a Crown corporation for which some absolute financial limits were built into its legislation five years ago, and these are now being reached. While review and consultation on the future direction of federal intervention in business financing is timely and is being undertaken, there is no reason to impair the corporation's current operation during this review process. Therefore, the government is recommending that Parliament adopt interim legislation to allow the corporation to continue to operate on a "business as usual" basis for an additional period of time, pending the broader review of federal programs in the business financing field including, of course, the Federal Business Development Bank.

The route proposed for increasing the lending authority of the FBDB is to increase the ratio of outstanding loans to paid-up capital. The advantage that this would have is that no additional federal budgetary expenditure for paid-in capital would be required. This would be in keeping with the general policy of restraint on federal expenditures.

The Federal Business Development Bank is currently lending $75 million per month on average. At an average of just over $50,000 per loan, this represents 1,500 Canadian businesses per month which get term loans approved by the bank. If this amendment is not passed, the FBDB will only be able to lend an amount equal to the repayment of existing loans. This would cause the FBDB loan approvals to drop to one-third of their current level so that only 500 rather than 1,500 small and medium-sized businesses would be assisted. This would be at variance with generally accepted policy at the federal level that government intervention should be designed to reduce obstacles for small businesses to obtain funding on reasonable terms and conditions.

The provisions of the proposed amending legislation would automatically raise the Federal Business Development Bank's maximum lending authority to $2.6 billion. Depending on both the level of the bank's loan authorizations in the coming months and the timing of the review of FBDB and other programs, this may or may not be sufficient to meet the bank's cash requirements until a more extensive revision to the legislation occurs. Should the bank's financial requirements exceed the $2.6 billion level during this review period, the current amendment would empower the governor in council to make a further upward adjustment.

Any limitation on the bank's ability to make loans would have adverse effects on the Canadian economy. The bank's financing is estimated to assist in the start-up of over 2,000 enterprises per year in Canada. In terms of employment, FBDB financing in 1978 was estimated to assist in the creation of some 20,000 new jobs the preservation of 16,000 existing jobs. To the degree that the bank's lending operations are restrained, its beneficial effects on the Canadian economy will be lessened. This would be particularly important in small towns and rural areas because the bank's penetration is higher in these areas which are not as well serviced by the private lenders as are the major metropolitan centres.

The bank's loans and equity investments have other beneficial economic effects. For example, there are positive trade balance effects when FBDB customers are successful in producing goods and services which replace imports or enter the export markets.

The bank has grown from four branches in the early 1950s to 25 branches in mid-1969, and now has some 100 branches

and sub-branches scattered across Canada. In contrast to other sources of financing, and in particular the chartered banks, over 66 per cent of the bank's branches are outside major metropolitan centres. This year the bank is opening branches in Clarenville, Newfoundland; St. George de Beauce, Quebec; Cornwall, Ontario; Yellowknife, N.W.T.; Fort St. John, British Columbia, and Whitehorse in the Yukon. Few of these locations can be regarded as "profit centres" in the conventional sense. They do, however, reflect the current developmental character of the bank. The bank also routinely conducts over 8,000 visits each year to bring its services to communities where it does not have a branch.

Looking at the ratio of FBDB customers to the number of businesses, the bank's penetration rates are highest in the coastal provinces and territories, Atlantic, Pacific and Arctic. For example, in Newfoundland and the Northwest Territories about one business in five uses the bank for part of its financing requirements. In the maritimes and British Columbia the ratio is about one in seven. Conversely, in the span of provinces running from Quebec to Saskatchewan, FBDB clients represent only about one out of every 18 firms. This is undoubtedly a reflection of the fact that the private financial sector, including co-operatives and credit unions, is better developed in central Canada and, therefore, there has generally been less requirement in central Canada for the FBDB.

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

* * *

BUSINESS OF THE HOUSE

Mr. Pinard: Mr. Speaker, on a point of order, I should like to ask whoever is responsible for the business of the House what business we have for tomorrow.

Mr. Kilgour: Mr. Speaker, government orders for tomorrow will be Bills C-10, C-3, C-5 and C-14. If my colleague wishes me to give the names I will do so, but perhaps the numbers are sufficient.

Mr. Knowles: They are sufficient.

The Acting Speaker (Mr. McCain): It being six o'clock p.m. this House stands adjourned until tomorrow at two o'clock p.m., pursuant to Standing Order 2(1).

At six o'clock the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Thursday, October 25, 1979

The House met at 2 p.m.

• (1405)

ROUTINE PROCEEDINGS

[*English*]

AGRICULTURE

CHICKEN IMPORT QUOTAS—MOTION UNDER S.O. 43

Hon. E. F. Whelan (Essex-Windsor): Mr. Speaker, I rise, under the provisions of Standing Order 43, to put a motion on a matter of urgent and pressing necessity.

In view of the dislocation to agricultural production that will result from the declarations made by the Minister of Industry, Trade and Commerce and Minister of State for Economic Development (Mr. de Cotret), and the Minister of Agriculture (Mr. Wise) on Friday, October 19, establishing import quotas for chicken without proper consultation with the provincial governments, the Canadian Chicken Marketing Agency, or the provincial chicken marketing boards, and based on a non-representative period of importation, I ask leave to move, seconded by the hon. member for Laval (Mr. Roy):

That the House instruct the government to properly consult the provincial governments, the Canadian Chicken Marketing Agency and the provincial chicken marketing boards, and then, at the ministerial level, to renegotiate the chicken import quotas with the United States in order to obtain an import quota of 1 per cent of Canadian production, as recommended by the Canadian Chicken Marketing Agency and based on the GATT principle of a previously representative period from 1969 to 1973, and that if the U.S. does not agree to the revision, the matter be placed before GATT arbitration in Geneva.

Mr. Speaker: Such a motion could be debated at this time only with unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

AIR TRANSPORT

CLOSURE OF WEATHER STATION—DETRIMENTAL EFFECT ON AIR SAFETY—MOTION UNDER S.O. 43

Mr. Keith Penner (Cochrane): Mr. Speaker, I rise, under the provisions of Standing Order 43, to introduce a motion on an urgent and pressing matter, namely, the decision of the Department of Supply and Services to terminate the contract for the weather observation and recording services and closure of the weather station at Geraldton, Ontario.

The Geraldton weather station is one of the top three in Ontario and serves a large area between Thunder Bay and Kapuskasing. With the opening of a new airport at Geraldton next month, air traffic will increase significantly and the closure of this weather station presents a problem for aviation safety in the area.

Therefore, sir, I move, seconded by the hon. member for Thunder Bay-Nipigon (Mr. Andras):

That this House direct the Postmaster General and Minister of the Environment, and the Minister of Transport, to intervene personally in order to prevent closure of the Geraldton, Ontario weather station which would jeopardize air safety in the area.

Mr. Speaker: The introduction of such a motion for debate, pursuant to Standing Order 43, can be done at this time only with unanimous consent. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

THE CANADIAN ECONOMY

INCREASE IN INTEREST RATES—CALL FOR RESIGNATION OF MINISTER OF FINANCE—MOTION UNDER S.O. 43

Mr. Andy Hogan (Cape Breton-East Richmond): Mr. Speaker, I would like to move a motion under Standing Order 43 regarding an extremely urgent and pressing matter.

As the present Minister of Finance (Mr. Crosbie) stated when in opposition, the Atlantic region is the hardest hit when the government increases its interest rate to record levels, causing increased unemployment, extensive bankruptcies and economic stagnation, I move, seconded by the hon. member for Sault Ste. Marie (Mr. Symes):

That this House condemns the Minister of Finance for his betrayal of Atlantic Canada and urges his immediate resignation.

Some hon. Members: Hear, hear!

Mr. Speaker: Order, please.

S.O. 43

[*Translation*]

SOCIAL SECURITY

REQUEST FOR ADDITIONAL FUNDS FOR CONSTRUCTION OF SENIOR CITIZENS' HOMES—MOTION UNDER S.O. 43

Mr. Irénée Pelletier (Sherbrooke): Mr. Speaker, under the provisions of Standing Order 43 I request the unanimous consent of the House to present a motion dealing with an important and urgent matter.

In view of the increasing housing needs of the old in Canada, in view of the fact that there are not enough housing units for our senior citizens, and in view of the alarming number of retired people on endless waiting lists of existing homes for the aged, I move, seconded by the hon. member for Matane (Mr. De Bané):

That the Minister of Finance (Mr. Crosbie), when he brings down his budget in November, allot additional, considerable and the required funds for a larger number of housing starts to meet the needs of our senior citizens with a view to achieving the double objective of reducing our seasonal unemployment to a large extent and reducing the ever-growing number of old people in need of decent housing.

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

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

[*English*]

SMALL BUSINESS

PLANNED REDUCTION OF PUBLIC SERVICE—ADVERSE EFFECT ON SMALL BUSINESS— MOTION UNDER S.O. 43

Mr. John Evans (Ottawa Centre): Mr. Speaker, I rise, under the provisions of Standing Order 43, on a matter of urgent and pressing necessity.

In view of the current plight of small business in the Ottawa-Carleton region, and of the drastic implications for these small businesses as a result of this government's plans to cut 60,000 jobs from the public service, and in view of the fact that the federal government is about to sign the Eastern Ontario Rural and Economic Development Subsidiary Agreement with the government of the province of Ontario and to exclude the Ottawa-Carleton region from assistance under this agreement, contrary to the expressed desires of the province, I move, seconded by the hon. member for Ottawa-Carleton (Mr. Pepin):

That this House instruct the government to amend this agreement prior to signing, so as to allow small businesses in the Ottawa-Carleton region to qualify for assistance.

[Mr. Speaker.]

Mr. Speaker: The presentation of such a motion for debate could be done at this time only with unanimous consent. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

● (1410)

EXTERNAL AFFAIRS

SECRET TRIAL OF FIVE CZECHOSLOVAK HUMAN RIGHTS ACTIVISTS—MOTION UNDER S.O. 43

Mr. Otto Jelinek (Halton): Mr. Speaker, pursuant to the provisions of Standing Order 43, I rise on a matter of urgent and pressing necessity.

Earlier this week, a behind-closed-doors kangaroo court In Prague, Czechoslovakia, convicted five human rights activits to a total of 19½ years in jail. In view of the fact that both Canada and Czechoslovakia, amongst other countries, are signatories to the Helsinki Agreement, which in this case has once again been grossly abused, I move, seconded by the hon. member for Windsor West (Mr. Gray):

That this House express its very strong concern to the government of the Czechoslovak Socialist Republic for allowing its so-called courts to neglect the basic decencies of human rights and, further, that the Secretary of State for External Affairs request of the Czechoslovak government that it abide by the Agreement signed in Helsinki in 1975 by both countries and repudiate the decision of that court so as not to further undermine the Helsinki Agreement orginally intended to protect and support human rights activities around the world.

Mr. Speaker: Presentation of such a motion for discussion at this time, in accordance with the terms of Standing Order 43, can be done only with the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Motion agreed to.

* * *

[*Translation*]

NATIONAL UNITY

REQUEST LEGISLATION ON REFERENDUM BE REINTRODUCED TO PROTECT CANADIANS—MOTION UNDER S.O. 43

Mrs. Thérèse Killens (Saint-Michel): Mr. Speaker, I rise under Standing Order 43 to ask for the unanimous consent of the House to introduce a motion on an urgent and pressing matter.

In view of the fact that Quebec Premier René Lévesque wants a "yes" to his referendum question, that we do not yet know the wording of the question, although we know for sure that it will be ambiguous, I move, seconded by the hon. member for Etobicoke North (Mr. MacLaren):

That the House urge the right hon. Prime Minister to "resurrect" the proposed federal referendum legislation in order to protect all Canadians.

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

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

[*English*]

HUMAN RIGHTS

REQUEST GOVERNMENT TAKE STEPS TO SECURE RELEASE OF BULGARIAN, DIMITER KOLEV—MOTION UNDER S.O. 43

Mr. Jesse Flis (Parkdale-High Park): Mr. Speaker, I rise, under the provisions of Standing Order 43, to move a motion of the utmost urgency.

Given the plight of 69-year old Dimiter Kolev, who is imprisoned and in failing health in a Bulgarian concentration camp for the offence of campaigning on behalf of an opposition political party, and given the refusal of the Secretary of State for External Affairs (Miss MacDonald) to meet with Mr. Kolev's son, Stefan, who is in Ottawa at this time, on the grounds that she lacks a basis under international law to intervene on his behalf, I move, seconded by the hon. member for York Centre (Mr. Kaplan):

That this House urge the Secretary of State for External Affairs to meet with Stefan Kolev forthwith as a first step in a campaign by the Government of Canada to secure the release of Dimiter Kolev from detention, consistent with the gospel of human rights espoused by the Secretary of State before the United Nations last September.

Mr. Speaker: Presentation of such a motion for debate at this time, pursuant to Standing Order 43, can be done only with unanimous consent. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

HOUSE OF COMMONS

PRESENCE IN GALLERY OF SPEAKER OF SASKATCHEWAN LEGISLATIVE ASSEMBLY

Mr. Speaker: Before beginning the question period, may I ask hon. members to join with me in signalling the presence in our gallery of a distinguished visitor and my distinguished counterpart from the province of Saskatchewan, Mr. Speaker J. E. Brockelbank.

• (1415)

Some hon. Members: Hear, hear!

Oral Questions

ORAL QUESTION PERIOD

[*English*]

THE CANADIAN ECONOMY

INCREASE IN INTEREST RATE—HARMFUL EFFECT ON THE ECONOMY

Hon. Herb Gray (Windsor West): Mr. Speaker, I have a question for the Minister of Finance. How could the minister have agreed to the advice of the governor of the Bank of Canada to raise interest rates yesterday to 14 per cent, when the governor today told the finance committee he was unable to give to him or the committee his forecast of the effect of this interest rate increase on such matters as jobs, economic growth, mortgage rates, housing starts and small business?

An hon. Member: Resign.

Hon. John C. Crosbie (Minister of Finance): Mr. Speaker, I thank the hon. gentleman for giving me the opportunity to say that I support absolutely the statement that Governor Bouey made to the committee this morning.

While I have not got the transcript of the committee proceedings here yet, I certainly can tell him this, that the move that the governor recommended—and which I accepted and which I accept responsibility for—is one taken after very serious consideration. Because I believe, and the governor believes, that it is in the long-term interest of this country and the Canadian economy, the Canadian people and the small business community whom we represent on this side of the House and whom we are concerned about, that this policy be adopted and that the battle against inflation and the battle to retrieve our economy from where the hon. gentleman's party left it, this is the only way we can proceed today.

Mr. Gray: Mr. Speaker, I have another question for the Minister of Finance. I want to start by saying that the Prime Minister, speaking as leader of the Progressive Conservative Party to the Canadian Construction Association last March 2, said:

Record high interest rates work against confidence because they work against growth—

He went on to say:

Interest rates must come down if we are to get the Canadian economy growing at its full potential. It would be the policy of the Progressive Conservative government to gradually bring these interest rates down.

In light of these commitments I would ask the minister how he and the Conservative government can do just the opposite and agree to these record high interest rates.

Mr. Crosbie: Mr. Speaker, the hon. gentleman is right on: that is our policy and that is what we are going to do. We are going to bring these interest rates down when we have got inflation in Canada under control and when the other western industrialized countries have it under control. We are going to bring the interest rates down when the huge trade deficit of over $7 billion left by the hon. gentleman's government is

brought under control and when the budgetary deficit of $11 billion is brought under control.

Our policies are aimed, Mr. Speaker, at bringing interest rates down as soon as economic conditions permit. That is what we are dedicated to. What prevents us now is the record left by the hon. gentlemen opposite.

Some hon. Members: Hear, hear!

Mr. Gray: A final supplementary question, Mr. Speaker. The hon. minister's policies are just the opposite. He is following the policies of the Mad Hatter in Alice going through the looking-glass.

I want to ask the minister if he will bring in a budget immediately which will state the government's fiscal policies to deal with the country's needs in the face of these high interest rates and the very high increases in energy prices his government is promoting and agreeing to, or is he going to continue on a course of vagueness and evasiveness indefinitely, a course which he has been following and the government has been following for the past five months?

Mr. Crosbie: Mr. Speaker, if it is the Mad Hatter and looking in the looking-glass, the hon. gentleman only has to look in the glass himself to see the Mad Hatter, because he was associated with the minister of finance who also had to agree to interest rate increases because of the shape that his government brought the economy to.

As far as the budget is concerned, I am very anxious to bring down the budget. One matter that is preventing me is this, that there are a number of pieces of legislation left over from the Liberal budget of November, 1978. We cannot bring in our own budget until they are cleared up, because we cannot have our own ways and means motions before the House until that legislation is cleared up. So if the hon. gentleman would co-operate to put through the remnants of their own budget, left shamefully from November to March without any action, then we would bring down our budget. I am very anxious to bring that down and get Canada on a new course and to protect us from the effects of the last budget.

Some hon. Members: Hear, hear!

INCREASE IN INTEREST RATE—EFFECT ON MORTGAGE RATE

Mr. Lloyd Axworthy (Winnipeg-Fort Garry): Mr. Speaker, my question is also for the Minister of Finance. On October 18, 1978, as reported at page 238 of *Hansard,* when in opposition the minister said:

These people are being crucified with an 11½ per cent mortgage rate—

Would the minister make the judgment now that, as a result of his policies and his government's policies we have the mortgage rate going up to 14½ per cent, the people of Canada are not being crucified but are being drawn and quartered by an unmerciful government that no longer has a care for those ordinary people? Does he realize the housing industry is in severe recession; building starts are down 30 per cent?

[Mr. Crosbie.]

• (1420)

Some hon. Members: Oh, oh!

An hon. Member: Order.

Hon. John C. Crosbie (Minister of Finance): Mr. Speaker, I will give the hon. gentleman this opinion that, yes, people are being crucified now with high interest rates because of the record of that last ten years.

Some hon. Members: Oh, oh!

Mr. Crosbie: But, Mr. Speaker, the crucifixion they are having now will be a lot less than they will have in a year or two's time if we do not run this economy properly. That is what our program is dedicated to achieving.

The hon. gentleman should read the statement of Governor Bouey today and see why interest rates have had to continue to go up, and why they have gone up in the United States, and see how serious this issue is.

Mr. Axworthy: Mr. Speaker, my supplementary question is for the Minister of Finance. In the statement of Governor Bouey where he said that he has been making recommendations, is it not true that it is this Minister of Finance who is agreeing with those recommendations, and is it also not true it is this Minister of Finance who refuses to take any action whatsoever to help the consumers of housing who are facing a 30 per cent increase in carrying costs? Is it not this Minister of Finance who refused to take any action to stimulate the housing market, and is it not this Minister of Finance who acquiesces with the minister of housing, whose only action in the housing field is to take people to jail?

Some hon. Members: Hear, hear!

Mr. Crosbie: Mr. Speaker, I suppose I should be devastated by that question.

Some hon. Members: Oh, oh!

Some hon. Members: Hear, hear!

Mr. Crosbie: I introduced into this very House, Mr. Speaker, just two days ago the mortgage interest and property tax deductibility bill that is going to help stimulate our housing industry—

Some hon. Members: Hear, hear!

An hon. Member: That is a joke.

Mr. Crosbie: —and help the Canadian home owner, whom the hon. gentleman opposite left unaided and who opposed that measure in the election. I call on the hon. gentleman to whip through this mortgage interest and property tax deductibility bill so he can help the home owners he says he is so concerned about.

Some hon. Members: Hear, hear!

INCREASE IN INTEREST RATE—AUTONOMY OF CANADA IN SETTING RATES

Mr. Bob Rae (Broadview-Greenwood): Mr. Speaker, my question is addressed to the Prime Minister. I realize that being Prime Minister is never having to say you are sorry.

Can the Prime Minister reconcile two statements that he made? The first statement was one he made in this House February 13, 1979, that Canada should not be a follower of the United States interest rate policy, but should be a leader in its own interest rate policy. The second statement of the Prime Minister at that time was that the high interest rate policies of the Liberal government were leading Canada to the most expensive monetary policy in its history.

Could the Prime Minister explain to this House whether things have now changed to the extent that this is no longer true, and how does he reconcile these statements and the statements that were made this morning by the governor of the Bank of Canada and in the House today by the Minister of Finance?

Right Hon. Joe Clark (Prime Minister): Mr. Speaker, the position of the Government of Canada as expressed by the Minister of Finance is that this government has a heavy obligation upon it now to show leadership, which the former government refused to show—

Some hon. Members: Oh, oh!

An hon. Member: You will go to 15 tomorrow.

Mr. Clark: —in dealing directly with the very tough economic decisions that have to be faced. That is the only way, by taking tough decisions now, that we can avoid much more difficult problems for Canada in the future.

Mr. Rae: Mr. Speaker, in one of his "Elliott Ness" statements the other day, the Prime Minister said that inflation was public enemy No. 1. If that is true, will he please explain to the House the logic of increasing energy prices to the world level, the logic of the mortgage interest tax credit of which the Minister of Finance is so proud, and is clearly inflationary, and the logic of high interest rates which the Hon. James Gillies, in his previous incarnation as a critic of the government, said were causing inflation? How does he square the circle which he has presented to the House of Commons these past three weeks?

Some hon. Members: Hear, hear!

Mr. Clark: Mr. Speaker, I should not let go uncontested the suggestion about energy prices which, of course, reflects speculation on the part of the hon. member. Once again, the purpose and the view of this government is that what we have to do, if we are going to restore confidence in the Canadian economy and take serious steps toward reducing inflation and, in time, reducing interest rates, is to face tough decisions now. That is what the governor of the Bank of Canada is recommending. That is the advice with which this government agrees and on which we are acting.

● (1425)

Mr. Rae: It is the same advice the governor has been giving for a long time, and both of the old-line parties have been following it. I would like to ask the president directly—

Some hon. Members: Oh, oh!

An hon. Member: God forbid!

Mr. Rae: I would like to ask the Prime Minister directly to give the House a clear statement on whether it is the policy of the Government of Canada to restrict credit and cause a recession. If it is, how does he square the circle this time? How does he square that with a statement in the House last week that it is the intention of his government to get the economy working again? How can he do that and have the highest interest rates in Canada's history at the same time?

Mr. Clark: Mr. Speaker, it is the policy of this government to avoid recession in this country, to restore confidence in this country, and to get enough confidence in the economic policies of the Government of Canada that we can begin to move the country toward a reduction in interest rates, a reduction in inflation and a general sense of confidence in not only the strength of the Canadian economy but in the determination of the Government of Canada to deal directly with the tough problems this government inherited from the former government.

Some hon. Members: Hear, hear!

* * *

[*Translation*]

FEDERAL-PROVINCIAL RELATIONS

CONTRIBUTIONS OF CROWN CORPORATIONS TO PRO-CANADA

Mr. Fabien Roy (Beauce): Mr. Speaker, last October 10, I asked a question of the right hon. Prime Minister concerning the policy followed by the previous government, which was to allow Crown corporations to subscribe generous amounts to the Pro-Canada committee. I should like to ask—

Some hon. Members: Question!

Mr. Roy (Beauce): I understand the nervousness shown by the official opposition about the question. Mr. Speaker, I should like to ask the Prime Minister, who had said then that he would examine the matter and report back to the House, whether he is now ready to inform the House of the decision taken by his government on this matter?

Right Hon. Joe Clark (Prime Minister): Yes, Mr. Speaker. It is the position of the Canadian government that a Crown corporation should not subscribe to a campaign pertaining to a referendum in the province of Quebec. We are now preparing—

An hon. Member: Guidelines!

Mr. Clark: No, not guidelines, but criteria and perhaps also some changes to be brought to the Canadian legislation. I have already written a letter to the presidents of two Crown corporations, namely Air Canada and the CN, to explain to them the position of the Canadian government.

REQUEST MINISTER TABLE COPY OF LETTER SENT TO TWO CROWN CORPORATIONS

Mr. Fabien Roy (Beauce): Mr. Speaker, I would like to ask a supplementary question. Considering that the Prime Minister is referring to a letter he sent to two presidents of Crown corporations, I want to ask him whether he would agree to table a copy of that letter before the house. I would also like to know whether specific directives have been given with relation to a drive to raise funds in the name of other corporations.

Right Hon. Joe Clark (Prime Minister): Mr. Speaker, I do not have those letters with me today, but I will probably have them tomorrow and I will table them. I should add that no specific directives have been given to the other public servants referred to by the hon. member.

* * *

CANADA MORTGAGE AND HOUSING CORPORATION

PROSECUTION OF PERSONS IN DEFAULT ON MORTGAGES—GOVERNMENT POSITION

Hon. J. Gilles Lamontagne (Langelier): Mr. Speaker, I have a question for the minister responsible for the Canada Mortgage and Housing Corporation.

[*English*]

The government seems intent in cutting off its nose to spite its face. On one hand it is raising the bank rate, and thus mortgage rates, to unprecedented levels, and then threatening legal action and a tough policy for people who default on their mortgages, on the other. Does the government seriously propose to take people to court for mortgage defaults caused by its own high interest rate policy?

Hon. Elmer M. MacKay (Minister of Regional Economic Expansion): Mr. Speaker, I want to assure the hon. member that this minister does not wish to be unduly harsh on anyone, particularly if part of the cause is high interest rates. On the other hand, it would appear that there were some unfortunate conditions and policies which have placed CMHC in the position where to fail to enforce ordinary legal remedies would not be in the best interests of the taxpayers of this country.

● (1430)

[*Translation*]

MEASURES TO ASSIST MORTGAGE DEFAULTERS

Hon. J. Gilles Lamontagne (Langelier): Mr. Speaker, I have a supplementary question.

[Mr. Clark.]

After only three months, the additional charge due to the mortgage rate increase on a $50,000 mortgage is $1,700. What does the minister intend to do to help people who cannot assume this additional charge because they live on a very tight budget?

[*English*]

Hon. Elmer M. MacKay (Minister of Regional Economic Expansion): Mr. Speaker, it is not only Canadians who have particular problems with housing who need assistance; the problem is wider than that. The government is not unmindful of what has to be done, but I would say that some of the policies which have been introduced, including the tax credit on mortgage interest and municipal taxes, will alleviate the unfortunate effects of these high interest rates.

It is all very well to say it does not affect everyone, but neither do child tax credits help childless couples. You do not see too many young people benefiting from old age pension cheques, either. It is not that simple.

[*Translation*]

INQUIRY WHETHER GOVERNMENT IN FAVOUR OF CONSTRUCTION OF RENTAL HOMES

Mrs. Céline Hervieux-Payette (Mercier): Mr. Speaker, my question is directed to the minister responsible for the Canada Mortgage and Housing Corporation. I wonder if he is aware of the fact that the property tax deductibility bill will greatly encourage the conversion of apartment buildings into condominiums. As the rental housing sector has deteriorated and its share has been reduced by 32 per cent since September, have any provisions been incorporated into the act to prevent the conversion of apartment buildings into condominiums and to encourage new starts in rental homes to protect tenants who are often senior citizens or small-income families?

[*English*]

Hon. Elmer M. MacKay (Minister of Regional Economic Expansion): There are measures which would be very helpful for the kind of Canadians to whom the hon. member refers. She will get the exact details of the legislation, along with everyone else. We are looking for ways to address this problems but, again, as she will understand, it is not possible to do as much in the way of housing policy as we would like. There are many in this chamber who would favour some sort of shelter program: some of the provinces have already begun to act along these lines; but we cannot do everything at once.

[*Translation*]

PUBLIC SERVICE

INQUIRY WHETHER COMMITTEE WILL STUDY EMPLOYMENT AND LABOUR RELATIONS LEGISLATION RESPECTING PUBLIC SERVICE

Mr. Jean-Robert Gauthier (Ottawa-Vanier): Mr. Speaker, my question is directed to the President of Privy Council.

A few days ago the minister indicated in the House that the D'Avignon report had been referred to a cabinet committee on the public service. Could the minister advise the House whether a special study group or committee or task force has been set up within his department to review the Public Service Employment Act and the Public Service Staff Relations Act? If he can confirm that such a committee exists, would he be prepared to table the guidelines which this committee will follow, and name the members of this committee?

[*English*]

Hon. Walter Baker (President of Privy Council and Minister of National Revenue): Mr. Speaker, there is no task force set up within my department to study the D'Avignon report, although I must say I am looking at the recommendations myself and there are officials within the government who are looking at them as well.

It is my intention to take the matter to the cabinet committee on the public service as soon as I am in a position to do so. I should inform the hon. member that later this week I shall be sending to each of the public service unions a letter indicating my interest in getting some feedback from them with respect to the report. I am doing the same in the case of the Public Service Commission, and if the hon. member or any hon. member has any helpful suggestions to make, I would certainly welcome them as well.

Mr. Gauthier (Ottawa-Vanier): Mr. Speaker, my supplementary question will be addressed to the President of the Treasury Board. This morning, the Comptroller General appeared as a witness in one of our committees. One theme which I think is common to both the D'Avignon report and the Lambert commission report is that training and development for both employees and managers in the public service should be increased in order to help these people create a more productive, efficient and effective public service.

How does the President of the Treasury Board reconcile these recommendations, which are made in both reports as well as by the Comptroller General, with the fact that departments in government right now have been forced by Treasury Board to cut back by 50 per cent funds allocated for training and development; and how, in the hon. gentleman's own department, has he coped with these cuts on the financial managers, the people we most need today with new techniques in management? How will he keep training these people so that they can effectively enforce the methods proposed by the Comptroller General?

Hon. Sinclair Stevens (President of the Treasury Board): I should like to assure the hon. member for Ottawa-Vanier that we have no intention of cutting back on the training process which is available within the public service to assist people in being re-employed within the public service.

As to the suggestion that there have been cutbacks in some departments to the extent of 50 per cent, I would appreciate it if the hon. member would inform me in specific detail what he is referring to, whereupon I will look into it.

* * *

CANADA MORTGAGE AND HOUSING CORPORATION

ACTION TO PREVENT FURTHER MORTGAGE DEFAULTS

Mr. Simon de Jong (Regina East): Mr. Speaker, my question is directed to the minister responsible for CMHC. In view of the fact that today's interest rates will mean an increase in mortgage rates from the current 14 per cent level to 15 per cent, an increase of some 3 per cent since this government came to power, can the minister tell the House what action he is taking to prevent additional thousands of mortgage defaults under CMHC, the number of which, I understand, totals around 31,000 and which are taking place in Canada today due to the government's high interest policy?

Hon. Elmer M. MacKay (Minister of Regional Economic Expansion): Mr. Speaker, the hon. member has asked a very interesting question. I think that if he studies the matter, he will understand that the people who are defaulting on mortgages at the present time are defaulting on money borrowed at much lower rates of interest in previous years, not because of today's interest rates.

CAMPAIGN PLANK TO REDUCE COST OF HOMES

Mr. Simon de Jong (Regina East): My supplementary is to the Prime Minister. During the election campaign, on April 11, the right hon. gentleman promised to cut the cost of buying homes by some 20 per cent, yet we have seen mortgage rates increase from 11 per cent to 14 per cent; in fact, they have increased some 25 per cent to 30 per cent annually.

Can the Prime Minister explain to the House why he has reversed his promise to the Canadian people, making it almost impossible for the ordinary person to own and purchase a house?

Right Hon. Joe Clark (Prime Minister): Mr. Speaker, I am somewhat alarmed that so many of those fellows over there have been reading so many of my speeches. They may well end up crossing the floor.

Some hon. Members: Hear, hear!

Mr. Clark: My undertaking during the election campaign was to introduce a program which would reduce the effective cost of housing to Canadians. We shall be doing that with the tabling in this House of the tax credit proposal.

Oral Questions

TRANSPORT

ICEBREAKING SHIPS IN THUNDER BAY

Hon. Robert K. Andras (Thunder Bay-Nipigon): Mr. Speaker, my question is for the Minister of Transport: I have given him notice. It has been the practice, for the purpose of expediting grain handling—a matter of concern to us all—to station an icebreaking ship in Thunder Bay in advance of the freeze-up. I ask the minister, now, if this practice is to be continued. The *Alexander Henry* is the icebreaker which has been used in the past and although it is better than nothing, we really need a larger vessel like the *Sir John A. Macdonald*.

Hon. Don Mazankowski (Minister of Transport): Mr. Speaker, I want to thank the hon. member for giving me notice of this question. It will be the intention of the department to dispatch the *Alexander Henry* to Thunder Bay for this season.

I might add that the vessel is currently undergoing repair in Quebec and that it should be ready to sail by the middle of November, or the end of November—somewhere around that period. I might also say that it will be equipped with an air-cushion icebreaking bow which will improve the effectiveness of its operation.

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THE CANADIAN ECONOMY

INCREASE IN INTEREST RATE—CONNECTION WITH FUTURE INCREASES IN OIL PRICES

Hon. Jean Chrétien (Saint-Maurice): Mr. Speaker, I have a question to put to the Minister of Finance. Because the spread between the U.S. and the Canadian inflation rate is 4 per cent, and in view of the fact the governor of the bank said this morning he had to move because of the anticipated rate of inflation which he related very much to the increase in the price of energy, did the Minister of Finance tell the governor of the bank before the increase in the interest rate what the increase in oil prices in Canada would be next year?

Hon. John C. Crosbie (Minister of Finance): Mr. Speaker, the governor of the Bank of Canada knows as much about any projected increase in energy prices as does the hon. gentleman opposite. The point being made by the governor of the Bank of Canada was that the difference between the inflation rate in Canada and that in the United States—the American rate is now some 4 per cent ahead of us—is due to the fact that they have been experiencing higher inflation costs for the last 12 months as their gasoline and oil prices have gone toward the international level.

● (1440)

This is something we have yet to come to, but we must come to it so that we can get it behind us and get the economy working and expanding for the future. That is why energy prices were mentioned at all. On a comparison of our inflation with the American rate, when we take out energy factors our rate is just about as bad as theirs.

[Mr. Clark.]

Mr. Chrétien: How can the governor of the Bank of Canada anticipate the rate of inflation if he does not know what the increase in oil prices next year will be? He spoke at length this morning about this factor and its moving him to suggest to the Minister of Finance that the anticipated rate of inflation will be much higher next year than it is today.

Mr. Crosbie: Mr. Speaker, the governor, in his statement today, gave several reasons why he believes the inflation rate is going to be higher next year. The money supply has been expanding quite rapidly, despite higher interest rates. Food prices are increasing, and there will likely be an increase in energy prices, which all hon. members know is coming. We do not yet know how high they will go, but an increase in energy prices is coming.

We are importing inflation from the United States; 70 per cent of our imports are from the United States. Wages and salaries are starting to increase. For all these reasons, the governor sees a strong push toward further inflation in Canada. We are determined that we are going to stop inflation in its tracks in the next year or two and get our economy back on its feet again.

Mr. Trudeau: Wrestle it to the ground?

* * *

TRANSPORT

NORTHERN B.C.—ALTERNATE MODES OF TRANSPORTATION WHILE RAILWAY BRIDGE UNDER REPAIR

Mr. F. Oberle (Prince George-Peace River): Mr. Speaker, I have a question for the Minister of Transport. It is with regard to a very serious accident and tragedy, namely, the accident in connection with the destruction of a railway bridge across the Peace River, in northern British Columbia, the result of which is the isolation of the entire northern section of the BCR from the main line.

I would like to ask the minister if he is aware of this problem. I am sure he is. If so, will the Government of Canada be prepared to join with the province of British Columbia in planning a strategy to mobilize other modes of transportation during the time the bridge is repaired? Second, would the government be prepared in the usual manner to join with the province and share the cost of this disaster?

Hon. Don Mazankowski (Minister of Transport): Mr. Speaker, I certainly share the concern of the hon. member about this disaster. I am not aware of any representations which have been made by the provincial government to our government or, indeed, to my department. My understanding is that meetings have been held between the officials of the railway companies, government officials and shippers.

It is my further understanding that a decision has been made to put in place a prefabricated bridge at Pine River which will be installed within a period of a week or ten days.

This will go a long way in alleviating the difficulties created as a result of the burning of the bridge.

* * *

[*Translation*]

PENITENTIARIES

INQUIRY WHETHER INVESTIGATION WILL BE HELD INTO ESCAPE OF TWO INMATES

Mr. Carlo Rossi (Bourassa): Mr. Speaker, in the absence of the Solicitor General I shall put my question to the right hon. Prime Minister.

Is an investigation taking place at present, or going to take place, following the escape of two dangerous inmates who were held prisoner in a federal institution in Quebec, and what measures does the government intend to take to avoid such incidents and protect people?

Right Hon. Joe Clark (Prime Minister): Mr. Speaker, I regret to say that I am not in a position to answer the question of the hon. member. Later today I will see the Solicitor General and seek a precise answer to the two questions put by the hon. member.

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OFFICIAL LANGUAGES

INQUIRY WHETHER COMMISSIONER'S REPORT WILL BE REFERRED TO JOINT COMMITTEE

Mr. Serge Joyal (Hochelaga-Maisonneuve): Mr. Speaker, my question is directed to the right hon. Prime Minister. Considering that when the Prime Minister was sitting on this side of the House he expressed several times his intention and agreement to refer the report of the Commissioner of Official Languages to a joint committee of the Senate and the House, and considering that that commitment has been renewed in the Speech from the Throne delivered last October 9 by the Governor General of Canada, is the Prime Minister prepared to refer immediately to a joint committee of the Senate and the House the report tabled by the Commissioner of Official Languages of Canada in March, 1979, and not wait for the tabling of the next report which will be presented to the House in March, 1980?

Right Hon. Joe Clark (Prime Minister): Mr. Speaker, I share the hon. member's interest in the discussion of Mr. Yalden's report by a parliamentary committee. I would be prepared to agree to a referral of the last report for consideration by such a committee without waiting for the presentation of the next report.

Mr. Joyal: Mr. Speaker, I should like to put a supplementary question. Could the Prime Minister say whether he intends to refer that report to a committee of the House or whether it will be sent to a joint committee made up of representatives of both Houses?

Mr. Clark: Mr. Speaker, we intended to set up a committee of this House, but I would be willing to consult the hon. member and other members, and if there is a consensus to set up a joint committee made up of members of the House of Commons and of the Senate, it would be acceptable to the government.

* * *

[*English*]

AIR TRANSPORT

AIR RADIO OPERATORS' WALKOUT—REQUEST MINISTER INTERCEDE IN DISPUTE

Mr. Maurice Harquail (Restigouche): Mr. Speaker, my question is for the Minister of Transport. In view of the serious nature of the illegal walkout by air radio operators, and in light of the crash at Cranbrook, can the minister inform the House what action he is taking? Will he involve himself within the scope of his responsibilities to bring this serious situation under control in so far as air safety is concerned?

Hon. Don Mazankowski (Minister of Transport): Mr. Speaker, first I would like to point out that under the provisions of the collective agreement, designated employees are obligated and required by law to carry out certain prescribed functions. The fact that employees are not doing that indicates that they are breaking the law.

Reference has also been made to the fact that there have been some alleged violations of safety and security. These alleged violations have been brought to my attention, and they are being looked into. Officials of my department have investigated all the incidents which have been reported, and they have indicated that there has been no substance in so far as any alleged violations of safety and security are concerned. There are slowdowns and some cancellations. About 15 stations are not operating at the present time, but essentially all operations are safe, although somewhat abnormal. Safety and security are not being compromised, according to the reports I have been receiving from my officials.

Mr. Harquail: Mr. Speaker, in view of the seriousness of the safety aspect of this whole question, will the minister indicate to the House that he will at least consult his seatmate, the Minister of Labour, to see if some action can be taken to alleviate this serious safety concern of the travelling Canadian public?

Mr. Mazankowski: Mr. Speaker, I understand that a mediator is meeting individually with both parties. Of course I will consult my colleague, the Minister of Labour. I will consult, also, my colleague, the President of the Treasury Board, because we view this as a very serious matter.

Oral Questions

THE CANADIAN ECONOMY

INCREASE IN INTEREST RATE—ACTION TO AVOID SMALL BUSINESSES DECLARING BANKRUPTCY

Mr. Mark Rose (Mission-Port Moody): Mr. Speaker, I would like to address my question to the Prime Minister. It might normally go to the Minister of Finance, but he looks rather unhappy today so I will direct it to the Prime Minister.

The latest increase in interest rates means that small businesses in Canada will have to pay somewhere between 16 per cent and 20 per cent in order to carry on business. In view of the current astronomical—some might prefer not to exaggerate the situation and say "increasing"—level of bankruptcies in small businesses, can the Prime Minister indicate any special measures his government is planning to assist thousands of small businesses from going under due to the government's current high interest rate policy?

Hon. John C. Crosbie (Minister of Finance): Mr. Speaker, the lot of the Minister of Finance is not a happy one when he succeeds a Liberal government.

Some hon. Members: Hear, hear!

Mr. Crosbie: I have had the unhappy experience twice. I am very unhappy with the present high interest rates and their effect on small businesses, because we are the party which represents and cherishes small business in this country.

Some hon. Members: Hear, hear!

● (1450)

Mr. Crosbie: But, Mr. Speaker, we say to the small businessmen of this country that the action we take now is action calculated to help them in the longer term, and that we will have thousands more flourishing small businesses when we get over this period of temporary high interest rates.

Mr. Rose: Mr. Speaker, I agree with the Minister of Finance that his party enjoys the support of small businesses, and many of them. Also, I would like him to realize that his particular tax policies are well accepted, the give-aways of about $20 billion a year, by the big businesses in this country. I do not know how long he will have the support of small businesses, if this sort of thing is allowed to continue.

INCREASE IN INTEREST RATE—EFFECT ON EMPLOYMENT

Mr. Mark Rose (Mission-Port Moody): I should like to switch my questioning to the Minister of Regional Economic Expansion. Since small business is a traditional source of employment, especially in regions of underdevelopment, can the minister say what his department will do to ensure that further economic stagnation will not continue in the have-not areas of the country?

Further, will he urge his cabinet colleagues to bring in a special winter works program to help the thousands of unemployed and the increasing unemployment we will experience undoubtedly this winter due to this high interest rate policy?

[Mr. Mazankowski.]

Hon. Elmer M. MacKay (Minister of Regional Economic Expansion): Mr. Speaker, the hon. member knows that high interest rates are not in the best interests of regional economic expansion either. But it is something we have to live with.

Some hon. Members: Oh, oh!

Mr. MacKay: To the extent of the resources available, we have tried to compensate for them in various fields. I will take what the hon. member said as a representation, and I can assure him that we will be trying to maximize the resources of regional economic expansion. One way we can do this more efficiently than in the past, hopefully, is to get greater co-operation with line departments and to focus economic development themes in a more unified way.

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AIRPORTS

POSSIBLE DEVELOPMENT OF AIRPORT AT PICKERING—EXPANSION OF TORONTO INTERNATIONAL

Mr. Alex Jupp (Mississauga North): Mr. Speaker, my question is for the Minister of Transport. The Minister of Transport and the Ontario minister of transportation and communications recently released a joint discussion paper on major intercity passenger transportation issues in southern Ontario.

Would the minister give his assurance that no expansion of the Toronto international airport will proceed without consultation with the municipal authorities and, further, would the minister assure us that the lands at Pickering and the adjoining lands will be maintained to protect the long-range option for the development of a major airport at Pickering?

Hon. Don Mazankowski (Minister of Transport): Mr. Speaker, the answer to the first part of the question is that I can assure the hon. member that there will be no decision taken on any airport expansion without full consultation with the municipalities involved. At the present time I am considering the best vehicle through which that consultation can take place.

In answer to the second part of the question, that matter is still under consideration. I hope to be in a position to make a statement relative to the Pickering airport within the next 15 to 20 days.

CONSUMER AFFAIRS

PROTECTION OF CONSUMERS AGAINST RAPID INCREASES IN COST OF LIVING

Miss Aideen Nicholson (Trinity): Mr. Speaker, in the absence of the Minister of Consumer and Corporate Affairs, I will direct my question to the Prime Minister.

In view of the statements by the governor of the Bank of Canada that the prospects for economic activity and employment in the months ahead are less than ideal, and in view of the fact that the year-on-year rate of increase in the consumer price index has now reached 9.6 per cent, even with the lull in the rising price of food, can the Prime Minister say whether his government is considering any special measures to protect consumers with low and moderate incomes against rapid increases in the cost of the necessities of life?

Right Hon. Joe Clark (Prime Minister): Yes, Mr. Speaker, without getting specific as to the measures which are being considered, I can assure the hon. member that such measures are being considered, with the goal in mind of trying to ease the particular burden of price increases upon lower income Canadians.

An hon. Member: Give us some examples.

Mr. Speaker: The hon. member for Davenport.

Mr. Caccia: Mr. Speaker, my question has just been answered.

* * *

HEALTH AND WELFARE

INCREASE IN INTEREST RATE—EFFECT ON DISADVANTAGED PERSONS

Mr. Jim Fleming (York West): Mr. Speaker, my question is directed to the Minister of National Health and Welfare: it falls in line with the further increase in interest rates.

As a result of this steady increase in the interest rate, has the minister ordered a study of the impact of those increases on the poor, the working poor and those on social assistance? If he has done so, has he brought those studies to the attention of the Prime Minister, the Minister of Finance and the governor of the Bank of Canada? If he has not, why not?

Hon. David Crombie (Minister of National Health and Welfare): Mr. Speaker, the effects of interest rates, and indeed economic conditions generally, of course, are always of concern to me and my ministry with respect to the effect on low income Canadians. As a consequence, that is why the provinces have particular roles to play when it affects those sectors of the population, the people at the low income level.

In November we will be holding a preliminary meeting, and later on a general meeting, with respect to all matters relating to the welfare part of the ministry. At that time the effects of these conditions will be dealt with not only by me but also by other ministers of the provinces.

Mr. Fleming: Mr. Speaker, can I ask the minister whether he has discussed with his colleagues in cabinet, or in any other forum, or whether he has been asked by them, to consider the impact of the increase in interest rates? In other words, in his responsibility for health and welfare and all the implications of that, had his advice been sought by the Minister of Finance and the Prime Minister before those interest rates were increased?

Mr. Crombie: Of course, the responsibility in that regard is my own. So my own response to it, Mr. Speaker, was to bring it to their attention, which I did.

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[*Translation*]

ENERGY

PROPANE GAS SHORTAGE FOR DRYING AGRICULTURAL PRODUCTS—GOVERNMENT POSITION

Mr. Paul-André Massé (Saint-Jean): Mr. Speaker, my question is addressed to the Minister of Energy, Mines and Resources. In view of the fact that some propane gas retailers in the Montreal area are now experiencing difficulties in getting their supplies from the refiners, and in view of the fact that it seems that the supplies they were entitled to are being diverted towards the United States and that because of this situation some farmers are unable to dry their crops, will the minister tell the House if he intends to make representations to the refineries so that eastern retailers, and in particular those of Quebec, are supplied on a priority basis, thereby enabling farmers to save their crops?

[*English*]

Hon. Ray Hnatyshyn (Minister of Energy, Mines and Resources): Mr. Speaker, I want to congratulate the hon. member on what is apparently his first question, and to tell him that in fact the matter has been raised concerning a shortage in terms of propane. There have been discussions with the National Energy Board, which establishes the level of propane exports.

Members of the propane industry now are indicating that the problem is essentially one of transportation logistics. Sufficient propane is available, but difficulty has been experienced in lining up the tank cars to move the propane. The board now understands that assistance from a variety of other propane suppliers will alleviate the situation and reduce the problems with respect to the supply of propane.

[*Translation*]

Mr. Massé: Mr. Speaker, I wish to ask a supplementary.

Could the minister give the House the assurance that there is no link between the percentage increase in export sales of

propane and the lack of that commodity in eastern Canada, particularly in Quebec?

[*English*]

Mr. Hnatyshyn: Mr. Speaker, I think the first part of my reply answered that particular supplementary.

* * *

[*Translation*]

THE CANADIAN CONSTITUTION

TRANSFER TO PROVINCES OF JURISDICTION OVER MARRIAGE AND DIVORCE

Mr. Gilles Marceau (Jonquière): Mr. Speaker, my question is directed to the Minister of Justice, but since the senator-minister does not sit in this House, I will put it to the Minister of State for Federal-Provincial Relations.

At the last first ministers' conference, the previous government, in its desire to decentralize power, agreed with the unanimous consent of the provinces to surrender to them the authority in matters of marriage and divorce. Will the minister tell us if his government intends to carry out this transfer very soon and hence do away with the scattering of jurisdictions?

Hon. Bill Jarvis (Minister of State for Federal-Provincial Relations): Mr. Speaker, I am just coming out of a conference with my provincial counterparts responsible for constitutional matters which was held last Monday and Tuesday in Halifax. This government's position is the same as that taken by the former government. In Halifax, I took the same stand and I think we just about all agree on it now.

I believe there will be a meeting of four ministers in November and I hope to settle that issue before the conference of first ministers. I am not sure I can do so, but I am hoping.

* * *

NARCOTICS

REQUEST THAT POSSESSION OF MARIJUANA BE DECRIMINALIZED

Mr. Gilles Marceau (Jonquière): Mr. Speaker, since the minister is in such good spirits, I should like to ask him whether he intends to introduce, on behalf of his government, as early as this fall, a bill to reduce the penalties in the case of simple possession of marijuana as well as a bill creating the office of ombudsman, and whether he has looked into their financial implications?

Hon. Bill Jarvis (Minister of State for Federal-Provincial Relations): Mr. Speaker, that bill is now the responsibility of the Minister of Justice, who, in fact, is now in the process of consulting his cabinet colleagues. I am not sure whether or not that bill will be introduced during this session, but it is a policy we are now looking at.

* * *

● (1500)

[*English*]

THE CANADIAN ECONOMY

INCREASE IN INTEREST RATE—EFFECT ON FARMING COMMUNITY

Mr. Lorne Nystrom (Yorkton-Melville): My question is to the right hon. Prime Minister, Mr. Speaker, and it is on the 14 per cent rate of usury in this country. I think the Prime Minister knows that the increase in the rate of usury, or the rate of interest in this country adds immensely to the farm debt, and the farmers need money to expand their farm operations, buy equipment and purchase land and if they do not get it we may have some shortages in the production of food.

The question I want to ask the Prime Minister is the following: can he give us a commitment today that it is not the intention of the government to privatize the Farm Credit Corporation but, instead, expand its financing to provide loans to farmers at lower interest rates?

Right Hon. Joe Clark (Prime Minister): Mr. Speaker, we are very much interested in helping Canadian farmers, through a variety of means which are under consideration by this government, to expand their operations and to secure a position in which their security as operators will help this country to develop the very real resource we have as a food-producing nation.

Mr. Nystrom: Mr. Speaker, the Prime Minister is learning very rapidly from the Leader of the Opposition. I want him to answer the question. Can the Prime Minister give us a commitment today that he will not privatize the Farm Credit Corporation but, instead, will expand it and make sure we have more money available to farmers at low interest rates? Will he give us the commitment that he will not privatize the Farm Credit Corporation?

Mr. Clark: Mr. Speaker, we are certainly not planning to privatize the Farm Credit Corporation.

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POINT OF ORDER

MR. PAPROSKI—LOTO CANADA—CLARIFICATION OF ANSWER DURING QUESTION PERIOD

Hon. Steven E. Paproski (Minister of State for Fitness and Amateur Sport and Multiculturalism): Mr. Speaker, my point of order has to do with a question asked by the hon. member for Sherbrooke (Mr. Pelletier) which appears at page 551 of *Hansard* for yesterday. It arises from a difficulty in the

translation of the supplementary question, or from the rapidity with which the hon. member asked it.

I should like to make it very clear that there is no plan to approach the provinces to share in any damage claims, as I indicated yesterday, because the corporation has not received any claims by wholesalers. I say that just to clarify the answer to that particular supplementary question.

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[*Translation*]

BUSINESS OF THE HOUSE

WEEKLY STATEMENT

Mr. Pinard: Mr. Speaker, this being Thursday, I should like to put a question to the President of Privy Council (Mr. Baker) about the business of the House. Can he give us the order of business for tomorrow and next week? I should like to ask him to be as specific as possible to spare us asking the same question every day, which we unfortunately had to do all week.

[*English*]

Mr. Baker (Nepean-Carleton): Mr. Speaker, I will be as specific as I can, and in that specificity I will emulate the House leader of the opposition when he was in my position.

We will continue today with Bill C-10, which is the measure to revise the supplementary borrowing authority for the fiscal year 1979-80. When that is completed, and I hope that will be today, we will move to Bill C-4, continuing the debate on the bill with respect to the Federal Business Development Bank. Because it is a short bill, only one clause, following that we want to move to the Municipal Grants Act. We believe it is quite important to get that bill started, and I am sure that view is shared by the hon. member for Ottawa-Carleton.

Hopefully we can proceed tomorrow with the bill to amend the Breton Woods Agreement Act and the bill to revise the Bank Act. As hon. members know, the bill to amend the Bank Act has been the subject of extensive hearings before the parliamentary committee which has virtually concluded its deliberations, and we ought to have no difficulty in dealing with it. If there is any time left on Friday we will deal with a motion on the order paper in my name in respect of televising the proceedings of the committees of the House of Commons. I assume there is no disagreement in that regard, and if there is agreement I might call it earlier than late Friday.

Moving into next week, we will be dealing with the tax bills. We will be introducing the property tax credit bill the Prime Minister referred to in the course of the question period, and we will hopefully be dealing with the following bills, and I will give hon. members an extensive list so they will have them in mind: Bill C-2, respecting the Department of Labour, Manpower and Immigration; Bill C-7, regarding two-price wheat; Bill C-8, occupational training; Bill C-9, livestock feed assistance; and Bill C-12 dealing with the Corporations and Labour Unions Returns Act amendment. That will be followed by Bill

C-13, a measure to adjust the accounts of Canada, and Bill C-15, relating to freedom of information. I understand there may be some disposition to deal with that quickly. We will then deal with C-16, an amendment to the Petroleum Administration Act. Bill C-17 we intend to introduce tomorrow; it is a bill respecting the commissioners of internal economy which was dealt with in the Speech from the Throne.

I wanted to give hon. members that extensive list so they will have these items in their minds. Our purpose, however, will be to begin the week with the tax bills that will be standing in the name of the Minister of Finance, as the Minister of Finance says it is important that these bills be dealt with before he can introduce his own budget.

[*Translation*]

Mr. Pinard: Could the President of Privy Council indicate to us clearly whether he intends to proceed with the uninterrupted study of a bill until it is passed at the appropriate stage or whether he intends to shift from one bill to another, notifying us only the previous day? In other words, if we begin to consider Bill C-2 next Tuesday and do not complete second reading, are we going to continue with the study of that bill on Wednesday or is the President of Privy Council going to advise us at the last minute that there will be another bill to consider the following day?

[*English*]

Mr. Baker (Nepean-Carleton): Mr. Speaker, I will do my best to better the example of previous years with regard to that matter. I indicated the balance of the legislation for this week, and I clearly indicated that it was our intention to start with the tax bills next week. The Minister of Finance has indicated to the House the importance of completing those bills. It is my intention, to the extent that this is humanly possible, to stay with those bills until they are completed. I am as anxious as the Minister of Finance to clean up those things that have been hanging around since the budget of 1978.

Mr. Knowles: Mr. Speaker, first may I ask the government House leader whether he can give a more precise answer than he gave me last Thursday in respect of the bills to amend various pieces of veterans legislation? They have been mentioned in the throne speech; the Minister of Veterans Affairs has told us they are coming and the President of Privy Council says they will be dealt with soon. Can he tell us when they will be on the order paper and how soon we might proceed with them?

The other comment I wish to make, and I do this with all the friendship and goodwill there is between us as Commanche Drive neighbours, is that I hope he will really stay with the proposal that he has just announced to proceed with certain legislation.

• (1510)

We have been told several times that once we got through various pieces of legislation we would go to the tax bills, but each time the tax bills are put off and something is put in their

place. Several times, including today, the Minister of Finance, in almost a fit of temper, said that we cannot do all the fine things the government has in mind until the opposition quits dragging on the tax bills. There has been no dragging on the tax bills because they have not been called.

The government House leader has said today that the tax bills will be called for Monday, and if he means that, I hope that he will say so, that we will start the tax bills at three o'clock on Monday and stay with them until they are finished. Some of us who have been around the House for a while are accustomed to the schedule being changed, but some of my new colleagues think that we are crazy in jumping around the way we do from day to day. I believe that they are right, and I suspect that some of the ministers have been told the same thing. I ask the government to not play it both ways, by telling us that we will not get any good legislation—and I am still looking for it—until we get away from the tax bills and then not calling the tax bills.

Mr. Baker (Nepean-Carleton): I thank my friend, Mr. Speaker, for his neighbourly advice. We do intend to call the tax bills next week and to continue with those bills along the line which the Minister of Finance indicated was important to him from the point of view of the budget. I recognize the difficulty with respect to shifting, but sometimes that is necessary. I do not like it any more than the hon. member for Winnipeg North Centre, and I will try to avoid it as much as possible.

I must say, though, that I am impressed with what has happened with Bill C-6. It has gone to committee. We have dealt with the Post Office Act. I think we are starting on the right foot, and I would like to see it continue.

With respect to the veterans bill, I cannot give the hon. member any different information than what I gave him last week. I think that I attempted to tell him that it was a matter which we regard as important as well. I shall certainly bear in mind his representations in the spirit in which he presented them.

Mr. Knowles: Do something before November 11.

[*Translation*]

Mr. Lachance: Mr. Speaker, considering the unanimous wish expressed by the spokesmen for the opposition on Bill C-15, the freedom of information bill, and given the fact that the minister himself said that he hoped that bill will be enacted before Christmas, and considering the litany of bills he put on the legislative menu for next week, before proceeding with the study of Bill C-15 could I call on him to be so kind as to put that Bill C-15 on the priority list so that it can be referred to the Standing Committee on Justice and Legal Affairs, so that the necessary comments on it can be made and so that it comes back eventually before the House to be passed before Christmas?

[Mr. Knowles.]

[*English*]

Mr. Baker (Nepean-Carleton): Mr. Speaker, I too am very interested in that bill, and I am glad to see that the hon. member is also interested. I do need some agreement from the other side with respect to the progress in legislation. I am prepared to sit down and discuss any proposals in dealing with these tax bills and other bills with the other side through the usual channels, so that we can allocate a certain amount of time upon which we all agree to those bills. I am quite open on that matter.

I should alert hon. members to the fact that there is a reference on the order paper now dealing with the nuclear investigation committee. There were four select committees announced in the Speech from the Throne on subjects which I think will be of interest to all hon. members. When we get down to discussing these matters, I would like to discuss a fixed time within which we might consider them, giving a reasonable time for debate so that the committees of the House can get working as well. I thank the hon. member for his suggestion.

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POINT OF ORDER

MR. MACKAY—HAZARDOUS PRODUCTS—CLARIFICATION OF ANSWER DURING QUESTION PERIOD

Hon. Elmer M. MacKay (Minister of Regional Economic Expansion): Mr. Speaker, earlier in the week when being questioned by the hon. member for Regina East (Mr. de Jong) on the matter of home insulation, I indicated to him in my answer that home insulation had recently been classified under the Hazardous Products Act. I should have been more accurate and for the record I would like to inform the House that it was cellulose insulation which has recently been classified under the Hazardous Products Act.

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PRIVILEGE

MR. RODRIGUEZ—PROCEEDINGS OF STANDING COMMITTEE ON FINANCE, TRADE AND ECONOMIC AFFAIRS—CLARIFICATION BY MINISTER

Hon. John C. Crosbie (Minister of Finance): Mr. Speaker, while I was away yesterday there was a point of privilege raised by an hon. member due to a misapprehension. At no time have I refused to appear before the House of Commons finance committee or refused to appear before the committee if I were summoned, before the governor of the Bank of Canada. The finance committee has never asked me to appear before Governor Bouey.

I had my representative tell the finance committee that in my view it would be better if Governor Bouey appeared first. It was the governor's request that he appear before the committee first; he was anxious to have the matter go forward because he felt that any delay would have a bad effect on the

financial community here in Canada, the financial markets and the like. Therefore, I had suggested through my representative to the House of Commons finance committee that it would be better if Governor Bouey were to appear first and I appear after the governor.

It is obvious, Mr. Speaker, that I cannot appear before the House of Commons finance committee when I am out of town. As far as this week is concerned, I had a previous engagement to meet the four western provincial ministers of finance on Wednesday. I could not appear before the House of Commons finance committee on such an important matter on Thursday without having some time to be briefed. In my brief experience on the finance committee during the previous Parliament, it always accommodated itself to the fact that the previous minister of finance would try to arrange his schedule in order to appear. The committee knew of the busy schedule which the minister of finance keeps, so they tried to accommodate him when he was in town and not here in the House with all his legislative responsibilities.

So, Mr. Speaker, I am not in defiance of any committee of this House, nor do I intend to be in defiance of any committee of this House. If the House of Commons finance committee had ignored my suggestions to them and had told me that they were inviting me to come to the committee before Governor Bouey and would not consider anything else, what option would I have as a member of this House but to go? I would have therefore gone as requested, but it would have been unreasonable.

If hon. members opposite are upset because I am supposed to have refused to go before the House of Commons finance committee, they have nothing to be upset about. I hope that my explanation will put their minds at rest. I am and always will be a humble servant of the House of Commons finance committee and of this House.

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POINT OF ORDER

MR. FOSTER—NORTHERN PIPELINES—INQUIRY WHICH MINISTER TO APPEAR BEFORE STANDING COMMITTEE

Mr. Maurice Foster (Algoma): Mr. Speaker, I wonder if the President of Privy Council (Mr. Baker) would clarify which minister will be reporting to the House of Commons concerning the northern gas pipeline. A statement from the Prime Minister's office a few days ago indicated that the Minister of Industry, Trade and Commerce, Senator de Cotret, would be responsible for this project, but it did not indicate which minister would be responding to questions within the House. Nor is there an indication in another statement from Senator de Cotret whether this matter has been delegated to one of his junior ministers here in the House. I find it passing strange that the largest private enterprise project in Canadian history would be turned over by a minister here in the House to a minister not present in the House. I would like to know who will be responsible for this matter in situations such as appearing before the Standing Committee on Northern Pipelines. Could the President of Privy Council clarify that matter for me, please?

Hon Walter Baker (President of Privy Council and Minister of National Revenue): Mr. Speaker, I would assume that the minister responsible will be appearing before the committee, if that is what is concerning the hon. member. If there is any question which I have missed, I would be happy to discuss that matter with him.

Mr. Foster: The matter of questions in the House.

Mr. Baker (Nepean-Carleton): With respect to answers in the House, I can be responsible for those answers, subject to whatever change may follow.

* * *

PRIVILEGE

MR. RODRIGUEZ—PROCEEDINGS OF STANDING COMMITTEE ON FINANCE, TRADE AND ECONOMIC AFFAIRS—CLARIFICATION BY MINISTER

Mr. Bob Rae (Broadview-Greenwood): Mr. Speaker, with regard to the question of privilege spoken to by the Minister of Finance (Mr. Crosbie) if I am not mistaken, and if my memory serves me correctly, he just told the House that he was never invited by the finance committee to appear before the committee before Governor Bouey. The hon. member for Vancouver Quadra (Mr. Clarke) is present in the House, and he is the chairman of the finance committee.

Mr. Crosbie: I never said that.

Mr. Rae: *Hansard* will have recorded what the minister said, but that is my recollection of what he said. The clear understanding at the meeting of the steering committee was that the Minister of Finance would appear first. We then went away for the weekend. When we returned I read in the notice of the next meeting that on Tuesday night we would be considering the future program. I immediately phoned the hon. member for Vancouver Quadra and asked what was happening, because I had understood that on Tuesday night we would be considering estimates. At that time the hon. member for Vancouver Quadra said, and I am quoting him from memory, "Crosbie wants Bouey to go first."

That is what the hon. member for Vancouver Quadra told me. Is the Minister of Finance telling this House that he did not have conversations with the member for Vancouver Quadra, at which time the hon. member had a moral obligation to tell the Minister of Finance what the unanimous wishes of the steering committee were? Is the Minister of Finance telling this House that he did not express some concern to the hon. member for Vancouver Quadra about the order in which people would be presented to the finance committee?

● (1520)

Hon. John C. Crosbie (Minister of Finance): To settle that point, Mr. Speaker, the point I made was that I have not refused to go before the House of Commons finance committee. The House of Commons finance committee originally suggested, after I had written and told them what days I was available on, that they wanted me to appear before Governor Bouey. I sent back a message—I was not speaking to them myself—to say that Governor Bouey would wish to appear before me and I agreed with him, and I would like Governor Bouey to appear before me. It was my preference. I did not say it was not my preference that Governor Bouey appear before me. Therefore, the members on the House of Commons steering committee who belong to my party—presumably the other members were unreasonable and did not agree—voted to change the House of Commons finance committee invitation so that they invited Governor Bouey first.

The point I am making, Mr. Speaker, is that I have not refused to go before the House of Commons finance committee and I do not refuse to go. Because I am anxious to get before the House of Commons finance committee, I will go there next week as planned.

Mr. Speaker: Order, please. There are other members who want to participate in this non-point of order. I ruled yesterday when it was first raised with respect to the business of the committee and with respect to dealing with a steering committee report and how that report is formulated, but more important, how it is taken into consideration by any committee, that that is the business of the committee.

It is always the function of a standing committee to accept or reject or otherwise deal with in the whole committee any steering committee report. The steering committee report, as is well known, has no validity in and of itself unless some action is taken upon it by the committee.

More important than that, it is a clear and well established point that this House does not sit in a procedural court of appeal on the proceedings of the standing committees. The matter was first raised as to whether or not invitations had been extended. Whether the report of the steering committee was accepted or rejected or acted upon or followed properly in the standing committee is, in fact, none of the concern of this House and I think it should stay that way.

Mr. Herbert: Mr. Speaker, I rise on a point of order. My point of order deals directly with the record of *Hansard* and an apparent desire on the part of the Minister of Finance (Mr. Crosbie) to correct what is recorded in *Hansard* where it says "I will appear", and then he added "after the governor of the Bank of Canada has been heard by the committee."

The statement he has made just now appears to imply that he wants *Hansard* corrected. I should like to know if that is what he means or did he—

Some hon. Members: Oh, oh!

[Mr. Rae.]

Mr. Speaker: Order, please. The hon. member for Vaudreuil (Mr. Herbert) raises a point of order as to whether or not the Minister of Finance asked for a correction in *Hansard*. The minister did not ask for a correction in *Hansard*.

ROUTINE PROCEEDINGS

[*English*]

THE ADMINISTRATION

ORDER IN COUNCIL LISTING ACTING PRIME MINISTER AND ACTING MINISTERS

Hon. Walter Baker (President of Privy Council and Minister of National Revenue): Mr. Speaker, I should like to table in both official languages certified copies of PC 1979-2783, which is the order in council establishing acting prime ministers, ministers and their first and second acting ministers, to replace the one that I filed two or three days after the House began, to bring the record up to date. If it would be convenient, I would have no objection at all to having it attached to *Hansard* of this day.

Mr. Speaker: Agreed and so ordered.

[*Editor's Note: For document above referred to, see Appendix.*]

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WAYS AND MEANS

DESIGNATION OF ORDER OF THE DAY TO DEBATE WAYS AND MEANS MOTION

Hon. John C. Crosbie (Minister of Finance): Mr. Speaker, under the provisions of Standing Order 60 I wish to table two notices of ways and means motions to amend the Income Tax Act and to amend the Excise Tax Act. I would ask you to designate orders of the day necessary for the consideration thereof.

Mr. Speaker: Motions. The hon. member for Cambridge (Mr. Speyer) on a point of order.

Mr. Speyer: I am sorry, Mr. Speaker, but I tried to be recognized with respect to tabling of documents. I take it that time has now passed.

Mr. Speaker: Order, please. The hon. member is seeking to table a document in his capacity as a parliamentary secretary. Perhaps he might want to consult with his House leader to see whether or not that properly could be done tomorrow.

MOTIONS TO ADJOURN UNDER S.O. 26

[*English*]

Mr. Speaker: Order, please. I have received two applications this morning pursuant to Standing Order 26. Both relate to the question of interest rates. The first was given to me by the hon. member for Thunder Bay-Nipigon (Mr. Andras) and the second by the hon. member for Broadview-Greenwood (Mr. Rae).

The hon. member for Thunder Bay-Nipigon.

* * *

THE CANADIAN ECONOMY

INCREASE IN INTEREST RATES

Hon. Robert K. Andras (Thunder Bay-Nipigon): Mr. Speaker, relevant to that notice of motion which we gave you this morning, pursuant to Standing Order 26, I move that this House do now adjourn for the purpose of debating a specific and important matter affecting the nation's economy, namely the increase yesterday of Canada's interest rates to 14 per cent, the highest level in this country's history.

Mr. Bob Rae (Broadview-Greenwood): Mr. Speaker, I intend to move the following motion this afternoon. I ask leave, seconded by the hon. member for Winnipeg North Centre (Mr. Knowles), to move the adjournment of the House under the provisions of Standing Order 26 for the purpose of discussing an important and specific matter requiring urgent consideration, namely, the latest increase in the bank rate announced by the Bank of Canada last night, pushing interest rates in this country to record levels at a time when economic growth is declining and economic stimulus is needed, and specifically the approval by the Minister of Finance (Mr. Crosbie) of yet another interest rate increase at a time when the Standing Committee on Finance, Trade and Economic Affairs is attempting to determine whether such monetary policy is in the best interests of the Canadian economy.

Mr. Speaker: Order, please. Both hon. members, as I indicated, gave me notice this morning, in proper form pursuant to Standing Order 26, which gave me the opportunity to consider the matter. Both have now read, as is proper within the terms of the standing order, the motion which they would propose, or at least the reasons for which they would propose to move the adjournment of the House, as is the proper form pursuant to Standing Order 26, to consider a matter which in their opinion, pursuant to subparagraph 16(a), may qualify as an emergency.

I do not have to go to that paragraph to set aside these applications at this time. Subparagraph (5) reads as follows:

In determining whether a matter should have urgent consideration, Mr. Speaker shall have regard to the extent to which it concerns the administrative responsibilities of the government or could come within the scope of ministerial action—

Order Paper Question

Here are the important words:

—and he also shall have regard to the probability of the matter being brought before the House within reasonable time by other means.

Obviously, it would be impossible under the terms of that section to ignore the fact that on one of the first days of this session, upon an application, as I recall, by a member of the official opposition pursuant to Standing Order 43, a motion was put before the House to have this matter of interest rates referred to a standing committee of the House. That motion was put and upon unanimous consent it was adopted.

As a result of that vote of the House the matter is now before the Standing Committee on Finance, Trade and Economic Affairs, which is meeting to consider this matter. In fact, only today reference was made to the fact that a meeting was held this morning and that a witness testified there. Several questions have been directed to the attendance there by the governor of the Bank of Canada, and in turn the Minister of Finance (Mr. Crosbie). For me to ignore that the House is now considering that matter in that forum would seem to me to run entirely contrary to the sense of paragraph (5) of Standing Order 26. I therefore do not think it would be proper to use Standing Order 26 in this way while the matter is being considered by a committee of the House.

ROUTINE PROCEEDINGS

[*Translation*]

QUESTION ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. David Kilgour (Parliamentary Secretary to President of Privy Council): Mr. Speaker, the following question will be answered today: No. 299.

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

[*Text*]

FEDERAL CHARTER—NUMBER OF CORPORATIONS IN EACH PROVINCE

Question No. 299—**Mr. Herbert:**

What is the number, by province, of corporations that have a federal charter?

Hon. Allan Lawrence (Solicitor General and Minister of Consumer and Corporate Affairs):

Newfoundland	88
Nova Scotia	367
Prince Edward Island	185
New Brunswick	258
Quebec	39,980
Ontario	14,475
Manitoba	1,288

Saskatchewan	323
Alberta	2,030
British Columbia	1,014
North West Territories	109
Yukon	14
Total	60,131

[*English*]

Mr. Speaker: The question enumerated by the parliamentary secretary, No. 299, has been answered. Shall the remaining questions be allowed to stand?

Some hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

WAYS AND MEANS

INCOME TAX ACT

Hon. John C. Crosbie (Minister of Finance) moved that a ways and means motion to amend the Income Tax Act, laid upon the table Tuesday, October 23, be concurred in.

Motion agreed to.

• (1530)

INCOME TAX APPLICATION RULES, 1971

Hon. John C. Crosbie (Minister of Finance) moved that a ways and means motion to amend the Income Tax Application Rules, 1971, laid upon the table Tuesday, October 23, 1979, be concurred in.

Motion agreed to.

* * *

INCOME TAX ACT

MEASURE TO AMEND

Hon. John C. Crosbie (Minister of Finance) moved that Bill C-17, to amend the statute law relating to income tax and to amend the Canada Pension Plan, be read a first time.

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

[Mr. Lawrence.]

[*Translation*]

WAYS AND MEANS

CUSTOMS TARIFF

Hon. John C. Crosbie (Minister of Finance) moved that a ways and means motion to amend the Customs Tariff, laid upon the table Tuesday, October 23, 1979, be concurred in.

Motion agreed to.

NEW ZEALAND TRADE AGREEMENT ACT, 1932

Hon. John C. Crosbie (Minister of Finance) moved that a ways and means motion to amend the New Zealand Trade Agreement, 1932, laid upon the table Tuesday, October 23, 1979, be concurred in.

Motion agreed to.

[*English*]

AUSTRALIAN TRADE AGREEMENT ACT, 1960

Hon. John C. Crosbie (Minister of Finance) moved that a ways and means motion to amend the Australian Trade Agreement Act, 1960, laid upon the table Tuesday, October 23, 1979, be concurred in.

Motion agreed to.

UNION OF SOUTH AFRICA TRADE AGREEMENT ACT, 1932

Hon. John C. Crosbie (Minister of Finance) moved that a ways and means motion to amend the Union of South Africa Trade Agreement Act, 1932, laid upon the table Tuesday, October 23, 1979, be concurred in.

Motion agreed to.

* * *

CUSTOMS TARIFF

MEASURE TO AMEND

Hon. John C. Crosbie (Minister of Finance) moved that Bill C-18, to amend the Customs Tariff and to make certain amendments to the New Zealand Trade Agreement Act, 1932, the Australian Trade Agreement Act, 1960 and the Union of South Africa Trade Agreement Act, 1932, be read the first time.

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

[*Translation*]

BORROWING AUTHORITY ACT, 1979-80

SUPPLEMENTARY BORROWING AUTHORITY FOR 1979-80

The House resumed, from Tuesday, October 23, 1979, consideration of the motion of Mr. Crosbie that Bill C-10, to provide supplementary borrowing authority for the fiscal year 1979-80, be read the second time and referred to the Standing Committee on Finance, Trade and Economic Affairs.

Mr. Herb Breau (Gloucester): Mr. Speaker, when I noted that it was ten o'clock on Tuesday, October 23, I was saying that one of the main reasons why I wanted to speak about Bill C-10 was that even though this bill looked quite simple since it only authorizes the government to borrow some money, it was still quite important as it mentions confidence in the economic and fiscal policy of the government.

And when there is reference to that, Mr. Speaker, attitudes should be mentioned, and our position in the official opposition, the position of other members, is that of defending oneself against the attitude of ministers.

Mr. Speaker, I was saying that one of the reasons why I am taking part in this debate is indeed the attitude of the Minister of Finance on October 23, when early in the day he answered a very simple and polite question put by the hon. member for Vaudreuil (Mr. Herbert) pursuant to standing orders. The Minister of Finance today tried to give explanations, and I recognize his humility. If he wants to remain as humble, he might very well have less difficulty in the future having such simple bills go through.

On this subject, I would like to say we would like to help his House leader and the Prime Minister, who indicated they wanted reform in the House of Commons, not only in our structures but in the attitude of the government in the House. It is for this reason among others that I am acting today to teach a small lesson to the Minister of Finance. He tried to explain this away by stating he never refused to get involved with the Standing Committee on Finance, Trade and Economic Affairs.

[*English*]

It is very nice for the Minister of Finance (Mr. Crosbie) to find his humility all of a sudden and become a humble member of this House by saying that he never refused an invitation from the finance committee to attend its sitting. That is not the issue. First of all, the issue is the attitude of the Minister of Finance with regard to members on this side of the House and with regard to the finance committee. His attitude in sending to the committee his parliamentary secretary, who is a new member of this House—one cannot blame him because he does not understand the traditions of this House and the sensitivities of hon. members—I cannot understand. He sent his parliamentary secretary to a finance committee meeting last Tuesday evening, Mr. Speaker.

Mr. Kempling: Mr. Speaker, I rise on a point of order. We are discussing a borrowing bill, are we not? What do the remarks made by the hon. member have to do with the borrowing bill?

Mr. Breau: You will find out.

Mr. Kempling: Let us get on with the business.

Mr. Breau: Do I have the floor, Mr. Speaker?

Mr. Deputy Speaker: Yes.

Mr. Breau: Mr. Speaker, I will ignore the intervention made by the official government whip because I do not believe it is relevant enough for me to spend much time on it.

A new member of this House is parliamentary secretary to the Minister of Finance. What I am saying is relevant because we are talking about the attitude and behaviour of the Minister of Finance and we are now discussing a bill brought forward by him. Therefore, the House of Commons and Parliament is being asked to approve the policies of the Minister of Finance and decide whether or not we give him the authority to borrow $7 billion. In my opinion, it is crucial that we examine and criticize the attitude of the minister.

What does the minister do? The steering committee had decided—and please note that the Conservative party had a majority in the steering committee—to invite the Minister of Finance to attend the committee meeting. The hon. member for York East (Mr. Ritchie) had this to say at the meeting of the committee on Tuesday evening:

> Mr. Chairman, some indication of what we are going to be debating has already been given, although earlier today I did not know that would likely be the case.

"Earlier today" meant when the steering committee met and drafted a report. At this time the committee was considering the report of the subcommittee. The hon. member went on to say:

> As you all know, at the time that this report was being prepared by the steering committee one of the prime actors—

And the prime actor had to be the Minister of Finance. The hon. member went on to say:

> —to which it referred was unaware of what it was going to say, and he had some opinions on it which he has since indicated. I would like to give some of the reasons for those opinions if I might.

The parliamentary secretary went on to explain to the committee that, because the Minister of Finance did not wish to come before the committee, he was going to change his mind. After the steering committee had made a report the Committee went on to force a vote and voted against its own subcommittee report. That is what the Conservative party did last Tuesday evening.

The finance minister called him his representative; he said his parliamentary secretary had changed his mind. I am not concerned about the substance because I thought the Minister of Finance's substantive reason for not going before the committee, while I disagree with it, was reasonably good. But why did the Minister of Finance not have the courage to let the

steering committee make a decision? Why not let committees of this House operate with some independence, as the Prime Minister (Mr. Clark) said they would? Why did the Minister of Finance not allow the committee to invite him, then write a letter and say: No, for such and such reason I do not think I should go?

Let the committee and this House of Commons judge his conduct, instead of going behind—*derrière les coulisses*—the halls of Parliament in a private meeting with his parliamentary secretary and telling him to go to the committee and change his mind. That is not the way Parliament works.

I must say to the Minister of Finance that I was impressed by some things the Prime Minister has said about reform in Parliament. For 11 years I have been a private member in this House. I have never been part of the cabinet. Therefore, I was happy to see the Prime Minister recognize that reform of Parliament did not only deal with its structure but with attitude. He stated his government would have an open attitude toward Parliament and would respect members of Parliament and give them an opportunity to obstruct. During the throne speech debate he stated members of Parliament would be given an opportunity to be independent, that they would have some degree of automony and would be able to force the government to do certain things.

● (1540)

I wish to deal briefly with something the President of the Privy Council (Mr. Baker) said on Tuesday evening regarding my participation in this debate. I quote from page 539 of *Hansard*:

> Mr. Speaker, we will be proceeding with amendments to the Post Office Act tomorrow. I presume we will not have the intemperate display of obstruction we observed from hon. members just a few moments ago, given the fact that what the House is really doing now is dealing with the former government's own bill. It is like spanking your mother; it is not supposed to be done.

This bill is not the former government's bill. The hon. member for Windsor West (Mr. Gray) explained that on Tuesday. Last winter the former government asked Parliament to increase the borrowing authority of the government to $10 billion. The Conservatives said that could not be done before a budget was presented and as a result the bill was split. The Minister of Finance now has to come and ask for a $7 billion authority because he and his colleagues forced the government to split the bill. The former government then asked Parliament for an authority of $3 billion.

On June 4 this government took office and at that time there was an ample cash balance. There was no need for a borrowing authority. There is now a need. Therefore, I do not accept that this is the doing of the former government.

I appreciate that the Minister of Finance wanted to be humble today and explain that he really did not want to refuse an invitation by the committee. The committee should be allowed to do its work. The hon. member for Vancouver Quadra (Mr. Clarke) is in a very difficult position because of the actions of the Minister of Finance. That member is a very competent chairman of the finance committee. Members on this side supported his election. When he sat on this side of the House he was a very hard working member. He is a professional chartered accountant, a man who can really do a good job in the sense that the Prime Minister says he wants to reform and thereby give more independence to members of Parliament.

The Minister of Finance has humiliated this man, having him vote against his own steering committee report. The minister will learn that is not the way to deal with the steering committee or the finance committee. Nor is it the way to deal with members of Parliament, as he did the other day with the hon. member for Vaudreuil. In his explanation today, the minister tried to say that it was not so bad. However, as recorded at page 504 of *Hansard* the hon. member for Vaudreuil rose during a legitimate debate. We had just agreed to give unanimous consent to a motion to cut off the study of estimates in committee. The hon. member for Vaudreuil stated that now that the minister had changed his mind and we on this side were being co-operative, would the minister accept his responsibility for fiscal policy and appear before the finance committee. The jolly old Minister of Finance then became arrogant. This is what he said:

> Mr. Speaker, the hon. gentleman is talking through his hat. I have not refused to appear before the finance committee. I am quite willing to appear before the House of Commons finance committee . . . . I will appear when I am in town and after the governor of the Bank of Canada has been heard by the committee.

Who the hell is he, at three o'clock on Tuesday afternoon, to decide who the finance committee is to invite? The finance committee only made its decision close to ten o'clock in the evening. The minister was being arrogant with Parliament. If the finance committee was going to invite him, was he going to say no? The minister went on to say:

> There is no one opposite whose questions I hesitate to answer. When I come before the committee I hope the hon. gentleman is there to ask a few questions.

The minister comes here and says that he is the boss and will appear before the committee when he is in town. I will not accept that. The hon. member for Vaudreuil and this party will not accept that arrogance. The Prime Minister wants to reform Parliament and the President of the Privy Council wants the business of this House to run smoothly. Therefore, we have to signal something here. The Minister of Finance tried to bully members of this House, even those of his own party. He had his parliamentary secretary do that. And he has answered a private member in a very arrogant manner.

I firmly believe that what the Prime Minister said about the attitude of the government is very important. Over the 11 years that I have been here, the House of Commons has run on mood and attitude. The structure does not matter. If the mood is good, legislation goes through. However, that is not the case when the minister tries to get tough. Therefore, because of what the Minister of Finance has done, and in order to teach him a lesson, I move, seconded by the hon. member for Vaudreuil:

> That the debate be now adjourned.

Mr. Deputy Speaker: Pursuant to Standing Order 25, such a motion is not debatable. I therefore will put it to the House. Is it the pleasure of the House to adopt the said motion?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Deputy Speaker: All those in favour of the motion will please say yea.

Some hon. Members: Yea.

Mr. Deputy Speaker: All those opposed will please say nay.

Some hon. Members: Nay.

Mr. Deputy Speaker: In my opinion the nays have it.

And more than five members having risen:

Mr. Deputy Speaker: Call in the members.

The House divided on the motion (Mr. Breau), which was negatived on the following division:

(*Division No. 4*)

YEAS

Messrs.

Andras	Foster	Nicholson (Miss)
(Thunder Bay-Nipigon)	Gauthier	Nystrom
Appolloni	(Ottawa-Vanier)	Olivier
(Mrs.)	Gendron	Orlikow
Axworthy	Gourd	Ostiguy
Baker	Gray	Ouellet
(Gander-Twillingate)	Guilbault	Pelletier
Benjamin	Harquail	Penner
Berger	Herbert	Pepin
Blackburn	Hervieux-Payette (Mrs.)	Peters
Blaikie	Hogan	Phillips
Blaker	Isabelle	Pinard
Breau	Ittinuar	Portelance
Buchanan	Johnston	Prud'homme
Bujold	Joyal	Rae
Caccia	Kaplan	Robinson
Chrétien	Killens (Mrs.)	(Burnaby)
Cyr	Knowles	Rooney
Daudlin	Lachance	Rose
Dawson	Lajoie	Rossi
De Bané	Lamontagne	Roy
de Corneille	LeBlanc	(Laval)
de Jong	Leduc	Savard
Demers	Lefebvre	Skelly
Deniger	Loiselle	Stollery
Desmarais	Lumley	Symes
Dionne	MacGuigan	Tardif
(Chicoutimi)	MacLaren	Tessier
Dionne	MacLellan	Tousignant
(Northumberland-Miramichi)	Marceau	Trudeau
Dupras	Massé	Turner
Ethier	McCauley	Veillette
Evans	McRae	Waddell
Fleming	Mitchell (Mrs.)	Yanakis—96.
Flis	Munro	
	(Hamilton East)	

NAYS

Messrs.

Alexander	Bradley	Coates
Allard	Cameron	Cooper
Andre	Campbell	Corbett
(Calgary Centre)	(Sarnia)	Cossitt
Atkey	Caouette	Crombie
Baker	Clark	Crosbie
(Nepean-Carleton)	(Yellowhead)	(St. John's West)
Binks	Clarke	Crosby
Blenkarn	(Vancouver Quadra)	(Halifax West)
Bosley		
Crouse	Kempling	Nylander
Dick	Kilgour	Oberle
Elliott	King	Paproski
Epp	Kushner	Patterson
Fennell	Lambert	Reid
Ferguson	(Bellechasse)	(St. Catharines)
Forrestall	Lambert	Reimer
Fraleigh	(Edmonton West)	Richardson
Friesen	La Salle	(Humboldt-Lake Centre)
Froese	Lawrence	Richardson
Gamble	Lewis	(Beaches)
Gass	MacDonald	Ritchie
Gauthier	(Egmont)	(Dauphin)
(Roberval)	MacDonald (Miss)	Ritchie
Gilchrist	(Kingston and the Islands)	(York East)
Grafftey	MacDonald	Roche
Graham	(Cardigan)	Roy
Greenaway	MacKay	(Beauce)
Gurbin	Malone	Schellenberger
Gustafson	Mazankowski	Scott
Haliburton	McCain	(Hamilton-Wentworth)
Halliday	McCrossan	Siddon
Hamilton	McCuish	Speyer
(Swift Current-Maple	McDermid	Stevens
Creek)	McGrath	Stewart
Hargrave	McKenzie	Taylor
Hawkes	McKinley	(Cowichan-Malahat-The
Higson	McKinnon	Islands)
Hnatyshyn	McKnight	Taylor
Holmes	McLean	(Bow River)
Howie	McMillan	Thacker
Huntington	Mitges	Thomson
Janelle	Munro	Towers
Jarvis	(Esquimalt-Saanich)	Vankoughnet
(Willowdale)	Murta	Wakim
Jarvis	Neil	Whittaker
(Perth)	Nickerson	Wilson
Jelinek	Nielsen	Woolliams
Jupp	Nowlan	Yurko—117.

● (1640)

Mr. Speaker: I declare the motion lost.

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, the quickest way to evacuate the House is for me to get up to speak.

Some hon. Members: Oh, oh!

Some hon. Members: Hear, hear!

Mr. Speaker: Order, please.

Mr. Nystrom: I obviously do not have the charisma of the hon. member for Saint-Maurice (Mr. Chrétien) or the hon. member for Windsor West (Mr. Gray), Mr. Speaker, but I could not resist getting up to speak for a few moments on a bill that is presented to the House by an old friend, the Minister of Finance (Mr. Crosbie)—old "Scrooge MacCrosbie" over there who is bound and determined, now that he is on the treasury benches, to do all he can to make things tougher and tighter for the ordinary people of this country.

I have spent a lot of time reading old Scrooge MacCrosbie speeches made when he was sitting in opposition. He spoke then of the inflation rate being too high and how it was hurting little people, how the interest rate was too high and was hurting ordinary people, how the high interest rate was hurting the maritime provinces and Newfoundland. He said that when he got into government he would wave a magic wand and remedy all these problems. All of a sudden he is in government and he has turned into a real Scrooge. He is tightening the screws on the treasury.

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

Mr. Speaker: Order, please. The hon. member for Saint John (Mr. Ferguson).

Mr. Ferguson: Mr. Speaker, the words "old Scrooge" do not seem to sit very well with me as a new member. I wonder if this is really parliamentary language.

Mr. Speaker: Order, please. The hon. member for Yorkton-Melville.

Mr. Nystrom: Well, Mr. Speaker, I see you are not going to rule on this but if you did I would change the word to "clown".

Some hon. Members: Hear, hear!

Mr. Nystrom: I have learned all these things from watching the Minister of Finance when he was in opposition, listening to his rhetoric and reading his speeches. It strikes me as strange that there would be such a conversion on the road to Damascus as we have seen by this minister across the way. Before the election he and his party were the progressive party; after the election they became the Conservative party. Perhaps we can now call them the regressive Conservative party, Mr. Speaker.

Just before the debate the hon. member for Regina East (Mr. de Jong) remarked to me that perhaps the new name for the Prime Minister (Mr. Clark) should be "R. B. Clark" because of the economic policies he is following in this nation which perhaps are leading us into another recession that might be even more serious than the great recession. But it strikes me as rather strange that the Minister of Finance should pick as his first bill to introduce to the Canadian Parliament and the Canadian people a bill to borrow $7 billion. It is especially strange because the Conservative party spent so much time in opposition talking about the national debt being too high and how it would wipe out the national debt. It said it would not have deficit financing, yet the first bill that has been brought into the House is a bill to increase the national debt.

● (1650)

I did some research to see whether or not the Conservative party really believes in reducing the national debt in Canada. I looked at what some Conservative party governments were doing in comparison to other political parties across Canada. For instance, in Alberta, which has a Conservative government, despite its wealth the average per capita debt in 1976 was $1,880. But in the province of Saskatchewan, which has had a NDP government for years—and we are always being accused of having grandiose schemes; even an Alberta friend of mine accuses us of that once in a while—its per capita debt was only $980.

Then we have wealthy Ontario, where "Big Billy" is now dancing and fighting against "Little Joe". With about 40 years of Conservative governments, what was the per capita debt in Ontario? It was $2,059. And what about Newfoundland, where the Minister of Finance cut his teeth and did his training? Under that tremendous leader, Joey Smallwood, and later on under another tremendous leader, Frank Moores, the per capita debt in that province was $3,274. I suggest, Mr. Speaker, that those statistics show where the Conservative party really stands. It will not keep the debt where it is. It will increase the national debt in this country and put an even larger burden upon the children of the nation who will be growing up, working and living here in the years ahead.

I ask why. Why is Scrooge MacCrosbie doing this? Why is this guy, this gallant Newfoundlander who is taking food from the children and making it difficult to put clothes on their backs, doing this? He says, "Well, we have to borrow money; we have to increase interest rates." Interest rates are the highest ever in this country. The rate is 14 per cent. They are the highest ever in the country. He says, "We have to do that because we have to support the Canadian dollar; we have to borrow that money so we can pay off the debts which the previous government ran up."

We are borrowing money to pay off our debts. We are increasing our debt so we have to borrow even more money to pay it off. That is like taking an enormously obese person and trying to remedy his obesity by feeding him with candies and cake. This government is making the problem worse by borrowing more and more money in order to pay off the debt which the Liberal government for years and years ran up. Unfortunately, my friend from St. John's is following and pursuing exactly the same course as his predecessors.

Why do we have the problem? Why does the dollar drop? Why is the Bank of Canada increasing the interest rate? I think the reason is relatively simple. The dollar is a reflection of our economy. It is a mirror. When the Minister of Finance gets up in the morning he looks in the mirror and sees himself. So too is the dollar a mirror. It reflects the economy of this country. The currencies of Germany, Japan, France and Switzerland are strong because the economies of those countries are strong. They are strong because they have had some sound economic planning. They have done their own things. They have manufactured their own goods and they have made the best possible use of the manpower and skill they have. Yet in this country we have not been doing that at all. Just look at the outflow of money in dividends and interest from Canada because of the tremendous foreign ownership that we have. I hear some Conservatives interjecting across the way, defending once again the policies of the former Liberal government, I suppose.

Mr. Benjamin: No difference.

Mr. Nystrom: But I look at the facts. It seems the hon. member is concerned about being in bed with the Liberal party. I suggest if he goes to bed with the Liberal party he had better keep a firm hold on his pyjamas.

Some hon. Members: Oh, oh!

An hon. Member: We are speaking from experience.

Mr. Nystrom: I do not know which interjectors are easier to handle, the one from my own caucus or the ones from across the way.

I am trying to be serious. In 1977, for example, there was an outflow from Canada of approximately $240 million in the form of dividends and interest because of foreign ownership and foreign equity. In 1978 that figure increased to over $2 billion. I say again $2 billion. So we have a government across the way that is borrowing more and more money to pay off all these debts. It is allowing more and more foreign ownership in this country. It intends to privatize more and more firms and turn over more and more control of our economy to private and foreign hands. We see this as having a negative effect on the economy.

We in this party say that we need a real change in Canada. We need an economic and an industrial strategy to start doing our own things. We need to take control of our economy by processing our own goods from our own raw materials. We need to start to manufacture the things we are using. We need that industrial strategy. Unless we have it we will have more of the same thing. This means a sagging dollar, more and more borrowing, more and more foreign ownership and control and more and more increases in the bank rate.

I suggest that we do nationally what is being done in the province of Saskatchewan, that is, to plan the economy, to take control of resources, to develop them for ourselves, to keep the profits from those resources at home and to keep the jobs in processing those resources in the hands of Canadians instead of having raw materials processed elsewhere. The province of Quebec is devising an economic policy based on cheap hydro power from the James Bay plants that are coming onstream. Even before the days of James Bay, hydro rates in Quebec for industry were 50 per cent cheaper than they were in Ontario and 100 per cent cheaper than in many parts of the United States.

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

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mr. McCain): Order, please. It is my duty, pursuant to Standing Order 40, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Winnipeg North Centre (Mr. Knowles)—Veterans Affairs—Prorata pensions for certain widows—Introduction of amending legislation; the hon. member for Surrey-White Rock-North Delta (Mr. Friesen)—Public Service—Review of personnel management and the merit principle—Application of principles in report; the hon. member for Gaspé (Mr. Cyr)—Fisheries—Cod quotas in Gulf of St. Lawrence.

It being five o'clock the House will now proceed to the consideration of private members' business as listed on today's order paper, namely notices of motions, private bills, public bills. There being no items on the order paper under the heading "notices of motions (papers)" and "private bills", the House will proceed to public bills.

• (1700)

PRIVATE MEMBERS' PUBLIC BILLS

[*English*]

Mr. Herbert: Mr. Speaker, I rise on a point of order. The first item of business is notices of motions (papers). As you have correctly stated, there are no items on the order paper at the present time under notices of motions (papers). I do not think this point should be lost as there are over two dozen notices of motions for the production of papers that have been on the order paper since the start of this session. The government has introduced an access to information bill. The government does not seem inclined to produce either the papers or to account for the fact that it is not introducing those papers.

I just want to bring that to Your Honour's attention. The first item of business should have been consideration of the item "notices of motions (papers)". There is no consideration of such a motion because of the inaction of the government in producing papers.

The Acting Speaker (Mr. McCain): I say to the hon. member for Vaudreuil that there has been no transfer of motions to the order paper at this time. Therefore, order No. 1 in the name of the hon. member for Esquimalt-Saanich (Mr. Munro) will stand at the request of the government. Is this agreed?

Some hon. Members: Agreed.

The Acting Speaker (Mr. McCain): Shall item No. 2 in the name of the hon. member for Fraser Valley West (Mr. Wenman) stand?

Some hon. Members: Stand.

The Acting Speaker (Mr. McCain): The House will now proceed to item No. 3.

* * *

FOREIGN ECONOMIC BOYCOTT REQUESTS REPORTING ACT

MEASURE TO PROVIDE FOR REPORTING OF INFORMATION

Mr. Bob Kaplan (York Centre) moved that Bill C-203, to provide for the reporting of information relating to foreign economic boycott requests, be read the second time and referred to the Standing Committee on Finance, Trade and Economic Affairs.

He said: Mr. Speaker, this is the first period in this Parliament for private members' public bills. I am honoured and lucky—because it partly results from the official lottery held by the Speaker—to be able to speak on the first private member's bill and to have my bill respecting foreign economic boycotts be the bill for consideration in this first hour.

I am particularly happy to be able to do this because I am delighted to recall for the government and members opposite commitments made in the last Parliament by members of the Conservative party, including its leader, and during the election campaign by the Prime Minister (Mr. Clark), to take seriously, as he put it, bills put forward by private members. This is such a bill. Too often in the past it was the practice for private members' bills to be talked out and not permitted to be referred to committee or be discussed. I hope that in the spirit the Prime Minister showed before the opening of this session this bill will indeed be referred to committee for consideration. I look forward to that consideration.

There are other members who may want to speak on the bill and a lot will depend on my being brief. I will be as brief as possible in order to give those members a chance to speak without the bill being talked out at six o'clock and so that it can be referred to committee instead of dropping to the bottom of the list. I hope that will not happen.

I have good reason to be confident that will not happen because Bill C-203 ought to look very familiar to all members of the House. It is an exact copy—both the French and English are identical—of Bill C-32 which stood on the order paper at the conclusion of the last Parliament.

Bill C-32 had a very special procedure associated with it and a very special history. In the closing days of the last Parliament, that bill was accepted by members of the opposition who are now the government. Their official party position was in support of that bill. Therefore, we have the government committed in advance to support Bill C-203, not only in principle but in effect every word in the bill. I say this because they indicated they were prepared to give their unanimous consent to dealing with that bill in one day and seeing it passed.

At the same time my own party, the Liberal party, was also in favour of the bill. I am glad to be able to report that my party remains committed to what was Bill C-32 and is now Bill C-203. Therefore, the two principal parties are in favour of it.

Furthermore, in the last Parliament the NDP indicated that they too were in favour of this bill. They would have given it the three readings in one day. Therefore, what we have before us is not an ordinary private member's bill but one which was a public bill of the government at the end of the last Parliament. It had been unanimously accepted by all parties in the House. It did not proceed as all parties would have wanted because two or three members, certainly not more, withheld the unanimous consent which was required to deal with the bill under the special procedure being proposed by the then House leader.

This bill does not need to be discussed very much before reference to committee, but I do want to say a couple of things about it. First, I know that it is not entirely satisfactory to many members in the House. The government proposed four amendments which I did not include in the bill because I did not want to alter it from the state it was in when it had unanimous consent. I too had proposed some amendments to Bill C-32. I would still like to see some amendments when it gets to committee and we discuss it. I did not put my amendments into it because I did not want to diminish the unanimity this bill had when it was on the list of government bills.

I read in the newspapers, and members opposite can speak about this, a statement attributed to the House leader that the boycott legislation no longer has the high priority the government indicated it once had. I want to take a moment to urge the government not to consider Bill C-203 as part of the issues being dealt with in connection with the move of the Canadian embassy from Tel Aviv to Jerusalem or with the Stanfield mission.

The bill refers to the Arab boycott and it derives from events in the Middle East, there is no doubt about that. However, it is an entirely internal piece of legislation that has to do with the civil rights of Canadians. It does not have anything to do with the relationship between Canada and countries in the Middle East. It has nothing to do with the conflict. Is has nothing to do with the primary boycott, which is the business of Israel, not Canada, the business of the Arab countries, and not directly the business of this Parliament.

Bill C-203 is designed to do what my earlier bill which received unanimous consent and party approval was designed to do, simply to assure that the Arab boycott had no internal application in Canada to diminish the civil liberties of any Canadians. That is the issue. The issue is not the resolution of events in the Middle East.

I recall the Prime Minister saying he believed the move of the embassy from Tel Aviv to Jerusalem would contribute to bringing peace to the Middle East. I have a text of those remarks. I did not agree with him. Events have shown it was a regrettable decision that he reached. However, we are not going to consult with parties in the Middle East, as Mr. Stanfield is doing, regarding the civil liberties of Canadians within Canada. I do not think Mr. Stanfield asked the PLO whether the civil liberties of any groups of Canadians should be protected. I do not believed he asked the Prime Minister of Israel or the President of Egypt about that. It has nothing to do with issues between parties in the Middle East. It has everything to do with the civil liberties of Canadians.

The tertiary effect of the Arab boycott would require companies complying with the boycott to discriminate against their employees, customers and suppliers on the ground that they were Jewish. I look forward to hearing the support of all members for the protection of civil liberties on something as fundamental as that.

• (1710)

Since, there are others who wish to speak on the bill, I should like only to remind members that in its present form this is a reporting bill. It is not a bill which requires trade not

to take place, it is not a bill which prohibits the entering into of contracts and so on. It simply requires that Canadian enterprises which are asked to comply with an Arab boycott as a condition of conducting business should notify a government agency. It is a very mild piece of legislation. I have indicated what its direction is, and I have indicated that I would be ready to consider amendments when it reaches committee. In that spirit I urge the government to follow the policy it indicated it would follow, that of not automatically stamping out private members' bills, by allowing this bill to proceed to committee for consideration.

Finally, I note that according to the order paper the bill, if passed, stands to be referred to the Standing Committee on Finance, Trade and Economic Affairs. It was my instruction that it ought to be referred to the Standing Committee on Justice and Legal Affairs, which I think is the more appropriate committee since it deals with civil liberties legislation. I do not want the bill to be held up on that account but, if appropriate, I might at a later stage seek Your Honour's consent to have the bill referred to that committee.

Mr. Bill Kempling (Burlington): Mr. Speaker, I want to congratulate the hon. member for York Centre (Mr. Kaplan) for having the wisdom to resurrect this bill from the order paper of the previous Parliament and present it as a private member's bill.

As far as the draw is concerned, I was there when the draw took place and it is rather interesting that the first two bills were stood and the hon. member's bill is the first to be presented in this Parliament in private members' hour. I would have preferred that the hon. member's bill had been drawn further down the list because that would have allowed time for certain changes the Prime Minister (Mr. Clark) is contemplating in the conduct of private members' business.

I have a great deal of sympathy for this bill. I believe the hon. member for York Centre knows my views on the whole area of boycotts, and economic boycotts in particular. I took a month's trip through the Middle East in the course of which I visited several Arab countries as well as Israel, and on my return I produced a paper for the Prime Minister on the subject of economic boycotts. In fact, I myself put forward a private member's bill in the last Parliament dealing with this subject, but unfortunately it was not in a position to proceed and never saw the light of day.

When this bill of mine was put forward, the internal details of the measure were not presented. I withheld them on purpose. I held them back as long as possible while I was awaiting a call from the desk to tell me that the bill was likely to come up and be sent to the printer. This was a conscious procedure because I know this was a very delicate subject then, as is the case today. I delayed the internal content of the bill from the printer's hands in the hope, first of all, that the central issues would be resolved. I had a great deal of hope when President Carter and Mr. Begin got together; I thought that they and the President of Egypt were really going to make a lot of progress in a hurry. Perhaps I was over-optimistic at that time.

In trade and commerce we like to see the least possible amount of regulation so that trade is allowed to move in normal fashion. I found varying degrees of concern. I found, first of all, that the Canadian companies which were on the boycott list had apparently been drawn from an old issue of the Directory of Directors put out by the *Financial Post* and that many of the companies listed were no longer in business. Others had been merged and consolidated and their names had been changed, so the list was not very accurate.

When I talked with officials in Iraq and Syria I found varying degrees of concern—the feeling in no way resembled that which I encountered among business people I talked to in Cairo. The attitude seemed to be: if we want what you have, we shall find a way to get it regardless of any boycott. For example, if hon. members would look at the original boycott list they would see that the Ford Motor Company is listed. Yet the Ford Motor Company today has a plant in Cairo where it produces trucks and tractors. We have had an ongoing concern with the progress of events in the Middle East, and with that in mind the Prime Minister, as everyone knows, has sent Mr. Stanfield over to look not only into the proposed move of the embassy from Tel Aviv to Jerusalem, but into the whole matter of the boycott.

It is the intention I believe, from the information I have, to introduce a bill dealing with this subject in the New Year. I do not know whether the content will differ greatly from that which the hon. member has outlined. I look forward to having his co-operation and input at that time because I know he has a deep concern with these matters, as we all do. But I must tell the hon. member now that it is our intention to talk this bill out today because we believe the report to be presented by Mr. Stanfield will have an impact on whatever legislation we bring forward in the New Year. Thus, while I have a great deal of sympathy for the hon. member's intentions and appreciate his bringing the bill forward, we cannot at this time refer it to a committee.

From my experience, people engaged in commerce have always considered themselves above the politics of a situation. In fact, if one looks to history one finds that the traders have usually preceded the diplomats. The problem which arises here is that actions taken by certain countries in the Middle East appear to be transgressing the civil rights of Canadians. The hon. member may be interested to know that my first experience with this so-called boycott was when some people who were selling for cash to a Middle East country found that the enforcer of the boycott was actually the bank through which they were doing business. I found it surprising that they had a sale. The deal was completed and they had not complied with any of the boycott requests. They stayed clear of them. They said, "No, we don't want to sign that," but when it came to collecting on the letter of credit and getting their money, in order to get their money they had to sign some documents or they would not have been paid. That was what sparked my interest in the whole matter.

● (1720)

My own view is that we should proceed something along this line: we should respect the human rights of Canadians in this matter. I would prefer to see a bill in which there is no reference at all to any particular ethnic group. In other words, I do not want to see a statute on our books which refers to Arabs, Jews or any other racial group. I think it would be wrong. I think we should look at it in this sense: we should prefer to see a prohibition on the transmission of any information regarding a Canadian citizen's racial origin, religion, political affiliation or the racial origin, religion or political affiliation of any Canadian director, employee or officer of any company.

I would like to see this prohibition put into any legislation dealing with trade and commerce. In other words, in a commercial transaction between a Canadian company and a company outside Canada there should be a prohibition in Canadian law against any mention whatsoever of an individual's race, religion, political affiliation or anything of that nature. If we leave it as open as that, that would pretty well cover the situation.

We recognize that a state of war exists, theoretically, between Syria and Israel, Iraq and Israel and some other Arab countries and Israel. That is a fact, we recognize it, and they have a right to say who they do business with. If they do not want to do business with a certain nation, they have a right to a primary boycott. They have a right to say which shipping lines come into their ports. They have a right to be suspicious of a shipping vessel which stops at a port of their theoretical enemy, and they have a right not to allow that ship to go from the port of their enemy to their own port without serious restrictions. However, beyond that we should prefer to see the whole matter as free and open as possible, because commerce finds a way to handle these matters. I think that if we leave it there we will be able to serve Canada best.

I am upset when I read reports about what is going on in the Middle East. I think some of the statements made in Canada by people who are not very well informed on events in the Middle East tend to inflame the situation. Constantly keeping the matter in the headlines works against a solution. I am a great believer in quiet diplomacy. I have a great respect for people of the calibre of Mr. Stanfield. I know he has a great and deep feeling about the difficulties in the Middle East, and I know he will bring in a report which is detailed and comprehensive. It will be something upon which we will be able to base some solid and meaningful legislation which will be fair to all concerned.

This subject is charged with emotion, and I think we reach a time in these things when we have to cool our feelings, sit back and look at them calmly and coolly and listen to the wisdom of those who have been there, gathered details and listened to the wisdom of our embassy people and our trade people. Only then should we put together and bring forward a piece of legislation which would help us deal with this problem as we go down the road.

[Mr. Kempling.]

I do not think we are going to solve the problem totally. There will always be some people inside and outside Canada who disagree with what we do. I note that many states of the United States have brought forward anti-boycott legislation. The United States has brought forward anti-boycott legislation. We could rush into this right now, but perhaps after we have read the report which will be made by Mr. Stanfield we will wish we had let matters rest for a few more months.

This matter has been on the table for a long time. It was on the table for the previous government for a long time, and we urged several times that it be brought forward. We talked about it very seriously in our caucus. I think the hon. member will agree that we really should wait and hear what Mr. Stanfield has to say. I do not think that waiting for another 90 days or 120 days will be too difficult for us. I know the Prime Minister is greatly concerned about this matter. Several of my colleagues have expressed their concerns several times. I know that the Minister of State for International Trade (Mr. Wilson) is very concerned about potential losses of trade in the Middle East.

I talked with our trade people in Iraq, in Syria and in Egypt about the boycott, and they all told me more or less the same story. They said that every time the subject of boycott legislation is raised in the House of Commons, whatever trade negotiations are going on between Canadian companies and companies in the Middle East come to a standstill. In other words, the fact that we are even thinking of introducing boycott legislation causes many deals just to stop. The fact that we are talking about this causes a slowdown in negotiations or causes them to be stalled. It was two years ago now, but when I was in Iraq I believe there was a contract being negotiated for aircraft refuelling equipment and tanks in a system. One of the members of the government of the day, the hon. member for Windsor West (Mr. Gray), asked a question about when the government was going to introduce anti-boycott legislation. He also asked a supplementary. At the time I was told that two days later there was knowledge of the question in Iraq, and the deal which was being worked on came to a halt. The parties were ready to sign a contract but they came in and said "It's all off".

The whole matter of legislation and its introduction is being used as a tactic in commercial negotiations, and that is a tragedy in itself. I think the wise position would be to wait for the report of Mr. Stanfield.

Mr. Prud'homme: An ambassador extraordinaire.

Mr. Kempling: My colleague says he is an ambassador extraordinaire. I have a great deal of confidence in him, and I know he is going to make a report on which we can draft some meaningful legislation. That is all I have to say about it. I commend the hon. member for bringing it forward. I just wish it had been a little further down the list so that perhaps we could have got together with him on it and made some changes. But such is the way the draw is made. He has come forward with it at this time and, while we have sympathy for

his position, I hope we can talk with him at the time our legislation will be brought forward, and get his support.

• (1730)

Mr. Kaplan: Mr. Speaker, in making his remarks, the hon. member opposite referred to me and said that he was sure I would agree that the matter was a difficult one and that it should be given more consideration. I want to assure the House that I do not agree with that assertion. As I proposed the bill, it is totally a matter of civil liberties within Canada. That is all it touches. I cannot understand why consultation should be necessary to determine whether we should protect the civil liberties of Canadians.

The Acting Speaker (Mr. McCain): Order, please. I think the hon. member is participating in debate.

[*Translation*]

Mr. David Kilgour (Parliamentary Secretary to President of Privy Council): Mr. Speaker, I rise on a point of order. I shall be brief. At the beginning of this debate, we asked if it was acceptable to proceed with Bill C-203, but I think you also said that such was the government's request. It seems this is not completely accurate because the government did not request such a decision from you, sir. I would suggest that Bills C-201 and C-202 are not ready for discussion at this point, and ask whether hon. members would be agreeable to discuss the bill put forward by the hon. member for York Centre (Mr. Kaplan), with unanimous consent, pursuant to Standing Orders 18, 19 and 49, and the finding by Mr. Deputy Speaker of December 5, 1977.

[*English*]

In a word, Your Honour, I think it was a misunderstanding that we proceeded with this bill at the request of the government. As members know, the government can do this but twice in a session; that is my understanding. Therefore I would ask Your Honour to ask hon. members to agree unanimously that we proceed with this bill now, rather than at the request of the government.

The Acting Speaker (Mr. McCain): The hon. member has asked for unanimous consent.

Mr. Lachance: On the same point, Mr. Speaker—

Mr. Knowles: This is a nice way to take up time.

Mr. Thomas H. Lefebvre (Pontiac-Gatineau-Labelle): Mr. Speaker, we all realize why the parliamentary secretary has been asked to do this. He mentioned it in his request, so that the postponement is not put under the request of the government. Under the rules, if these bills are asked for twice in the name of the government, they cannot come back.

We will agree with this, provided the Chair and members of the House realize that from time to time there may be members on this side of the House who will have bills in the order which come up for discussion when those members are away for very valid reasons. I should remind the House that we would expect the same courtesy from the parliamentary secretary, who cannot divorce himself from his duties in representing the government. Therefore, we would agree, but I hope the Chair and the House remembers that it could happen to members of the official opposition or of the other parties as well.

The Acting Speaker (Mr. McCain): Is there unanimous consent that the record shall show Bill C-201 and Bill C-202 have been stood by unanimous consent?

Some hon. Members: Agreed.

The Acting Speaker (Mr. McCain): The record shall be changed to record the two changes as requested and approved.

Mr. David Orlikow (Winnipeg North): Mr. Speaker, as I listened to the hon. member for York Centre (Mr. Kaplan) I did not know whether to laugh or cry, because his recounting of the history of this bill was very selective, to say the least.

It is true that Bill C-203 is exactly the same as Bill C-32 which was introduced in the last session of the last Parliament by the then minister of industry, trade and commerce, Mr. Horner. Also it is true that at one point there was agreement on the part of opposition parties to let the bill go through. I will not thrash old straw as to why it did not go through, but the only reason there was agreement to let that bill go through, without extensive debate on the part of a number of opposition members, was that we knew very well the then government had no real desire to get anti-boycott legislation on the books.

The bill introduced by the government of the day was the most to which that government would agree. What that bill did in the last Parliament, and what the bill now before us does, is simply to require individuals or companies, which co-operate with countries involved in boycott operations against Canadian citizens or Canadian companies, to report it to the government, and the government would make it public. There would be no penalty, there would be no censor except publicity.

In the last session we agreed to let that bill through quickly because it was the best we could get. I know the hon. member for Windsor West (Mr. Gray) was unhappy with the meagreness of that bill, and I assume the hon. member for York Centre was unhappy. Now that he is no longer a member on the government side, I would have thought he would have brought forward a bill which would really do the job. The bill before the House does not really do anything.

I recognize that we are dealing with a very difficult situation. One cannot live in the late 1970s and not realize the tremendous power which oil-producing countries have in our modern industrialized world. One just has to look at the difficulties in which the Prime Minister (Mr. Clark) and his government have become involved as a result of the Prime Minister's pledge, when he was leader of the official opposition, to move the Canadian embassy from Tel Aviv to Jerusalem. We recognize the difficulties. It might sound like hindsight, but I say to the government whip who has spoken on this

bill that I wished at the time, and I still wish, the then leader of the official opposition, the present Prime Minister, had not made that proposal.

I hope I am wrong, but everything I have read to date, and the speech I heard by the government whip today, confirmed my fears that because of the very active opposition of the Arab countries to the proposal to move the embassy, hostility will be expressed in the same manner and to the same degree if there is a proposal to implement real anti-boycott legislation. I hope I am wrong and I hope time will prove me wrong, but I am afraid the government will backtrack on the kind of approach it had when in opposition. The government whip shakes his head. I will be the first one to congratulate those on that side if time proves me wrong.

● (1740)

Let us just spend a few minutes considering why we need boycott legislation. I want to say to the government whip that we agree with him completely when he suggests that legislation should not single out any country or any group of countries. That was not the case in the old Bill C-32 proposed by the then minister of industry, trade and commerce, or Bill C-203 proposed by the hon. member for York Centre, or the case in respect of my Bill C-288. My bill is quite a way down the list and I think it is a much better bill. I do not say that because I have any pride in its authorship. Indeed, it is almost word for word the same as legislation enacted by the province of Ontario, which now has Premier Davis, and has had a Conservative government for more than 30 years.

I agree with the government whip that no legislation should single out one country or any group of countries. If we are going to have legislation of this kind, what we want is legislation that applies to everybody in the same way. What we want is legislation which protects the rights of Canadian individuals and companies, and protects them from being discriminated against because of race, colour or creed, or because they do business with one country or another.

Having said that, Mr. Speaker, let me say that we are discussing this kind of a bill because there is an Arab boycott against Israel. That boycott has existed since the creation of the state of Israel in 1948; and since 1973 and the sharp increase in the price of oil, together with the fact that Arab countries control so much of the world's oil supply, that boycott has become much more formidable. It operates at several levels.

The primary boycott is a direct boycott of Israel by the Arab states, by which they refuse to do business with the state of Israel. Canada is not involved in that boycott and has no role to play in it. That is their business, Mr. Speaker.

The secondary boycott is an attempt by Arab states, firms and individuals to pressure firms of other countries, in this case Canada, to refrain from dealing with Israel, or to end certain relationships with Israel, as a condition of trade with Arab states, firms or individuals. This, in effect, compels a Canadian boycott of a country with which Canada has friendly relations and against which Canada has not itself authorized a boycott. We say that is improper if carried on by another country. Another country should not be interfering with the rights of Canadian citizens or companies.

The tertiary boycott is an attempt to prevent firms of other countries, in this case Canada, from dealing with firms of their own or other non-involved countries because of the latter firm's relationship with Israel, as a condition of doing business with Arab states, firms or individuals.

The secondary and tertiary boycotts constitute direct interference in Canadian economic affairs by the extra-territorial application of Arab laws and regulations. That is what so many people in Canada object to, and we feel that no country has the right to tell us what to do.

As far back as 1975 the then prime minister expressed the views of most Canadians, here in Parliament, when on May 8 of that year he said:

> I think it is sufficient to say that this type of practice is alien to everything the government stands for and indeed to what in general Canadian ethics stand for.

Having said that, the then government completely ignored the feelings of the prime minister and simply refused to take any action to implement those feelings and views expressed by the prime minister. Repeated requests for such legislation were ignored or turned down. Requests that companies involved or co-operating with a boycott by the Arab countries should have that information publicized were turned down. It was not until the dying days of the last Parliament, when seized with the realization that there was an election coming and they might have to account to certain groups for their failure to act, did the then government bring forth a bill, to which the hon. member for York Centre has referred and copied.

What does that bill do, Mr. Speaker? That bill simply says that any government or any company in Canada which co-operates in a boycott with another country—we are talking about the Arab countries, but it would be true of any other—should be required by law to report that co-operation to the Government of Canada which would then publicize it. We know from experience that even if we required that, there would be no penalties. Companies would be free to do that. They would get a little bad publicity, but many Canadian companies are used to bad publicity. They get bad publicity when they are found guilty of breaching the anti-combines law. They get bad publicity on many occasions. The desire to make a profit would, I am sure, persuade many companies and many individuals to get involved and co-operate.

It is clear that the former government's frequently reiterated commitment to combatting boycott-related discrimination has become a charade. In the three or four years since the former prime minister stated that the boycott was alien to everything the government stood for, concerned groups and individuals attempted to persuade that government that firm and explicit policies were needed to prevent serious infringement of Canadian sovereignty and human rights. That government contented itself with meaningless statements and some half-hearted policy guidelines which served to obscure the issues and confuse the corporate community. Instead of showing

more courage, that Government of Canada chose to dodge the issue.

We have to face up to the issue. I am not suggesting for a moment that this is an easy problem. In fact I know there would be some retaliation on the part of some Arab states.

When we talk about real legislation, I should point out that the bill on the order paper in my name is almost identical to a bill enacted by the legislative assembly of Ontario, brought forward by a Conservative government, which I have been told is modelled after similar legislation in the United States. The United States has had legislation on its books for a number of years now which prohibits American companies from co-operating in the boycott against the state of Israel.

What I am suggesting to the government whip is that if similar legislation has been enacted by the United States and by the province of Ontario, this Parliament should do at least as much. Therefore, Mr. Speaker, I have no objection to this bill going to the committee if that would permit some real discussion. I hope that after the government gets the report it has asked Mr. Stanfield to make, it will not forget the arguments it put forward when in the opposition. I hope that the government will not renounce those principles of equity and justice which the present Prime Minister expressed so eloquently when he was leader of the opposition, and that we do not get another waffling or sweeping under the rug like we got from the former government.

• (1750)

Mr. Ken Binks (Ottawa West): Mr. Speaker, first of all I want to congratulate the hon. member who has introduced the bill, and to tell this House how much I sympathize with the reasons which give rise to it. If this matter is as important as I believe the proposer in all sincerity says that it is, then it is my view that it would be most advantageous to wait until the government brings in a similar bill, to which the hon. member for Burlington (Mr. Kempling) has already referred.

There are good reasons for waiting. If this bill is as important as the proposer says that it is, I find it difficult to understand why he would call it a very mild piece of legislation. If this matter, which has been before the press and the House for a number of years, is important, then it is not a very mild piece of legislation. Certainly if it is as the hon. member says, that it is primarily a matter of the civil rights of the citizens of Canada, then there is no way that it is a mild piece of legislation. I am sure that there is not a member in this House or a citizen of Canada who is not sympathetic to the subject matter of this bill, and who would not like to see the matter corrected.

This government is committed to dealing with this matter through legislation in 1980. When it does so, it will not introduce a mild piece of legislation simply because this matter does affect the civil rights of all Canadians. It will not be, as the hon. member has said, a recording bill. What use is a bill which affects the civil rights of all Canadians if it is a recording bill? I would have thought that someone proposing a private member's bill would speak on the matter with some feeling, if the bill is so important, on the simple basis that he who asserts must prove. However, the hon. member rose in the House and denied that he wanted the bill given more consideration, and I believe he even told this House that he wanted the bill sent to committee so that it could be amended.

It would seem to me that any member who introduces a bill for serious consideration in this House would not want that bill amended and that he or she would have given serious consideration to what they wanted in the bill.

Mr. Kaplan: Mr. Speaker, on a question of privilege, the hon. member is imputing improper motives in my introduction of this bill. I introduced it in the form that it was on the Order Paper in the last Parliament for very particular reasons which I have stated, and none of which had to do with any feeling on my part that the bill was satisfactory in the form that it was introduced, but all of which had to do with the fact that this bill had received the unanimous agreement of the parties in this House. So, to suggest that I did it for any other reasons is unreasonable, and inaccurate.

Mr. Binks: Mr. Speaker, if I have directly or indirectly imputed any improper motive to the hon. member, I withdraw it. I did not mean to say that he was insincere. Certainly I have a constitutional right to point out that any member who introduces a bill usually speaks with greater fervour about some of the conditions recited in it.

There is another reason why this bill should be looked upon somewhat askance by this House. The question of the economic boycott relates to what has happened over the past six months in this country and to our foreign policy, and is of such a delicate and sensitive nature that it would be irresponsible not to wait until the Hon. Robert Stanfield makes his report. Regardless of what is considered to be separate from the matter that Mr. Stanfield is dealing with, there is no way that it would be inseparable in the public mind.

I agree with what the hon. member for Burlington said when he suggested that there are means by which international commerce can satisfy whatever trading aims that commerce may have. We might ask ourselves if there is any way that the provisions of this bill, even if amended by committee, could hope to do what it sets out to do. There is no way whatsoever that what Mr. Stanfield has been asked to report would be dissociated from this bill in the public mind, and certainly not in the points of views of those countries which have been upset by this matter, which was originally thought to be a matter of domestic politics in this country. It was a principle of French foreign policy, and the most urgent thing to do—

• (1800)

The Acting Speaker (Mr. McCain): It is now six o'clock and the hour provided for consideration of private members' business has expired. The hon. member for Surrey-White Rock-North Delta (Mr. Friesen) on a point of order.

Mr. Friesen: Mr. Speaker, I want to be on record as saying that this is the first time in my career in this House that I have

agreed entirely with the remarks of the hon. member for Winnipeg North (Mr. Orlikow). Now I have to go out and take a valium.

The Acting Speaker (Mr. McCain): The hour provided for the consideration of private members' business has now expired. I do now leave the chair until 8 p.m.

At six o'clock the House took recess.

● (2000)

AFTER RECESS

The House resumed at 8 p.m.

GOVERNMENT ORDERS

[*English*]

BORROWING AUTHORITY ACT 1979-80

SUPPLEMENTARY BORROWING AUTHORITY FOR 1979-80

The House resumed consideration of the motion of Mr. Crosbie that Bill C-10, to provide supplementary borrowing authority for the fiscal year 1979-80, be read the second time and referred to the Standing Committee on Finance, Trade and Economic Affairs.

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, before the dinner hour I had a few minutes to talk about the bill that is before us today. I was concerned that the Conservative party across the way is borrowing too much money. It has not started off with its priorities straight in terms of the bills it is bringing before this House. My particular concern was the high interest rate policy of the party.

In its five months of government the Conservative party has become known as the high interest rate party. I see a friend of mine from Saskatchewan nodding in agreement. I believe his riding is Kindersley-Lloydminster. He confirms that the Conservative party is the high interest rate party. I am sure that his constituents will be interested to know he is confirming that his party is the high interest rate party. I will be in Prince Albert very shortly where an interesting activity will be taking place. I will make sure the people there know that the Conservative party is the party of usury. It has set the rate of usury at 14 per cent in this country. It seems to be proud of that, Mr. Speaker. I do not think it is necessary at all.

In my riding, and right across the country before the election, that party talked about the interest rate being too high, the inflation rate being too high, and that we had too many unemployed. "If the interest rate is increased to slow down the economy there will be more unemployed," that is what they said. But once it came to power the Conservative party did a double take, and increased the interest rate. It watches the inflation rate going up and does nothing at all. It does nothing about the high rate of unemployment. Because political parties do double takes like that and break their word, this is a reason why there is a lot of cynicism about this place and about the political process in general.

I am concerned about the effect that the government's high interest rate will have on farming and on food prices. In the *Toronto Star* for October 12, 1979, a headline reads, "Interest rate increases will boost costs of dairy products and meat, official says". Another article has as its headline, "Food-price boost seen over interest-rate rise".

The Cattlemen's Association are saying that the high interest rate means that consumers in this country are paying about 18 cents a pound in interest rates when they buy a pound of meat. In other words, 18 cents of what they are paying goes to pay interest. The same thing is true for other farm products.

I am concerned that Canadian farmers have a real debt problem. Farmers are caught in a real squeeze. They will have to borrow a lot of money and because interest rates are high it will be very difficult for them. Perhaps they will not borrow some of the money they need to maintain efficiency on their farms. Perhaps they will not buy new equipment, repair their equipment, expand their operations, or purchase items they need to produce food. Later on this could create shortages of some food products which will further drive up prices charged to consumers. I am concerned too that this will put a lot of farmers out of business.

I know the Minister of Finance (Mr. Crosbie) is buddy-buddy and has a love relationship with a lot of the large corporations. And he is very familiar with large corporations, I know that. It is much easier for large corporations to cope with high interest rates. All they do is reinvest a lot of their profits and they do their own financing. On the other hand, a small company cannot do that; neither can a farmer nor a fisherman. If a farmer needs to borrow money now he will have to borrow at a high interest rate.

I want to remind the House that we are not dealing here with a small segment of the population at all. In the year ending 1977 the total outstanding credit for farmers was approximately $10,400 million. My guess now is that that figure is probably past the $12 billion or $13 billion mark. These Statistics are from Agriculture Canada. And there were lower interest rates then; so what is going to happen now that the interest rate is very high?

There are other statistics that affect farmers. We find, for example, that the total borrowed by farmers for farm needs in 1979 is estimated at approximately $8 billion. That is a lot of money, $8 billion. About 60 per cent of that, or roughly $4.5 billion to $5 billion, is for short-term loans. The Farm Credit Corporation has a low involvement in short-term loans. Most of these loans come from banks or from supply company credit. About 27 per cent or 30 per cent, or approximately $2 billion, is in intermediate term loans from 18 months to ten years, but most of it is for less than ten years. Again, most of this is from private banks and lending institutions. Only 10 or 12½ per cent, or approximately a billion dollars, is in long-

term loans. Most of this, of course, is from the Farm Credit Corporation.

● (2010)

The Minister of Agriculture (Mr. Wise) announced a few weeks ago that another $50 million was being added to the capital budget of the Farm Credit Corporation. Let us not forget that the bank rate since January 1 has gone up by some 2¾ per cent. This increase in the prime lending rate will mean that the actual cost of interest to farmers will be about $200 million per year. That is an additional cost in interest rates alone.

That is exceptionally high, and will mean a lot of very serious problems for the farmers of this country. It comes at a time when the government should be trying to ensure that young farmers have the money to stay on the farm and that they have, as an objective, food self-sufficiency in this country. The Department of Agriculture can tell you that if we take away grain and oil seeds, our deficit in food production last year was about $1.8 billion. That is very severe. If you are not going to produce more food, you make cash more difficult for the farmers to obtain.

I appeal to the sanity of the government to stop its ridiculous policy on interest rates. Perhaps ministers have no sanity. I do not know. If they have any left, I appeal to them to roll back the bank rate and ensure that farmers can get loans from the Farm Credit Corporation. They need loans to expand their operations. These must be at a much lower rate than today. Loans are needed by farmers in order to build farms, renew their equipment, remain efficient and produce food for the Canadian people at a reasonable cost.

Something that concerns me very much is that the spread between the rich and the poor of this country is widening instead of narrowing.

[*Translation*]

I read in the newspaper Tuesday, I believe, that the poverty rate substantially increased in Canada in 1978. The average wages of Canadian families went up by 6 per cent, but it should not be forgotten that the inflation rate of our country last year was 9 per cent. With such an inflation rate, the real wages of the average Canadian family have been reduced by 3 per cent. In spite of that, Mr. Speaker, the Minister of Finance with the governor of the Bank of Canada has raised the interest rate of the Bank of Canada to 14 per cent—highest ever in the history of Canada.

Mr. Speaker, there are in Canada today many families living below the poverty level. For example, in 1977 there were in Canada 659,000 families living below the poverty level and last year there were 7,000 more. That is 666,000 Canadian families. As for individuals, the situation is the same. In 1977, 842,000 individuals were below the poverty level and last year or the following year there were 886,000. However, in spite of that, as I said, the Minister of Finance has just raised the interest rate to 14 per cent.

[*English*]

That is the highest it has ever been in Canada. He is getting off to a very bad start as a new Minister of Finance, particularly when you read his old speeches where, before the election, he was very concerned about keeping the bank rate down. I wonder how many backbenchers in the Conservative party really support him.

Some hon. Members: Hear, hear!

Mr. Nystrom: One or two over there are having difficulty. I see three members who applaud the Minister of Finance.

Some hon. Members: Hear, hear!

Mr. Nystrom: I am really happy. Only two applauded the Minister of Finance, and about 15 are applauding me. The Minister of Finance should look over his shoulder because the long knives might be coming out very soon. I am interested in knowing where the hon. member for Qu'Appelle-Moose Mountain (Mr. Hamilton) is. I hear he has some very interesting comments to make about the bank rate.

An hon. Member: What about Edmonton West?

Mr. Nystrom: Perhaps, too, the hon. member for Edmonton West (Mr. Lambert). I know quite a few members of the Conservative party who came here full of vigor and enthusiasm who are not very happy with the Minister of Finance for raising the bank rate. Perhaps the true colour of the Conservative party is starting to show. The Minister of Finance who represents the big boys, the corporations, is an extreme right winger. Perhaps the true colour of the Conservative party is coming through.

I will be very interested in seeing some of the new backbenchers getting up in this House to tell us exactly where they stand. The hon. member for Kindersley-Lloydminster (Mr. McKnight) has already stated that his party is the high interest rate party. I would like him to get up in this House and tell us the philosophy behind that statement, so the Canadian people can get directly from his mouth that the Conservative party is for the fisherman, home owner, or the person who wants to build a house—the average Canadian. The Minister of Finance is more than just a bit of a hypocrite when he introduces policies like that, considering his past record as a critic in the opposition.

Mr. Hal Herbert (Vaudreuil): Mr. Speaker, this week we have been treated to an extraordinary example of the attitude of the new government toward democratic parliamentary operation. It is fitting that we should have this opportunity in this House on this borrowing authority bill to be talking about a new government's approach to open government. An extraordinary situation we have found coming from a man who was probably the number one outspoken critic of the previous government for what he termed their arrogance. It was he more than anyone else who liked to talk about the arrogance of the former prime minister, yet this week we have seen an attitude that goes far beyond anything that can be termed

plain arrogance. I was even searching for a word that would adequately describe the attitude of the Minister of Finance (Mr. Crosbie) toward parliamentarians.

An hon. Member: Impossible.

Mr. Herbert: Because we have been treated to some stale jokes, maybe a word like pomposity is the best way to describe the attitude of the Minister of Finance. I find it almost impossible to believe that a minister would reach so far down to try to get his own way, to try to control what are and always have been accepted as independent committee activities.

By our tradition, the committee has been master of its own fate, yet we saw a deliberate attempt to interfere with the committee operation, I believe rather foolishly a futile attempt because, in the long run, it will not help either the Minister of Finance or the present government. Unfortunately, as one of my colleagues commented, it has seriously embarrassed members of his own party. It must have particularly embarrassed the chairman of the finance committee whom I might personally term one of the good guys on the other side. There are not many, but he is one of them. In fact the vice-chairman must have been embarrassed too because he voted with the members of the opposition parties in the finance committee supporting what I looked upon as a vote of censure of government ministers who could not find the time to appear as witnesses before the committee. But let me, after those introductory remarks addressed to the Minister of Finance, make some comments on the borrowing bill itself.

● (2020)

Some hon. Members: Hear, hear!

Mr. Herbert: The Minister of Finance has stated in this House that the borrowing authority he has requested in this bill has been reduced by some $3 billion. He says one of the reasons is because the Tories have the hon. member for York-Peel (Mr. Stevens) as President of the Treasury Board, thus inferring spending cuts. But the Minister of Finance then states that the reduction is possible because the government is using unused borrowing authority carried over from previous years. I find there is a little bit of conflict between those two statements simply because the fiscal year is now some six months gone. Government cash balances in this six-month period have dropped by nearly $4 billion and new net borrowings in the same period amount to nearly $3 billion. Thus, some $6.5 billion has been used up by the government in the first six months of this fiscal year. The Minister of Finance himself admitted that the figure was in the order of $5.5 billion, and I suppose between the Minister of Finance and me we shouldn't quibble about a billion dollars. Adding to this amount the $7 billion requested in the authority bill gives us a total for this fiscal year of some $13 billion, far greater than the $10 billion requested in the last Parliament by the previous government.

This increase in borrowing authority, the $6 billion—$5½ billion, $6½ billion, depending on the way we count the figures—plus the $7 billion in the bill can only be attributed to one of two alternatives, either an increase in spending over that anticipated by the previous government, or a decrease in revenue from that originally forecast. Or, of course, it could be a combination of the two.

However, it occurs to me that there is another possibility. The Minister of Finance could be padding his borrowing authority in order to take care of an increased deficit caused by unwise, unwanted, and ill-conceived spending programs. As one example, I refer to that incredible folly, the mortgage interest deductibility program which, by the minister's own conservative estimates, will cost the nation $2.3 billion in a full year. Add the inflationary factor and the probability that each and every spending estimate is on the low side, and we can anticipate in a few years an unconscionable and totally discriminatory give-away from the public purse of three or four billion dollars a year. Using the minister's low estimate, the cost to each and every taxpayer in this country will amount to 15 per cent of the personal income tax they presently pay, that is, 15 per cent more to be paid, or the elimination of an opportunity to reduce taxes by 15 per cent.

The tragedy of the plan is that the cost must be borne by every taxpayer in the country whether they own homes or not, and whether their homes are mortgaged or not. Every taxpayer, tenant, pensioner, single family head, as well as the wealthy, everyone who pays tax will be contributing 15 per cent of their personal income taxes to those who have mortgages on their homes.

We acknowledge that mortgage interest rates are now too high. As a builder I am well aware of the problem which present high mortgage rates present. We know that construction costs are making it extremely difficult for lower and middle income level persons to buy their own homes. But there are a multitude of better ways to help those who are really in need, without resort to a give-away program which could be so costly for renters, pensioners, and those who have strived for years to pay off their mortgages. It is this total irresponsibility on the part of the present government which is to blame, together with the attitude of the Minister of Finance that, come hell or high water, election promises are going to be kept, no matter that only 2 per cent of the population voted for the Tories because of their mortgage interest deductibility program, no matter that Quebec French-speaking residents will receive scarcely more than half the per capita amount received by their English-speaking fellow Canadians who have mortgages on their homes.

The Minister of Finance is going ahead despite the advice of senior departmental officials and is, by so doing, building even larger future deficits which are going to require even larger requests for borrowing authority than that which is contained in this bill. Of course, there is another alternative. The minister who was responsible for social programs until he was transferred or demoted—I don't know what the reason was—would cut old age pensions. Pensions or mortgage interest deductibility? Could any person of sane mind opt for a campaign promise at the expense of the poor?

A moment or two should be taken to consider another of the Tory election promises which is both highly discriminatory and ill-conceived—the measure introduced in this House on Monday to extend the supplementary pensions of widows aged between 60 and 65. This popular piece of legislation has a relatively small price tag attached to it and I suppose, when we are talking in billions in the present borrowing authority bill, the few million dollars involved to help widows and widowers is not a particularly large item. On the surface, this legislation is not likely to be criticized. What I want to do is to illustrate again just how discriminatory and unjust is the Tory approach to popular government.

Take, as an example, three widows of the same age, say 60 or 61, living side by side in similar small apartments. None of them ever worked when they were raising families, and none of them has any appreciable income. However, only one of those widows will benefit from the legislation which the government introduced on Monday. Why? The widow in apartment No. 1 was 59 when her 65-year-old husband died. The husband of the widow in apartment No. 2 died before his 65th birthday. Only the widow in apartment No. 3 is entitled to a pension, and the other two ladies must ask for welfare from the provincial government in order to live. It is surely infinitely preferable that all persons in similar circumstances are treated alike. It is this discriminatory attitude of the Conservative government which I find to be so abhorrent.

Let me ask what has happened to the budget of the new Minister of Finance? The Tory government could not have found too much wrong with the budget of the previous government. It is reintroducing the measures contained in that budget and taking some six months to introduce its own ideas. Do the Tories have any new ideas?

● (2030)

Mr. Stollery: No.

Mr. Herbert: Why are we not given the government's forecasts of revenues and expenditures for this year? I ask this question specifically because of this request for additional authority to borrow funds. Should we not first ask the Minister of Finance what he is going to do with the requested borrowing authority? Was it not a seatmate of the minister's who suggested to the previous minister of finance that Parliament should not blindly hand borrowing authority to the government?

While I am referring to the colleague of the Minister of Finance, the present President of the Treasury Board, is it not extraordinary what a flip-flop he has done since the last Parliament? He was the critic who stoutly maintained that our dollar should be boosted to a level of 88 cents to 92 cents U.S. He was the man who stated that it was his party's economic strategy to boost our dollar to that level. Yesterday in the House he suddenly saw the light. The President of the Treasury Board, now in power in the government, said he had no choice but to admit that the fiscal policy of the previous government as it pertained to a floating dollar was the right policy, and that which was being adopted by his Tory party. What a change of heart from the criticisms he levelled at the previous government right here in this House!

Certainly interest rates are at an unprecedented level. If the Tories were indignant when the rate was 9 per cent, should they not be doubly indignant now that the rate is approaching double that figure? Only this week the prime bank rate in the United States reached 15 per cent, and last night the governor of the Bank of Canada raised the bank rate to a record 14 per cent. What is it going to be like in Canada in the bleak winter months ahead?

At the meeting of the Standing Committee on Finance, Trade and Economic Affairs this morning the governor of the Bank of Canada, Mr. Gerald Bouey, defended his actions and the actions of the Bank of Canada in his usual, calm, and efficient manner. I have been a member of the finance committee for seven years, and having listened to Mr. Bouey regularly year after year and having tremendous esteem for this man—not necessarily always agreeing with his point of view but respecting his ability—one thing was sure. We knew when Mr. Bouey came to the meeting this morning just about exactly what his position was going to be, what position he was going to be taking, why he was doing what he was doing, and what his responsibilities were.

Mr. Gerald Bouey naturally defended his actions and the actions of the Bank of Canada, and he did so in a very calm and a very efficient manner. However, it was abundantly evident tht Mr. Bouey's statement and arguments related to his specific responsibilities. He said, and I quote: "The government must take the ultimate responsibility for the general thrust of monetary policy". Mr. Bouey went on to add also that the government must explain its policy to Parliament and to the people.

Well, Mr. Speaker, we also thought that. That is why we members of the opposition parties were very anxious to hear from the Minister of Finance in committee. That is why we thought it was he, and he alone, who should explain the general thrust of monetary policy and why he, and he alone, should explain to the people of this country the government's policy concerning monetary policy. Also, interestingly enough, the views of members of all parties were represented in the steering committee report, which was ultimately rejected by the government majority.

I might say here, as I said earlier in my opening remarks, that it is certainly contrary to any rules of this Parliament, and certainly contrary to any past practice, that a minister of the Crown would dictate to a standing committee of this House. I must say, and I have said this to several hon. members opposite, that there have always been difficulties in the past in getting ministers to attend committees, and we are well aware that ministers will always find some excuse for not turning up on a particular date, but it is the manner in which this was handled that I find so extraordinary.

It was not a question of the minister's saying, "I am going to be out of town". In fact, the way it was presented to him was simply, "When can you appear, on what date and at what time?" I suggest that that is about as open an invitation as can

be extended to any minister of the Crown. Interestingly enough, the only decision made in the steering committee was that we wanted to see the Minister of Finance first.

Mr. Deputy Speaker: Order, please. I hesitate to interrupt the hon. member. I was hoping he would come back to the subject matter of the motion before us, but I cannot let him continue what he has been attempting to do, discussing the proceedings of a committee of the House. In this regard I wish to refer the hon. member to citation 312 of Beauschesne's fifth edition at page 102 which says:

The proceedings of a committee may not be referred to in debate before they have been laid upon the Table.

I was willing to let the hon. member refer to the committee, but to analyse and examine committee work in detail in the House is not acceptable.

Mr. Herbert: Mr. Speaker, I apologize for my digression. If I could explain my digression, it was simply because I had, as Your Honour is well aware, raised this matter personally in the House, and there was a House intervention. However, I accept your admonition and will continue my remarks.

Mr. Friesen: Seven years here and he does that.

Mr. Herbert: Nevertheless, in seven years one learns a lot, and one learns to get in one's licks before one is chastised.

To get back to the subject under discussion, we were discussing the relationship between the Minister of Finance and the governor of the Bank of Canada. I think this is relevant to the bill. The Minister of Finance acted and responded in this House in a fashion which I considered—and I have stated this—irresponsible. I suppose this would at least serve as a suggestion of resignation, although the minister probably will not be taking my suggestion. However, the subject of resignation is probably in the mind of every one at the present time. It is causing some consternation in the country. I refer, of course, to the fact that the term of office of the present governor of the Bank of Canada will terminate at a fairly early date.

Personally, I find our present governor to be a man of extraordinary competence, and with that competence he certainly exudes charm and efficiency. If there is any suggestion in the mind of the present Minister of Finance that Governor Bouey is continuing policies of the previous government which he, the minister, might himself find unacceptable, then he should make that clear to Mr. Bouey. I am sure Mr. Bouey would not suffer any loss of prestige or pride from any early retirement.

The point I want to make very clearly, and to reiterate, is that Mr. Bouey stated this morning—and I will not refer to committee meetings because he has made public statements—that his policy is substantially the same as it was last year and the year before. In effect, he has not shown any change of mind. The Minister of Finance and the present President of the Treasury Board have been highly critical of that point of view in previous sessions, and I think it behooves the Minister of Finance to make it very clear to this House whether he now has done a flip-flop, whether he now agrees that the general approach of the governor of the Bank of Canada, which has not changed over the years, is acceptable to him and that he will be fully and unequivocally supporting the governor of the Bank of Canada. Alternatively, the Minister of Finance should cease attacking the general policy approach taken by the Bank of Canada during the term of the previous government.

● (2040)

There is nothing to prevent the Minister of Finance from bringing down an early budget. He does not have to wait until the end of November.

An hon. Member: He has to ask the provinces.

Mr. Herbert: That is exactly it. He has to ask the provinces and get the agreement of the provinces on oil pricing. Somehow I seem to doubt that he will have much success. Probably he will find that eventually they will have to come to some decision, as the previous government did, and impose some sort of policy on the pricing of energy which is good for the nation as a whole.

An hon. Member: The provinces are writing the federal budget now.

Mr. Herbert: I have a couple of points I should like to bring out before I make my closing remarks. I have never been particularly ultra nationalistic in my point of view. Perhaps in some way that is because I have a large number of multinational corporations in my constituency which are foreign-owned.

Some hon. Members: Oh, oh!

Mr. Herbert: Nevertheless, that does not get away from the fact that too much of our enterprise in Canada is foreign-controlled. I am not suggesting any punitive steps. After all, these multinationals came here freely. They were invited to come here, and they are still being invited. Quite obviously if we are to increase Canadian ownership in the country, and if we are to have more control over our own affairs, then we will have to start tearing ourselves apart a little bit from our association with the United States and its influence on our economy.

We cannot assist the domestic fight against interest rates unless we make some effort at co-ordinating foreign borrowing. At the present time we are a federal state which has given extraordinary powers to its provinces. Generally this is not realized. It is not talked about too much. More power has been given to the provinces than in any other similar country in the world. We are absolutely powerless, at the federal level, to have any say in the foreign borrowings of the provincial governments. Until we find some way—preferably by agreement with the provinces—to co-ordinate our foreign borrowing, then we will be looking at continuing difficulties such as we have experienced in the last day or two with interest rate problems, and the feeling that we must do, in turn, whatever the Americans do.

Capital can be obtained more cheaply by the federal government. The borrowing can be arranged in a more orderly fashion. Eventually it will be to the benefit of the country as a whole.

Another measure we should attempt to take, in order to decrease our dependency on the United States and its influence on our economy, is to encourage greater Canadian ownership by encouraging Canadian investors to invest in their own country. There are many ways that this can be done. One is to have the Government of Canada actively participating in segments of our economy which are presently foreign-controlled, or substantially foreign-controlled. Certainly the previous government went a long way toward ensuring, for the first time, a domestic presence in an almost entirely foreign-controlled sector of the economy, the oil industry. Now our friends in the government tell us that that was the wrong way to go, that we should not displease our American neighbours who control that segment of the economy.

I wonder what Canadians have to look forward to from the present government. We know about soaring heating costs, and soaring gasoline prices. We have rapidly increasing inflation which perhaps will result in fewer available jobs this coming winter. Of course that will result in substantially increased unemployment. By its policies the government has already sacrificed thousands of Canadian jobs to the order of Conservative policy.

In their campaigns, Tory members promised to stimulate the economy, but what has happened since? We lost out in Argentina.

I should like to say on the floor of the House of Commons that I received a telephone call sometime ago from a private company involved in negotiating the sale of Candu reactors. The gentleman wanted to know why the government was directly intervening in the negotiations going on then which undoubtedly would have some disastrous effect on the sale of Candu reactors. It was approximately three or four weeks after that telephone call that the Argentina deal fell through.

Despite the fact that the press has attributed, to some degree, that lost sale to the actions or statements of the Secretary of State for External Affairs (Miss MacDonald), I have no doubt that it was the division in the government cabinet between those who were for and those who were against the production and sale of nuclear reactors. The holdup in making a decision and the desire to ensure a "go-slow" until a government policy was finally adopted, perhaps were the real reasons why we lost the Argentinian deal. Also we lost out in Mexico and Japan.

We sure lost out in the Middle East. Again I received a telephone call. This time it was from an executive of Bell Canada, one morning. He said, "Hal, what are you going to do? We have over $500 million worth of contracts in suspense at the present time in the Middle East; it involves thousands of Canadian jobs."

I asked a question in the House of the Minister of State for International Trade (Mr. Wilson) because we do not have a minister in the House of Commons who is responsible for that particular area; he is in the other place. The Minister of State for International Trade answered in such a fashion which indicated he was aware of some difficulties, but he was not aware of any cancelled contracts. Then on the following Monday, the next working day, he stated that some $4 million worth of contracts had been cancelled. The point was that the question did not relate to $4 million of cancelled contracts, as serious as that may be. It referred to the $500 million worth of contracts that were in suspense, that were being negotiated, held up, and possibly lost. In my question I also mentioned the fact that, in Iraq, Canadian companies were not even allowed to submit bids. That was particularly difficult in the case of the airport in Tehran.

An hon. Member: That is $4 million down the drain.

Mr. Herbert: That is correct. The professed intent of the Tory government members during the campaign to stimulate the economy has resulted so far in losses of contracts and jobs to Canadians throughout the world, and obviously has had serious effects on the economy.

In conclusion, I can say only—

An hon. Member: He is concluding finally.

Mr. Herbert: Perhaps it is just as well, because there are so many things one could bring up that one could talk for hours about what the government has done wrong in the short period of time it has been in office. It is beyond belief that a government, which had so much time without the glare of publicity in the House, could have made such a mess of things from an economic point of view.

• (2050)

I can only say, Mr. Speaker, that we really have no choice with regard to this borrowing authority. It does not involve a matter of us saying we refuse that borrowing authority. We do not know whether the Minister of Finance really needs that $7 billion, but eventually he is going to be able to find some way of putting in programs to use it up, and he will be back for more. I suggest to him that this is the first time he is asking this House for this spending authority. The next time he comes into this House asking for money he will have to present his own estimates on spending, along with revenues, and he will clearly have to indicate how he arrived at a figure such as the present $7 billion, and what he intends to do with that money. I say in all sincerity to him, although he is not listening to me, that I for one will not vote again in favour of a spending authority without getting answers to those relevant questions. Thank you, Mr. Speaker.

Mr. Bob Rae (Broadview-Greenwood): Mr. Speaker, if I may be permitted a moment of indulgence, let me say that it was a year ago that I arrived in this place. I arrived here on October 25, 1978, and for the first time was able to speak in this place. Ironically, the subject on which I spoke was borrowing authority for $17 billion requested by the then Liberal government.

An hon. Member: How much?

Mr. Rae: It was $17 billion. I would like to refer members of the House to an interesting speech of that day. It was not my own, although it was very interesting and I commend it to hon. members. They will be able to read it at their leisure. I want at this time to refer to the speech of the then leader of the opposition, the present Prime Minister (Mr. Clark). He spoke of many things, including the way in which these borrowing authority bills are presented to the House of Commons. It might be worth-while for the hon. members of the House, particularly new members who are trying to develop a sense of history, to look back and read what the Prime Minister had to say when he was in opposition. He said:

> The Minister of Finance, with his absolute faith in keeping secret from the people of Canada information which they have a right to know, even though his officials are probably telling him, refuses to tell this House of Commons what revenues the Government of Canada expects in this fiscal year and, consequently, we do not know how deep the deficit will be. We do not know how much deeper into debt this country is going to be plunged by the incompetence of this government. All we know is that today they are seeking the authority to borrow an additional $17 billion.

He then went on to say, and how familiar these words sound:

> We are told there is going to be a budget. They will not give us a date—they rarely give us dates—but sometime in the middle of November there is going to be a new budget. Why is the Government of Canada rushing through this demand to increase its borrowing authority before it gives us a budget? A budget should contain a projection of spending estimates, it should contain a statement of the revenues expected by the Government of Canada, and it should contain an indication of the priorities the government is going to follow. That is coming in three weeks, so why do we have this extraordinary request for an additional $17 billion borrowing authority right now? Why not wait three weeks? What is so urgent? What is being hidden? Why can they not come forward now and give us the information that would be part of a budget or, if they are not prepared to do that, why do they not let this matter wait until after the budget is before the House of Commons?

The Prime Minister went on to say that it was a disgrace for the government to come before the House of Commons and request a blank cheque. He was right then, and the government is wrong now.

We say to the Minister of Finance (Mr. Crosbie) that he has had a long period of time in which to present a budget to this House. A budget should have been presented in June. Had he presented a budget in June he would have had the opportunity at least in June of getting rid of the Liberal budget measures we are being weighed down with now. He could have presented us with an indication of what he expected revenues to be and why he presents a request to Parliament for $7 billion with no accounting, and with no more indication today than we had on May 22 of what this government intends to do with that money which it is asking us to approve.

I do not care whether it is $17 billion, which was eventually reduced to $10 billion, or $7 billion. The principle is exactly the same, and that principle is that this House should not be so abused by a government as to be expected to give the government a blank cheque when it comes in with these requests, and we should not be expected, as the leader of the opposition, as he then was, said so well, to give a blank cheque to a government that is coming before this House now and asking for $7 billion.

It simply is not good enough for the Minister of Finance to come before us saying he needs the money because he needs the money because he needs the money, and that is exactly what the Minister of Finance has told us. It was gobbledygook we got from the minister two days ago, explaining why he needed the money. He told us nothing about the government's projected spending plans, he told us nothing about tax expenditures, he told us nothing about the revenues which the government is not collecting, and he asked us to give the government a $7 billion cheque with no indication as to what the revenue forecast is or what the spending forecast is.

I am sorry the President of the Treasury Board (Mr. Stevens) is not here to hear this because he is the man who has been going around Canada as the pillar of fiscal responsibility, the Savonarola of free enterprise, the Rex Humbard of capitalism, the man who is supposed to be the master of the bottom line, and the man who is going to bring, single-handedly, the civil service of Canada to its knees and end big spending in government forever. Where is he? Where is the happy hacker when we need him? Where is the happy hacker when we want to know where we are going to be putting our $7 billion? He is not here.

An hon. Member: Who wrote your speech?

Mr. Rae: I write all my own material, which is more than I can say for some members in this House.

Some hon. Members: Hear, hear!

An hon. Member: Nobody else would take credit for it.

Mr. Rae: I want on this my first—

An hon. Member: What an admission.

Mr. Rae: I will get to the Minister of Finance in a moment. I have been gentle with him so far during this session. This is the first speech I have had the opportunity to make, as I say, and since this is the first anniversary of my arrival in this House, and the same year in which I made a speech on supplemental borrowing, I could give exactly the same speech again tonight, but I would be depriving members of another variety of what I have to say.

An hon. Member: We really wouldn't mind.

Some hon. Members: Oh, oh!

Mr. Rae: The points I want to make this evening, and there are only two or three, will characterize the interventions from this side concerning financial, tax, and budgetary matters in the House of Commons.

The first point is that we take just as seriously as the Conservative party did when it was in opposition the fact that questions of supply come to the House of Commons, and the House of Commons should have control of supply. We are tired of the haphazard, sloppy, ineffective, inefficient, dissimulating accounting which has been so characteristic of the Liberal government, and which is in danger of becoming

characteristic of the Conservative government. We will not accept the principle that the government can come before this House telling us it needs billions of dollars on a supplemental basis without telling us where the money is going and how it is being spent.

The second point we want to make, and which we will make consistently in this House, is that we will not accept any longer the lack of accounting for tax expenditures, and which again has been characteristic of the Liberal government and is in danger of becoming characteristic of the Conservative government.

● (2100)

Even though the government has deprived me of a private member's bill, I am glad to hear that its intention now is to bring in a tax expenditure bill. This matter is a critical feature of our budget, and it is a critical feature of our deficit, all of which has been emphasized in speeches by my colleagues since Tuesday. Some of the prime causes of the deficit in Canada are that our tax policies have been helter skelter, we have one of the weakest corporate collection tax rates in Canada, and our policy of oil depletion allowances, MURBs, tax shelters of all kinds, investment credits and so on, all strike at the very heart of the ability of the Canadian government to raise the money necessary to do the job which it is required to do.

That tax policy, and that system which has a weak, soft centre, is the legacy to the people of Canada from the Liberal party. If anybody wants to know whose pockets the Liberal party is in then we only have to look at the tax revenue system in Canada and there will be no question in anybody's mind as to what kind of support the Liberal party has looked for over the years for its policies.

The weakness of our manufacturing base, our problems with respect to the balance of trade, the fact that we have such a heavy outflow of dividends and interest payments, the fact that we are now sending more interest payments out of this country than we are dividends—which means that our companies are relying more on debt than they are on foreign equity investment—all go together to make up the legacy the Conservative government inherited from the Liberal government. It is the task of the new government, and I am sad to say that they are obviously not equal to it, to turn that legacy around.

That is where the question of interest rates comes in. I would like to refer hon. members to an old speech made by the Minister of Finance when he was speaking on what his party would do if they were the government, with respect to interest rates. I hope that the minister will take a look at *Hansard* dated Tuesday, February 13, 1979, one day before the St. Valentine's massacre. Of course, the minister will not find much in his speech as it was largely a speech of rhetoric, bombast, and the kind of buffoonery we expect from members of the opposition.

Some hon. Members: Oh, oh!

Mr. Jarvis: You are right there.

Mr. Rae: There are always certain wise exceptions to the rule.

Mr. Lefebvre: They will be back here soon, don't you worry. You did not make a mistake.

Mr. Rae: I do not have that feeling. The minister in his speech of February 13 did not even mention the syncrolift. I believe it is the only speech which I have read of the minister's that he did not devote to the syncrolift.

I want to refer to a speech by Mr. Gillies, the former member for Don Valley. Mr. Gillies is now the Rasputin of this government, who, while he was here, complained that the Liberal party did not believe in Parliament, and who showed his faith in Parliament by leaving it and gaining more power by staying outside it. Mr. Gillies said in his speech as it is reported in *Hansard*, February 13, 1979, at page 3188:

> The second thing which the government has done is to raise interest rates. Presumably it does not care about high interest rates, high consumer borrowing costs, high mortgage costs or high costs for starting business. Every economist in this country and, indeed, the governor of the Bank of Canada, has said that a high interest rate policy, given the high domestic economic situation in the nation today, is wrong.

Mr. Gillies was about as accurate about the governor of the Bank of Canada as he was about some other things. Nevertheless, he went on to say:

> The last thing Canada needs right now is a high interest rate policy, yet since the beginning of 1978 the bank rate has gone up 50 per cent, from 7.5 per cent in the beginning of 1978 to the current level of 11.25 per cent.

That is peanuts compared to what we are paying in interest rates now. Who would not beg now for interest rates of 11¼ per cent? Every time interest rates go up, mortgage rates and rates in general go up. It is inflationary.

Mr. Gillies then went on to make a number of serious points about the impact of the high interest rate policy, and why it is wrong. I want this to get on the record because I do not want this government to get off the hook, or leave the legacy of the positions they took in opposition, and daily leave them behind them like yesterday's socks. We want to stick those socks on this government and make them live with them. Mr. Gillies went on to say:

> Why has the government taken the direction that it has on interest rates? Incidentally, it is interesting to compare the bank interest rates of other countries around the world with Canda's interest rates Here are some interest rates: West Germany, 3 per cent; Switzerland, 1 per cent; Japan, 3.5 per cent, and U.S.A., 10 per cent. The reality is that the countries with strong economies have the low interest rate structures and a strong balance of payments. We are going in the other direction, because the government argues that we have to keep capital flowing into the country or the dollar will fall even further.

That message has not changed with the ushering in of the present government. The only things that have changed are the faces of the people across the way. The policies are exactly the same.

Mr. Gillies went on to say:

> If one looks at the figures, which some people never presume to do, the rise in interest rates has really not caused a change in the rate of the flow of funds. We have the peculiar situation that even though we have moved the interest rate up seven times, it really has not done anything for the net flow of capital.

That still applies today. The policy of the Government of Canada has not changed. The policy of Governor Bouey has not changed. At least one can say for Governor Bouey that he is consistent. He has given exactly the same advice to the Liberal government as he is now giving to the Conservative government, and both parties have bought it. I think we are entitled to ask why the Minister of Finance continues to hide behind the arguments of the governor of the Bank of Canada and why all those policies, which in 1978 and early 1979 made so much sense, suddenly make no sense.

I think that we are entitled to ask of our friends in the Liberal party that there should be a special room in this House, a room of penitence. They should not be allowed to come into this House and make statements about the interest rates because they were following exactly the same policies, and buying exactly the same arguments, while they were in government. There is nothing like opposition to give these people a little courage. Where was the hon. member for Gloucester (Mr. Breau)? He was sitting down at the end, but where was he when the interest rates went up? He was not doing anything. Where was the hon. member for Windsor West (Mr. Gray)? Did he once ask a question in the House of Commons about the high interest rates?

Mr. Crosbie: Not a word.

Mr. Rae: Not a peep, not a whistle, nothing. Suddenly they have gained the courage which comes from merely seeking to take advantage of what they know is a very genuine public preoccupation, the welfare of our economy. The Liberals did nothing about the economy for 16 years, but suddenly they discover it.

Before the Minister of Finance lost his sense of humour and his principles, he would come into this House bouncing with good humour and bounding with poetry. Since he is no longer able to bubble forth with those doggerels, I have one for you tonight, Mr. Speaker:

The member for St. John's West
Used to know what was best,
But now that he's a cabinet minister
His actions are far more sinister.
High interest loans he used to hate,
But now he's known as "Crazy Rates";
His answers now are much less merry:
"Don't blame me, I'll have to ask Gerry!"

Some hon. Members: Hear, hear!

Mr. Rae: I wrote that myself. That is the policy of this government, of the Prime Minister and the Minister of Finance.

What do we hear about an industrial strategy? We don't hear a peep about industrial strategy. What do we hear about the weakness of our manufacturing base? We don't hear a peep about the weakness of our manufacturing base. What do we hear about the reality of our current account deficit and about the fact that this deficit is growing because our trade is declining, and because our interest rates are going out of the country to beat the band? We do not hear a thing from the Minister of Finance any more. We do not hear any strategies or any proposals. All we hear from the Minister of Finance is justification for the same old policy of tight money, restriction and high credit, which we in Canada associate with Tory times and which have always been indicative of Tory times.

• (2110)

An hon. Member: Usury.

Mr. Rae: You can take the Tories in the Liberal party, you can take the Tories in the Tory party and put them together and you have a conventional wisdom that has produced the highest interest rates in our history, a rate of inflation which is unheard of and which is not generated by excess demand but is generated by cost push in the economy and which has been encouraged by the Minister of Finance.

We have a continued policy of tax expenditure which strikes at the guts of our revenue collecting system. We have the same policy of blank cheques, of coming into this Parliament and asking for authority to borrow $7 billion anywhere in the world, regardless of the time, regardless of the cost, regardless of the interest rate, regardless of our knowing what the revenue forecasts are, and regardless of our knowing what the expenditure forecasts are.

I say to the people of Canada that they have been tricked, they have been duped, because they thought they were electing a new government. On May 22 they thought they were going to get a new team. They did not get a new team; they got the second team of the old team that was in there before.

An hon. Member: Same old coach.

Mr. Rae: That is all we have, Mr. Speaker, the second team of the same old team.

You can take the Tories in the Tory party, the Tories in the Liberal party, stick them together and what you have is a conventional wisdom that does nothing for the people of Canada, that has increased our deficit, that has dramatically increased inflation, that is causing unemployment, and that fails to take those tough decisions which are necessary in our economy, which are to going to get at the problem of fairness, which are going to get at the problem of a weak industrial base, and which are going to get at the problem of our need to export and provide some kind of economic leadership for our people.

It is a sad day for the people of Canada when they wake up one morning and realize that all they have done is change weathermen. When the hon. member for Saint-Maurice (Mr. Chrétien) was minister of finance he used to say there was nothing they could do, that there were storms in the United States, hurricanes that were unbelievable, and that members of the opposition knew nothing about how serious the storms were. He claimed there was nothing they could do. He used to sit back and say, "You will just have to batten down the hatches and wait for the storm to blow through, and when the storm is over the sun will come up in the morning and

everything will be bright and merry." Instead of one weatherman we have another. The only thing that has changed, Mr. Speaker, is the accent of the weatherman. Nothing else has changed. It is exactly the same philosophy.

Let me remind you, Mr. Speaker, that 50 years ago that philosophy was espoused by the Mackenzie Kings and the R. B. Bennetts. That philosophy was espoused by the Herbert Hoovers, and that philosophy was eventually rejected throughout the western world. I suggest to the Minister of Finance that that philosophy, of our government coming before us and simply telling us there is nothing we can do when faced with the economic situation, that we have no choices, that high interest rates are inevitable, that there is nothing we can do but bite these hypothetical bullets the minister keeps talking about—I say as sure as tomorrow follows today, that policy is going to be rejected by the Canadian people. It is not what anybody wants to hear. It is not what anybody really thinks any more because it does not reflect all that is good and all that is generous, all that is intelligent, and all that is courageous in the Canadian people.

Some hon. Members: Hear, hear!

Mr. George Baker (Gander-Twillingate): Mr. Speaker, I get the feeling that the previous speaker does not admire the Minister of Finance (Mr. Crosbie).

Not wanting to hold up this bill, Mr. Speaker, as I realize that the purse of the Minister of Finance is empty and he wishes to fill it with somebody else's money, I should like just to make a few remarks which really follow up what the speaker before the last from the New Democratic Party was talking about. He was very critical of the Minister of Finance, and went through his history. He said that the minister really did not know what he was doing. In fact I have the feeling, after listening to that member of the New Democratic Party, that he feels the minister would define a floating debt as a boat that has not been paid off!

I want to assure the New Democratic Party that this Minister of Finance knows everything there is to know—everything—about deficit financing. The previous speaker did not really finish what he started to say. He spoke about debt, and went through the per capita debts of many provinces in Canada and the national debt, but he really did not continue to the logical conclusion. Perhaps he does not know the logical conclusion, but he was using a good example.

That hon. member mentioned Newfoundland several times, and the per capita debt there of $3,274. That is interesting, when you realize how important that figure is compared to expenditures of government and what happens to the money. In the province of Newfoundland, with which the Minister of Finance is very familiar, there is a yearly expenditure of $1 billion by the provincial government, and $1 billion by the federal government. That is $2 billion for a half million population—$4,000 for every man, woman, and child in the province. Someone might point out that the per capita debt is only $3,274 and remark that it seems pretty good. But when we analyse debt, Mr. Speaker, and this particular bill which is before the House to borrow $7 billion, we have to consider the fiscal manoeuvrability of the nation or the province in question. One has to be balanced against the other.

To really examine the situation in Canada and the situation in the provinces as that member from the New Democratic Party did, and refer to the financial experts who analyse this continuously, we should refer to the last report of the Economic Council of Canada which examined the debt positions, borrowing positions, and spending positions of all provinces, specifically four, as it dealt with regional disparity and high unemployment in those particular provinces. The council suggested that some of the burden be lifted from the shoulders of the federal government and placed on the shoulders of the provincial governments to alleviate high unemployment. They also suggested that they use their own fiscal manoeuvrabilities. But in that report the Economic Council of Canada offered the final resolution that each provincial government—except the Newfoundland government—could use its own fiscal manoeuvrability.

To understand why they said that and why it is so important, we must go back to the previous studies, in which they showed that to service the debt alone was a massive problem. They showed, for instance, that the direct and indirect debt less the sinking fund, as a proportion of the personal income of Newfoundlanders, was too high. It was very high. We must then come to the conclusion that, in a situation like that, there is no fiscal manoeuvrability whatsoever—or very little, if any. That is something that must be considered when discussing this bill to borrow $7 billion.

The most important thing to be considered, however, is how that money is spent—what is done with it. In other words, priorities must be established. If we are to believe the Minister of Finance in his recent public statements, then we accept that the government must spend money to increase productivity in Canada—that must be their most important objective.

Politically speaking, I suppose it is a good thing for the Minister of Finance to go down to his own riding of St. John's West, as he did last week, and open a $55 million arterial road that he was partially responsible for getting. I suppose it is politically advantageous for him to turn around next week and open up a $44 million water system for which he negotiated when minister of intergovernmental affairs in the provincial government. It will do his soul good in another couple of months to announce as step one for an outer ring road in the same city a $35 million expenditure. That is fine, Mr. Speaker, politically speaking.

● (2120)

Apart from the fact that there are a lot of municipalities in Newfoundland who believe the old farmer's adage that money is like manure, of very little use unless it be spread, there is the question of the wise use of money and that of productivity. It is not nice at this time of year to see on the northeast coast of Newfoundland incredible dumping of fish every day because it cannot be sold and markets cannot be found. It is bad enough to know that when that fish is sold, 80 per cent of it goes to the

United States and other countries to be processed into a finished product. That is bad enough, but when you have an action, the first one taken by this government, to cut out and freeze boat building subsidies, and to cut out wharf construction affecting the primary producer, that is worse. It is interesting that the Minister of Finance is able to rationalize those decisions when he asks for $7 billion to be okayed by this House for his borrowing purpose.

It should also be very interesting to find out how the Minister of Finance will rationalize the recent cuts of his bosom pal, the President of the Treasury Board (Mr. Stevens) who decided to cut out filling job vancancies, to cut out term employees from being rehired, to cut out capital expenditures for construction in Newfoundland, which were all across-the-board decisions. I do not know how one can rationalize that when one looks at the figures and realizes that the federal government has spent less per capita on wages and salaries for federal employees in Newfoundland, that is, less per capita than any other province in Canada, and yet the across-the-board cut was taken.

It is interesting that just one week ago the President of the Treasury Board in answer to a question posed by one of my colleagues from Quebec said he was going to re-examine a departmental cut in light of the economic conditions in that hon. member's riding. The President of the Treasury Board said he had an open mind, and he repeated that statement. I thought, as many other members from high unemployment areas thought, that the President of the Treasury Board would then go to work and cancel all cuts in every high unemployment area in Canada, especially in Newfoundland. He had an open mind, he said. Yet, two days after that, he reiterated his policy of continued cuts, non-hiring for job vacancies, and continued the freeze on construction jobs.

It is obvious that the President of the Treasury Board has an open mind, in fact so open as to be totally vacant. It is important for the Minister of Finance to rationalize those decisions that affect those high unemployment areas of Canada, and especially in Newfoundland, when he asks for permission to borrow $7 billion. It would also be interesting for the Minister of Finance and for the government to remember that the people of Canada now believe that as government politicians it is a very good example of those who shake your hand before the election, and shake you after the election.

Mr. Simon de Jong (Regina East): Mr. Speaker, in partaking of this debate, I would like to read some items into the record. In many ways I think the bill placed before us by the government is a contradiction of the statement that inflation is enemy number one. We are being asked to provide the government with some $7 billion in borrowing, and yet one of the major causes of inflation is the imbalance that we have in our service charge, being the interest that we have to pay out. This is probably one of the major reasons why the Canadian dollar has fallen in value, and in turn is the major reason why we see the rise in inflation. In fact, going through my notes I notice that Mr. Rob Douglas, when he was director of the now defunct centre for the study of inflation and productivity, said that an analysis of the impact of the dollar's devaluation on domestic inflation shows that about one-third of the inflation was caused by the dollar's drop.

There is an insanity which seems to be at work here. In order to solve that insanity we just create more insanity. In order to wrestle with inflation, we take the steps which create even more inflation. It is an insane situation, and one I do not think members of this House should support. Obviously members of the government knew they should not be supporting measures of this kind when they were in opposition, but now they seem to go along with the pattern that was established by the former government.

I do not understand why they are caught in this type of rigid reality. I do not understand why they have not been able to introduce some new thinking, or bring some new imagination or put new light on the problems, including economic problems, which this country faces.

For the record I would like to read part of an article written in the *Financial Post*. Normally I am not a great fan of the *Financial Post*, but in the October 20, 1979, edition an article appeared posing some interesting questions. The writer suggested that members of Parliament should be asking these questions of the governor of the Bank of Canada and of the government as a whole. The questions read as follows:

1. Bouey stressed the need to reduce inflation when announcing the latest bank rate increases. But would he have raised interest rates (as he has done three times since the Tories came to power) if the U.S. had not first raised its rate?

2. Assuming, for now that Canada must generally follow the upward sweep in U.S. interest rates, does Bouey agree with the recent hikes by the U.S. Federal Reserve Board?

3. What's needed, and how long would it take, to give Canada an independent monetary policy?

4. How can a credit crunch that especially hurts small business cut inflation? Indeed, how, precisely, will high interest rates make the North American rate of inflation come down? Hardly anyone would quarrel with the idea that money-supply growth is closely related to inflation over, say, five years. But doesn't the high U.S. inflation rate (consumer prices up 11.8 per cent in August from a year ago) have more to do with oil prices and higher food costs than a money supply that's out of control?

● (2130)

5. How long and deep a recession will it take to cool out inflation? Will wage demands really be any lower even at 8 per cent, 9 per cent or 10 per cent unemployment?

6. To move inflation down to, for example 6 per cent from 9 per cent, someone has to take less of an increase in profits and wages. Who will this be: Small companies? Large companies? Unionized employees? Other workers? Farmers? Everyone equally?

7. Even though the bank rate was increased seven times, from 7½ per cent to 11¼ per cent, between March, 1978 and January, 1979, short-term interest rates in Canada for a time fell below rates in the U.S. and the Eurodollar market. Allowing for the various factors that influence the flow of money, does the Bank have any evidence that the lower short-term rates during this period directly prompted a shift of money away from Canada?

They are good questions, and I hope the minister will be able to supply answers. It is the net outflow of capital that is pretty well the major source of the economic problems that we have. In 1975 the balance came in at a $4.75 billion deficit, up 225 per cent from the year before. In 1976 it dropped to $3.8 billion, in 1977 increased to $4.1 billion, and last year was a

record $5.2 billion. These deficits have created heavy pressures on the exchange rate, and the Canadian dollar has thus become worth less.

As I pointed out before, the devaluation of the Canadian dollar has become a major reason why we are in an inflation type of spiral. The devaluation of the dollar, the increase in food costs and the increase in oil costs are the major reasons why we are facing inflation, not some monetary policy that the governor of the Bank of Canada was trying to explain to us earlier in the day.

Since Canada is a major importer of food, some $3 billion last year, the loss of value of the Canadian dollar increased food costs. In 1978 the food price index was 216. It hurts the whole economy, increases unemployment and welfare rates and strikes at the viability of many small businesses. For example, in Saskatchewan some 51,000 new jobs were created from January to August, a pretty good rate for Saskatchewan. The premier is quoted as saying most of those increases occurred in the small business sector.

What will higher interest rates proposed by this government do to the small businessman? Banking acquaintances in Regina tell me there has been a general slowdown in business in my constituency because of the increase in interest rates. There is a general fear and sense of insecurity. There is no sense of certainty. There is no ability to predict and plan. How high will interest rates go; 15 today, 16 tomorrow, 17 next week, 18, 19, 20? Is there no end in sight?

The people of this country want some assurance, some predictability, and some leadership. We keep floundering along following the same impotent policies introduced by the former government. This government in its own madness is continuing those. All at once we see members of the former government being relieved of this insanity, and in fact demanding that this insanity be stopped. Why is it this only occurs on the opposition side and never on the government side? It would be better for the people of this country if the government were able to snap itself out of the foolish reality in which it is caught.

Major economic problems result in the over-all balance of payments deficits which cause devaluation and in turn exacerbate other problems such as large price increases. This continues to increase the problem and feeds itself. What caused the imbalance in the first place? We are made to understand the service trade is the major problem, some $5.2 billion last year. What is the origin of that? The origin of that, unfortunately, is the economic history of this country, the type of development that both the Liberal and Conservative governments sponsored.

We have had quick development for the sake of quick development. We sold our resources. We allowed foreign capital to come in and develop our resources. They took the resources out and left us with a debt. Now the chickens have come home to roost. Now we have to pay off the debt.

Let us look at the scope of foreign ownership in this country. StatsCan reported in 1976 that of the 230,262 non-financial enterprises in Canada, 3,630 or 1.5 per cent were classified as foreign owned. In terms of statistics, 1.5 per cent is not a very large number, yet the 1.5 per cent, the small handful of foreign-controlled corporations, had 34.9 per cent of all Canadian sales, 31 per cent of the total assets, and 46 per cent of the profits generated in this country in 1976. That blows my mind.

An hon. Member: That wouldn't take much.

Mr. de Jong: The hon. member says that would not take much. Does it not blow his mind that 1.5 per cent of all non-financial Canadian companies that are foreign-controlled take nearly half of all profits in this country? Is that not disturbing? Is it not obvious why we have the type of economic problems that we do in this country? All that profit is sent outside our borders. It is the return on past investments, and that is the price we now have to pay. That is why we have a deficit in our balance of payments, a devalued Canadian dollar, and spiralling inflation.

What is the solution? More borrowing, more indebtedness to foreign banks, more interest rates to be paid? It is the insanity that keeps repeating itself, insanity upon insanity upon insanity. Do we need a crash to wake the government up and make it realize that we are set on a course that will result in a great amount of human suffering? Small businessmen, farmers, working people and old people trying to exist on meagre incomes, living on the edge of economic survival, will be swept under by the forces the government opposite is setting loose.

An hon. Member: What about Saskatchewan?

Mr. de Jong: The hon. member mentioned Saskatchewan. I did want to close with that. Saskatchewan, a small province of less than a million people, under an NDP government has taken an initiative in tackling this basic economic problem. They have tried to control resources developed in Saskatchewan so that the benefits of those resources stay in the province and stay in this country. That is why the people of Saskatchewan own nearly 50 per cent of the potash. Members opposite might claim that this is communism, and put that government down.

• (2140)

I am reminded of the day when the present Secretary of State (Mr. MacDonald) was in my home city of Regina. When asked what he thought of the takeover of potash by the provincial government, he said the only criticism he had of it was that it took so long. Mr. Speaker, he knew the solution to Saskatchewan's economic problems. But where is his voice now? Where are the voices of those Conservatives who know better? We heard them when they were in opposition. Are they to be stilled?

What sort of force is it in cabinet and in government which makes the voice of reason, understanding and enlightenment silent in a moment of need? Is there some hidden force which obliges people to do things they know do not make any sense at all?

In Saskatchewan we are involved in potash and in the development of our resources such as oil. The people have a stake in this development so that when profits accrue they stay in the country and they help with the balance of payments rather than become an irritant and create a problem. The members who sit in this little corner have the solution to the Canadian economic problem, and that is Canadian ownership in which the public and government play an active part. Until we are willing to tackle the basic problem of foreign control we shall go on and on, I suppose, until a crash occurs. Is that what it takes before we learn? I hope not, Mr. Speaker.

Mr. Donald J. Johnston (Saint-Henri-Westmount): Mr. Speaker, addressing myself to this bill I want to make it clear at the outset that my approach to the Minister of Finance (Mr. Crosbie) is somewhat different from that of some of the speakers on my left.

Mr. Knowles: I hope so.

Mr. Johnston: I want to deliver a message of encouragement, of optimism, of hope, even of charity. I have a well-known company in my city—it's head office is in my riding—and I propose to borrow, if I may, a term they use. They have a motto "Steinberg's is on your side". I should like the Minister of Finance to know that many of us are very much on his side as he accepts the difficult challenges which face the country, as well as the many opportunities which lie ahead for Canada in this his first year as minister.

Benjamin Franklin once said that those who gave up an essential liberty to purchase a little temporary safety deserved neither liberty nor safety. That statement is very appropriate for politicians in the late seventies and eighties here in Canada. I say this because we have to make difficult decisions.

In some areas the Minister of Finance has made difficult decisions. In others, though, he has not done so. He has, if you like, traded essential liberty, which I would define in certain circumstances as being equated with a sound economy, for temporary safety which in some respects is equivalent to political credibility.

The minister was faced with making a decision on a very difficult problem, that of the mortgage interest deductibility scheme advocated by his party during the election. It is our impression that it was only with great reluctance that the minister put forward even his modified version of that scheme, but that scheme is an example of what I mean, of giving up something which is in the interests of all Canadians, in the interest of a sound economy, in order to purchase a certain amount of political credibility. That is a black mark on the minister's record.

In addition, the hon. gentleman is supporting the position of the government in other economic areas, such as its stand on oil prices. It is an article of faith on the part of hon. members opposite, this thesis of letting oil prices rise to world market levels. I am myself a great believer in the marketplace; indeed, I am very supportive of the principle of free enterprise. But in the case of oil we are dealing with an international cartel. We are not dealing with a normal market situation; we are dealing with circumstances which are probably unique in recent history. This being the case, the concept of looking always to the market place is completely out of place in the current economic scheme. It is pushing us into inflation, pushing us inevitably into difficult times. The governor of the bank, according to the statement he delivered, expects an increase in oil prices and contemplates a rate of inflation considerably more than we are presently seeing.

Then there is question of the government's attitude to PetroCan. This is another policy which the minister indicates he supports as an article of faith. I find it difficult to believe that members opposite uniformly support the principle of privatization as an article of faith. As a matter of fact I recall the maiden speech of the hon. member for Edmonton East (Mr. Yurko) when he talked about the experiences he had had with Crown corporations. It is small wonder, because we know that the government of Alberta which carries the Tory colours probably has as many Crown corporations as any other government in the country, if not more. So I find it hard to believe that privatization per se should be regarded as an article of faith.

But, again I do support the concept of privatization. Private ownership of the means of production is an article of faith with me. But there are certain areas today in which the private sector cannot be expected to meet the challenges which face society. In an earlier speech I made here I drew an analogy between PetroCan and other kinds of ventures into which governments are necessarily being drawn. Take, for example, space exploration in the United States. Should that be the concern of the private sector? Does anyone seriously suggest that individual investors could invest in a project of that kind from which the rewards, even if they were tangible, could easily be delayed for a hundred years? That is not the kind of investment which private investors in this day and age are prepared to make. I suggest in the case of the energy sector in this country, and for that matter in many countries, that we are dealing with a similar situation.

● (2150)

As a government hon. members opposite have an obligation to make certain kinds of investments which are investments for society as a whole. That is what we are dealing with in the case of Petro-Canada, and I hope that eventually hon. members opposite will abandon some of these articles of faith and look at the reality of Canada and the necessity of having a strong Canadian public company in the energy sector.

We have heard the Prime Minister (Mr. Clark) himself identify our public enemy number one as inflation. Who could disagree? Inflation sets class against class and groups against groups. Everybody is trying to maintain or perhaps increase their share of the national income. Inflation indeed is a social malady, as Carl Beigie recently wrote. It is a terrifying prospect. Panic all of a sudden has beset our own community and other nations, and it must be addressed and arrested. Tough decisions are going to be required to bring that about.

I might say that beginning in 1975 the previous government started making many tough decisions. One of the tough decisions was to establish a monetary stance of some kind and to establish targets for monetary growth, and that policy was consistently followed. Another tough decision was to reverse trends which had been established with regard to the expansion and growth of the public service. Those decisions were carried out, but those trends continued, and they were in play and effective on "black Monday", May 22.

Then another area in which the government acted was that of reducing the rate of government spending. This was also a tough decision, finally culminating, on an accelerated basis, in what is sometimes referred to as the August exercise of 1978. That was not a popular decision. It was difficult, and no minister and no government can expect to be popular when faced with that kind of choice. There are always serious trade-offs for those kinds of decisions. The Minister of Finance will be expected to continue in that tradition as he carries out his responsibilities. That is what we are looking to him for. That is what all Canadians are looking to him for.

We are not looking for cop-outs like the mortgage tax credit scheme, and I say that as a member who at one time supported an idea of limited mortgage interest deductibility. But with study came enlightenment, and I know the minister has suffered through the same pangs of realizing that he is faced with a scheme which is not only neutral in its application but also detrimental, particularly in the current economic climate in this country where we are faced with inflation. What kind of scheme do we have? We have one that is likely to put even more upward pressure on mortgage interest rates, and one which all observers conclude is definitely going to put pressure on housing costs and increase housing costs. So the minister did not make a tough decision. He was not prepared to take political credibility on the chin with regard to that decision.

On the other hand, I have to be fair in my judgments, and I must also say that nobody wants high interest rates. I deplore high interest rates. We have heard the NDP deploring high interest rates. The minister has made the decision to impose high interest rates. I am sure he made that decision with the best of good will and intention. This problem must have been studied. We have Governor Bouey. We have the Minister of Finance. The decision was a tough one. I am not prepared to say at this point that it was the right decision, but I admire the minister for having the guts to step up and say, "We have to make some tough decisions, and this is one of them".

Within the context of the statement by Benjamin Franklin which I cited earlier, the minister has not backed down, but he needs help. He needs help from everybody. He needs help from us, and I hope we are going to be able to play a creative and positive role in helping him to develop the policies which are required to meet the number one problem of inflation.

We see what the minister is doing on the monetary side. We see increases in interest rates. We are not satisfied. At least I am not satisfied that that in itself is going to solve the problem. It seems to me that monetary policy may be somewhat deficient in that we continue to have great liquidity and do not seem to be curbing credit, but nevertheless he has established his monetary stance and monetary position.

What about the fiscal side? We can look forward to the minister's budget, and we look forward to it with great anticipation, but unfortunately he is on a bad wicket with his mortgage tax credit, and let us hope that the cost of that program, which is estimated to be in excess of $2 billion when it is in effect, will not pre-empt and compromise other programs which the minister inevitably must introduce if he is going to come to grips with the problems which face this country.

I have a number of suggestions for the minister—none of which he will probably accept—and they are not to be introduced immediately in any event, but I do think that the minister has to offer us programs destined to stimulate the supply side of our economy and get more capital—Canadian capital, preferably—into plant and equipment and into research and development. We do not need any greater stimulation of aggregate demand at this time, as this mortgage tax scheme is likely to create. What we need are sound fiscal programs designed to attract Canadian savings into productive sectors of our economy, not into the real estate sector, not into MURBs at this point, but into those areas where we can expect to improve efficiency, produce goods, and supply services at reduced cost. I certainly do not think I am alone in putting that forward as a sound proposal in terms of one approach at the fiscal level to deal with this incredibly difficult problem of inflation.

We hear a lot of rubbish, sometimes amusing rubbish, from our friends on the left. We hear a lot of criticism. Our friends on the left try to put hon. members opposite and ourselves all in the same category, which I do not accept. I think there are very major policy differences. Nonetheless, I cannot let this opportunity pass without making reference to some of the extraordinary arguments and propositions I hear coming from my friend, the hon. member for Broadview (Mr. Rae), who was elected to this House at the same time I was. There is no doubt but that he should know better. I see he has disappeared from the House.

An hon. Member: He is here.

Mr. Rae: I am listening carefully.

Mr. Johnston: I read an attack by the hon. member on bank profits, and one thing you must be aware of when dealing with people in the NDP is the extraordinary capacity they have to personify corporations, to the point where you almost expect to meet Exxon on the street.

Any economic analysis—and the hon. member undoubtedly has made one—would substantiate and prove to everyone's satisfaction—it was virtually accepted in the Carter commission report—that you can no more impose a tax on a corporation than you can impose a tax on a dog. Who pays the tax, the dog? Certainly not, and yet a dog is much more capable of paying that tax through work, labour—watchdogging or whatever—than a corporation. The only people who are taxed when

a corporation is taxed are the shareholders of the corporation who have to accept a reduced return on investment, or the people to whom the corporation renders goods and services.

With that I would like to come back to the situation with banks, but perhaps I should call it ten o'clock.

An hon. Member: Right.

Some hon. Members: Hear, hear!

● (2200)

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

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

VETERANS AFFAIRS—PRORATA PENSIONS FOR CERTAIN WIDOWS—INTRODUCTION OF AMENDING LEGISLATION

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I should like to thank the Minister of Veterans Affairs (Mr. McKinnon) for being here tonight to comment on my question which I asked on Wednesday, October 17, as reported at pages 298 and 299 of *Hansard*.

Before I get into the question, and certainly before we get any further into this session, perhaps the minister would be happy to join with me in paying tribute to the work which was done in this field by his predecessor, the Hon. Daniel J. MacDonald.

Some hon. Members: Hear, hear!

Mr. Knowles: We all know of the difficulty he had getting money for veterans out of the cabinet of the last few years, but he fought hard and won quite a few gains for our veterans. We all know that there were a number of things that Mr. MacDonald hoped he might yet win, and that leads me to say that I hope his successor will finish the job he tried to do.

On October 17 my question was in two main parts. Principally I asked about amendments to the Pension Act which would make it possible for widows of veterans to receive the widow's pension where the veteran's disability pension was below 48 per cent. This is a cutoff which has been most unfair through all the years and for all the decades it has been there. Time and again there have been recommendations by outside committees and by standing committees on veterans affairs that this be changed, at least to the extent of having a prorata pension for widows where the veteran's disability pension was below 48 per cent. My hunch and my feeling is that we are getting closer to it. I hope the minister might be able to give us that assurance tonight. I realize he cannot give us the details until he presents his bill, but if he can assure us that the bill will be coming in soon, that would be deeply appreciated.

[Mr. Johnston.]

When I questioned the government House leader today about future business, I said that I hoped something like this could be announced and put before us this year before November 11.

When the minister responds, I hope he will also say anything he can about other measures which ought to be considered. One is to put the basic rate of the disability pension on a basis which ties it to the average income of the five designated categories in the public service. As the minister knows, we tied it to that level some years ago, but provided only for its indexing according to the rise in the cost of living. The result has been that year by year the amount of the 100 per cent disability pension gets behind the composite rate which was accepted as fair. We adjusted it once. Why not put it on a fixed basis so that it will always keep pace with that composite level?

Also there is the question of certain improvements which still need to be made to the compensation for former prisoners of war. I am sure these have been drawn to the attention of the minister. I hope that some time during this session something might be done in that area.

The other very large area where something needs to be done is in revising the War Veterans Allowance Act. This is an old piece of legislation which was brought in back in the 1930s when on the civilian side we had an old age pension with a means test. The war veterans allowance matched that and did something a little better for veterans than what was done for civilians. Times have changed. The old age pension situation is a little better. We got rid of the means test, at least for the basic amount. But some of those old trappings are still there with respect to the war veterans allowance. It seems to me the time has come, especially in view of the other social changes and in view of the years since two or three wars were fought, for the war veterans allowance to be turned into a guaranteed annual income for veterans at a certain age below the age at which ordinary people go on pension.

● (2205)

There are a number of issues of that kind about which I am concerned, and I am hoping that in this session, with the minister's keen interest in veterans, and despite the fact he has got two jobs, he will be pushing hard for the kinds of improvements to which I have been referring tonight. There are others, but I believe I have named the main ones, namely, altering that 48 per cent rule so that widows where the husband's rated disability was below 48 per cent will get a pension as of right; doing something about fixing the 100 per cent basic disability pension so it will stay with the composite level that was agreed upon; improving the compensation for former prisoners of war; and bringing the War Veterans Allowance Act up to date so that it will meet the needs of our veterans today.

I am happy to welcome the hon. member for Victoria to this important post of veterans affairs, and I look forward to working with him and with other members who are interested in veterans affairs so that we can make some real progress during this session on behalf of Canada's veterans, their families and their survivors.

Hon. Allan B. McKinnon (Minister of National Defence and Minister of Veterans Affairs): Mr. Speaker, it is a pleasure to rise at this time to reply to my friend, the hon. member for Winnipeg North Centre (Mr. Knowles).

I cannot add a great deal to the answers I gave the other day, but I would not like this opportunity to pass, while we are passing out kudos, without mentioning the sterling work that was done in respect of veterans' pensions by my predecessor, in a fashion, the former member for Humber-St. George's-St. Barbe, who has now gone to the other place and is a senator. Jack Marshall's work in the pension field has been outstanding. He is still held in very high regard across the country, and is receiving all kinds of requests to make speeches and appearances, and is working closely with me advising me in my portfolio of DVA.

Mr. Knowles: Hear, hear!

Mr. McKinnon: I hope to continue using his services in that regard as well as, and I do not want to say "use", the services of the hon. member for Winnipeg North Centre (Mr. Knowles) because I am sure he is volunteering them. I am looking forward to working with him.

As to the timing of the bill, which was the first part of his question tonight, one of our problems is that this government has so much good legislation it wants to get before the House our drafting crew is falling a bit behind. That is holding us up on this particular bill at the present time.

The bill is going to amend two or three, and maybe four, statutes and, consequently, requires careful drafting. There will be many clauses to it, and they will approach, perhaps sometimes not in exactly the same way as the hon. member would like, the problems he has mentioned and would like rectified. As I said the other day, we are moving in the same direction.

I do not expect it will include the tying in of the basic pension, but I will be asking my advisers what the cost would be at the present time of tying the basic pension to the five lowest grades of the civil service. The hon. member informed us it was tied in once before but somehow or other the knot slipped. The fact that the pay of the lowest five grades in the civil service is increasing faster than the cost of living is a problem because a gap appears, and I expect there is a gap again now. The last time the gap was closed was about three years ago. I will be looking at that but, as the hon. member knows, we were not left with exactly a bank full of money when we took over. The money is short and we are trying to set our priorities to help those who are the most needy. We are doing that through some of the amendments. The 48 per cent amendment, while it will not cure the problem overnight, is a start in that direction. There will be some movement made in that direction.

Mr. Knowles: There will be something done about the 48 per cent rule?

Mr. McKinnon: That is right, and as far as the War Veterans Allowance Act is concerned we are going to take some important steps there to cure some of the inequities.

Mr. Knowles: Good.

Mr. McKinnon: I see that my time is up.

● (2210)

PUBLIC SERVICE—REVIEW OF PERSONNEL MANAGEMENT AND THE MERIT PRINCIPLE—APPLICATION OF PRINCIPLES IN REPORT

Mr. Benno Friesen (Surrey-White Rock-North Delta): Mr. Speaker, last week I rose in the House to ask the President of the Treasury Board (Mr. Stevens) about the curious new rulings which have been made by the deputy commissioner of corrections regarding the disposition of so-called surplus employees at the B.C. penitentiary. I put the question to him that he has added an additional principle to the D'Avignon report in which he now invokes a "reverse order merit" principle. I suggest somewhat facetiously, but not entirely facetiously, that if we applied that principle to the administrators of the penitentiary service in the Pacific region, the quality of work would go up dramatically.

I say that because I wonder if the regional director of the penitentiary service in British Columbia has any other qualifications beside the fact that his brother is the senior officer in the Solicitor General's department here in Ottawa. His sidekick, Babalouie, or whatever his name is, worked with him in Kingston. The inspector general who was sent out to do an audit on the work methods and the number of employees there, was as effective as sending lettuce by rabbit. I wonder if the man who is in charge of the penitentiary has any other personal interests except the fact he is a retired man from the military and feels that this is a good way of supplementing his military pension. One does not get a very sanguine picture of the administration in the Pacific regional district.

Specifically, I have been dealing with the case of a constituent of mine who has ten years of service at the penitentiary and who held a senior position in his classification. This man was acting supervisor of that area for two years. He has taken the management course offered to him by the penitentiary service. He also received a letter from the acting director general of the Public Service Commission saying, "we hope that you will soon be getting a promotion".

However, when the previous government instituted a firing policy of 5,000 employees, the B.C. penitentiary service decided to do an audit and to check on these employees and, lo and behold, this man who has ten years service is the first to go, or at least almost the first to go. I wonder why? An evaluation was done on him, but when he asked to see that report, he was refused. He appealed it and his appeal at the regional district was turned down, whereupon he appealed to the commissioner here in Ottawa. This is what the commissioner had to say with regard to the force reduction committees. They:—

—assess the qualifications of persons so identified and rate them in accordance with the reverse order of merit principle.

He says rates them, he does not say dismisses them. Something is rotten in the state of Denmark when there is that kind of evaluating going on in the public service. My question to the

President of the Treasury Board was to the effect: how long can we have a public service when we have that kind of assessment being done on the public servants? What kind of sense of security will there be in the public service when that kind of chopping is going on? Everyone will be wondering who will be next.

Perhaps one of the liabilities of this gentleman was that he was one of the 16 hostages at the time of the Mary Steinhauser affair at the penitentiary. Perhaps he knows too much of what is going on inside the penitentiary. It may be that one of his liabilities is that he had the audacity to protest some of the decisions made at the penitentiary regarding staff and the lack of promotions to officers.

It seems to me that any administration that tries three times to hire a person and put him in an acting supervisory position when that person does not have the qualifications is hardly the kind to qualify for judging this person, who has all the necessary qualifications on paper, who has the experience necessary, and who has done the things asked of him. But he is released. As I say, something is wrong in the state of Denmark.

● (2215)

Two things are wrong with the disposition of this case, according to the act. First, he was not allowed to see his assessment. It was secret; he never saw it. When he complained, they made another one. Finally, he appealed to the deputy commissioner. The act says that he is supposed to receive a response from the deputy commissioner in 30 days but, Mr. Speaker, it took 95 days for that response to get back to this individual.

I suggest that if the D'Avignon report is dealing with the merit principle—and I say this in all seriousness and not at all facetiously—the regional director, his deputy, the man who is in charge of the penitentiary, ought to be subjected to that principle of reverse order of merit that they are now invoking with respect to this employee. In that way the system in the specific regional district would be cleaned up in a hurry.

I have sent notices to the Solicitor General (Mr. Lawrence) regarding some of the activities which are occurring in the hiring practices, and some of the inequities that the employees feel are carried on. It is time that we invoke the merit principle in order of merit and keep those people who have seniority, who have proficiency, and who have shown consistency in their work patterns—keep them, and deal with the administrators who are perpetrating this act of injustice on the employees.

Mr. Scott Fennell (Parliamentary Secretary to Minister of Communications): Mr. Speaker, the hon. member's question touches on an issue which is of great importance to us, that of the application of the merit principle in the hiring and dismissal of public servants. I should like to review briefly where we stand at the moment.

The Public Service Employment Act, in respect of lay-offs, states that where the services of an employee are no longer required because of lack of work or because of the discontinuance of the function, the deputy head, in accordance with regulations of the commission, may lay off the employee. The specific regulation concerned is section 33.1B of the public service employment regulations. Where two or more employees are employed in similar positions and one must be laid off, the deputy head must lay off the employees in order of merit. The order of lay-off begins with the employee lowest on the list. This is known as the "reverse order of merit" and should ensure that the best employees are the last to be laid off.

The government recognizes the subjectivity involved in this process, and would be pleased to draw to the personal attention of the Chairman of the Public Service Commission any cases such as that referred to by the hon. member where it is felt that the process may not have been implemented fairly. The minister will meet to review the situation with the chairman in the near future. I would encourage all members to write the minister with details of these cases as soon as possible. The government does not accept that abuse has necessarily occurred, but believes the matter to be of such importance to the fair practice doctrine which underlies government employment that detailed scrutiny of its operations by members of the commission is clearly justified.

As we all know, the D'Avignon report on the review of personnel management and the merit principle was tabled in this House recently. This will provide an opportunity to hon. members and the government to themselves consider the broad application of the merit principle within the federal public service, with a view to safeguarding its continued and even expanded application throughout the federal departments and agencies of the Crown.

● (2220)

[*Translation*]

FISHERIES—COD QUOTAS IN GULF OF ST. LAWRENCE

Mr. Alexandre Cyr (Gaspé): Mr. Speaker, on October 17 I put questions to the Minister of Fisheries and Oceans (Mr. McGrath) about supplementary cod quotas in the Gulf of St. Lawrence and the matter of allowing boats 100 feet and over to fish in those water. The Minister of Fisheries and Oceans in the previous government prohibited boats over 100 feet from fishing in Gulf waters to preserve the stocks for Gulf-based coastal and deep sea fishermen. That measure allowed New Brunswick and Quebec fishermen to increase their catches in the past two years. As an example, Mr. Speaker, Quebec catches increased 30 per cent a year in the past two years.

The minister said there were consultations with the Atlantic provinces and Quebec at a meeting held in St. John's, Newfoundland, in mid-July. According to my information, supplementary cod quotas in the Gulf of St. Lawrence for the years 1979 and 1980 were discussed but the committee never agreed to let trawlers 100 feet and over in the gulf. The representatives of the province of Quebec suggested at that meeting of the Atlantic Groundfish Advisory Committee a supplement of 10,000 metric tons of cod. No province expressed objections to the increased quotas.

The minister was informed by the advisory committee on July 11 that a supplement for boats over 100 feet could be challenged by certain provinces and, of course, coastal fishermen. Here, Mr. Speaker, is an excerpt from the minutes of that committee, and I quote:

Cod stocks in area 4T seem in better shape. Members are generally in favour of an increase in the current TAC (total authorized catch); however, the possibility of a TAC increase and allocations to boats over and under 100 feet bring out contradictory opinions—

A few days later, the minister received a working paper entitled "The Minister's Briefing Notes," in which the civil servants bring up the same problems. I quote:

[*English*]

If the quota is increased by this amount in 1979, the inshore fleet segment will be happy. However, knowing that the scientific advice suggests we can increase by as much as 13,000, the offshore segment will be most vocal in their objections. Conversely, allowing the large vessels to catch up to this amount of fish in 4T (an area currently excluded to vessels greater than 100 feet) would be totally unacceptable to the inshore fishermen, . . . and such a policy would be violently opposed by the provinces of Quebec, New Brunswick, and P.E.I.

● (2225)

[*Translation*]

Mr. Speaker, the inshore fishermen are against increased quotas for vessels greater than 100 feet, and rightly so. For them, and those who work in the processing plants, their families, the towns where they live, access to those resources is indispensable.

In his press release of August 27 advising the fishermen of higher quotas, the minister took them by surprise, and especially the governments of Quebec, New Brunswick and Prince Edward Island, by authorizing vessels of more than 100 feet, which belong to big companies, to catch 6,000 additional tons in the Gulf of St. Lawrence and that, to the detriment of inshore fishermen.

Mr. Speaker, a few days after making his decision on August 27, the minister stated at a conference on northern cod, and I quote:

Our policy, my policy on this matter is simple and well-defined. Coastal fishermen have priority access to this resource.

You will certainly agree, Mr. Speaker, that this minister wears many hats.

Like several other members, Mr. Speaker, I am wondering whether the hon. minister has one policy for the coastal fishermen of Newfoundland, another for those of New Brunswick, another for those of Quebec, and finally another favouring large companies. Indeed, why did he authorize vessels greater than 100 feet to catch 6,000 metric tons of cod in the Gulf when no, I repeat, no favourable recommendation to this effect was made by the Atlantic Groundfish Advisory Committee or in the working paper that he received from his officials?

Mr. Speaker, the government has often boasted that it could come to an agreement with the provinces on any subject. I can therefore not understand how the Minister of Fisheries and Oceans can decide to let trawlers of 100 feet or more into the Gulf of St.Lawrence knowing that the provinces of Quebec, New Brunswick and Prince Edward Island, as well as the coastal fishermen of the Gulf, including those of Newfoundland, have expressed disagreement about his new policy. Mr. Speaker, the minister has unilaterally made a decision which is unacceptable to eastern Canada.

Since this new policy will have unfavourable effects on the fishing industry of Quebec, New Brunswick, Prince Edward Island and Newfoundland, as well as Cape Breton Island, I ask on behalf of my colleagues from eastern Quebec and eastern Canada that the hon. minister postpone his decision until the Standing Committee on Fisheries and Forestry has studied the matter.

Mr. Thomas Siddon (Parliamentary Secretary to Minister of Fisheries and Oceans): Mr. Speaker, I wish to thank the hon. member for Gaspé for outlining these problems.

[*English*]

I am pleased to comment on the issue raised by the hon. member for Gaspé (Mr. Cyr) and, in so doing, to establish the facts and events as they happened. The management of all the Atlantic groundfish fishery is based on recommendations made by the Atlantic Groundfish Advisory Committee. The provinces, the industry, and the fishermen's associations are all represented on that committee.

At the July 11, 1979, meeting of AGAC, the possibility of increasing the 1979 total allowable catch for the southern Gulf was discussed. Scientific advice indicated that there was room to increase the total allowable catch by some 13,000 tons over the 36,000 already allocated for that fishery. Following that meeting, further consultation with representatives of vessels under 100 feet indicated that they required 4,000 tons to carry their fishery to the end of the fishing season. This means in effect that 9,000 tons were left to be allocated, and representatives of vessels over 100 feet were quite anxious to have all that quota. However, in order not to affect the 1980 total allowable catch and to be on the safe side, the Minister of Fisheries decided to authorize the allocation of only 6,000 tons to the larger vessels. These vessels will not commence fishing until after November 1.

I think it would have been irresponsible for the minister not to allocate at least part of the recommended increase, when the scientific advice suggested this could be done in accordance with sound conservation principles. The hon. member would probably have criticized the minister if he decided not to allocate that quota. In allocating Gulf stocks, the minister has made it clear that the priority should go to the small inshore fleet. However, one must not confuse priority and exclusivity.

The hon. member should also recognize the very important benefits of employment which will accrue to those shore based industries which will process this increased quota. I wish to emphasize that consultations were held and that all parties were consulted before the decision was made. It is clear that no amount of additional consultation could have resolved differing views. Therefore it was the minister's responsibility to make the final decision on the basis of those consultations and the best scientific advice available.

It should be noted, Mr. Speaker, that trawlers based outside the Gulf have always fished from this stock.

The Acting Speaker (Mr. McCain): Order. The motion to adjourn the House is now deemed to have been adopted. Accordingly, this House stands adjourned until tomorrow at 11 a.m.

Motion agreed to and the House adjourned at 10.30 p.m.

APPENDIX

(*See p. 604*)

P.C. 1979-2783

CERTIFIED TO BE A TRUE COPY OF A MINUTE OF A MEETING OF THE COMMITTEE OF THE PRIVY COUNCIL, APPROVED BY HIS EXCELLENCY THE GOVERNOR GENERAL ON THE 16 OCTOBER, 1979

The committee of the Privy Council, on the recommendation of the Prime Minister, advise:

1. that in the absence from Ottawa of the Prime Minister or in the event of his being unable to perform the functions of his office, the next senior minister named in schedule A to this minute who is a member of the House of Commons, is in Ottawa and is able to perform the functions of the office of Prime Minister, be authorized to act for the Prime Minister.

2. that in the absence from Ottawa of a minister whose name is set out in column II of an item of schedule B to this minute, or in the event of that minister being unable to perform the functions of his office, the minister whose name is set out in column III of the item be authorized to act for the minister named in column II in respect of the office set out in column I of the item;

3. that in the absence from Ottawa of the ministers named in columns II and III of an item of schedule B to this minute, or in the event of both of those ministers being unable to perform the functions of their office, the minister whose name is set out in column IV of the item be authorized to act for the minister named in column II in respect of the office set out in column I of the item;

4. that in the absence from Ottawa of the ministers named in columns II, III and IV of an item of schedule B to this minute, or in the event of all those ministers being unable to perform the functions of their office, the Prime Minister or, if the Prime Minister is absent from Ottawa or unable to perform the functions of his office, the next senior minister named in schedule A to this minute who is in Ottawa be authorized to act for the minister named in column II in respect of the office set out in column I of the item;

5. that where an office set out in column I of an item of schedule B to this minute is vacant, the minister whose name is set out in column III of that item be authorized to act in the office of the minister whose office is set out in column I of that item; and

6. that where an office set out in column I of an item of schedule B to this minute is vacant, in the absence from Ottawa of the minister whose name is set out in column III of that item, or in the event of that minister being unable to perform the functions of the office set out in column I of that item, the minister whose name is set out in column IV of that item be authorized to act in the office of the minister whose office is set out in column I of that item.

Certified to be a true copy—Copie certifiée conforme
Marcel Massé
Clerk of the Privy Council—Le greffier du Conseil privé

SCHEDULE A

LIST OF MINISTERS TO ACT FOR THE PRIME MINISTER IN HIS ABSENCE OR IN THE EVENT OF HIS BEING UNABLE TO PERFORM THE FUNCTIONS OF HIS OFFICE

The Honourable Walter David Baker,
President of the Queen's Privy Council for Canada
and Minister of National Revenue

The Honourable Flora MacDonald,
Secretary of State for External Affairs

The Honourable John C. Crosbie,
Minister of Finance

The Honourable David S. H. MacDonald,
Secretary of State of Canada and Minister of Communications

The Honourable William Jarvis,
Minister of State for Federal-Provincial Relations

The Honourable Sinclair McKnight Stevens,
President of the Treasury Board

The Honourable Ramon John Hnatyshyn,
Minister of Energy, Mines and Resources

The Honourable Roch La Salle,
Minister of Supply and Services

The Honourable James A. McGrath,
Minister of Fisheries and Oceans

The Honourable Erik H. Nielsen,
Minister of Public Works

The Honourable Allan Frederick Lawrence,
Solicitor General of Canada and Minister of Consumer and Corporate Affairs

The Honourable Lincoln Alexander,
Minister of Labour

The Honourable Donald F. Mazankowski,
Minister of Transport

The Honourable Elmer M. MacKay,
Minister of Regional Economic Expansion

The Honourable Arthur Jacob Epp,
Minister of Indian Affairs and Northern Development
The Honourable John Allen Fraser,
Postmaster General and Minister of the Environment
The Honourable Allan McKinnon,
Minister of National Defence and Minister of Veterans Affairs
The Honourable John Wise,
Minister of Agriculture
The Honourable Ronald George Atkey,
Minister of Employment and Immigration
The Honourable David Crombie,
Minister of National Health and Welfare
The Honourable William Heward Grafftey,
Minister of State for Science and Technology
The Honourable Perrin Beatty,
Minister of State (Treasury Board)
The Honourable J. Robert Howie,
Minister of State (Transport)
The Honourable Steven Eugene Paproski,
Minister of State for Fitness and Amateur Sport and Multiculturalism
The Honourable Ronald Huntington,
Minister of State for Small Businesses and Industry
The Honourable Michael H. Wilson,
Minister of State for International Trade

SCHEDULE B

LIST OF ACTING MINISTERS

	COLUMN I	COLUMN II	COLUMN III	COLUMN IV
	OFFICE	MINISTER	ACTING MINISTER	SECOND ACTING MINISTER
1.	Agriculture	John Wise	D. F. Mazankowski	William Jarvis
2.	Employment & Immigration	Ronald George Atkey	Lincoln Alexander	W. Heward Grafftey
3.	Energy, Mines and Resources	R. J. Hnatyshyn	J. Crosbie	M. Wilson
4.	Science and Technology	H. Grafftey	A. R. Huntington	P. Beatty
5.	External Affairs	Flora MacDonald	Allan McKinnon	M. H. Wilson
6.	Finance	John Crosbie	Sinclair M. Stevens	Walter D. Baker
7.	Fisheries & Oceans	James A. McGrath	John Allen Fraser	Elmer MacKay
8.	Indian Affairs and Northern Development	Arthur Jacob Epp	John Wise	W. Heward Grafftey
9.	Industry, Trade and Commerce and Economic Development	Robert R. de Cotret	Michael H. Wilson	R. Huntington
10.	Justice and Attorney General of Canada	Jacques Flynn	William Jarvis	Erik H. Nielsen
11.	Labour	Lincoln Alexander	Ronald George Atkey	D. Crombie
12a.	National Defence &	Allan McKinnon	Flora MacDonald	R. J. Hnatyshyn
12b.	Veterans Affairs		David Crombie	L. Alexander
13.	National Health and Welfare	David Crombie	David MacDonald	S. E. Paproski
14a.	Postmaster General &	John Allen Fraser	Lincoln Alexander	Perrin Beatty
14b.	Environment		James A. McGrath	D. F. Mazankowski
15a.	Privy Council and	Walter D. Baker	William Jarvis	Flora MacDonald
15b.	National Revenue		R. Huntington	Sinclair M. Stevens
16.	Public Works	Erik H. Nielsen	Roch La Salle	Elmer M. MacKay
17.	Regional Economic Expansion	Elmer M. MacKay	Arthur Jacob Epp	John C. Crosbie
18.	Secretary of State of Canada and Communications	David S. H. MacDonald	S. E. Paproski	Walter D. Baker
19.	Solicitor General of Canada and Consumer and Corporate Affairs	Allan F. Lawrence	Roch La Salle	Ronald G. Atkey
20.	Supply and Services	Roch La Salle	Erik H. Nielsen	Elmer M. MacKay
21.	Transport	D. F. Mazankowski	J. Robert Howie	James A. McGrath
22.	Treasury Board	Sinclair M. Stevens	Perrin Beatty	John C. Crosbie

HOUSE OF COMMONS

Friday, October 26, 1979

The House met at 11 a.m.

● (1105)

ROUTINE PROCEEDINGS

[*English*]

PUBLIC SERVICE

REQUEST STAFF OF CANADIAN EMPLOYMENT AND IMMIGRATION COMMISSION BE INCREASED—MOTION UNDER S.O. 43

Mr. Bob Kaplan (York Centre): Mr. Speaker, I move, seconded by the hon. member for Gloucester (Mr. Breau), pursuant to the provisions of Standing Order 43 and as a matter of urgent and pressing necessity:

That the President of the Treasury Board take immediate steps to increase the allocation of manpower to the Canadian Employment and Immigration Commission so that the serious problems of overworked officials and lengthy backlogs in the Canadian immigration offices around the world can be eliminated, and so that the illegal inflow of immigrants can be better patrolled, together with fuller screening to ensure that foreign criminals and foreign government agents not be admitted to Canada.

Mr. Speaker: The introduction of such a motion for debate at this time can be done only with unanimous consent. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

[*Translation*]

FISHERIES

REQUEST LARGE TRAWLERS BE BANNED FROM OPERATING IN GULF OF ST. LAWRENCE UNTIL FISHING INDUSTRY CONSULTED—MOTION UNDER S.O. 43

Mr. Herb Breau (Gloucester): Mr. Speaker, I rise under the provisions of Standing Order 43 to propose a motion on a matter of urgent and pressing necessity.

In view of the seriousness of the problem resulting from the decision of the Minister of Fisheries and Oceans (Mr. McGrath) to allow trawlers of 100 feet or more to take 6,000 metric tons of cod in the 4T area of the Gulf of St. Lawrence as of November 1, I move, seconded by the hon. member for Bonaventure-Îles-de-la-Madeleine (Mr. Bujold):

That the minister keep those large trawlers out of the Gulf until such time as the spokesmen for thousands of fishermen who have not been consulted can appear before the committee on fisheries and forestry in order to express their views.

Mr. Speaker: The House has heard the terms of the hon. member's motion. Under Standing Order 43 such a motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

[*English*]

CULTURAL AFFAIRS

NATIONAL FILM BOARD—REQUEST FOR ADDITIONAL FUNDS—MOTION UNDER S.O. 43

Mr. Mark Rose (Mission-Port Moody): Mr. Speaker, I rise, under Standing Order 43, on a matter of urgent and pressing necessity.

This being the first anniversary of Arts Day, and considering that another Canadian success story, the world renowned National Film Board, an institution which has brought Canada international recognition, winning five Oscars and 40 Academy nominations and many other awards, an institution which has recently lost 125 skilled artists and technicians and which is in desperate straits because of an effective 25 per cent cutback imposed by the previous government, I move, seconded by the hon. member for Vancouver-Kingsway (Mr. Waddell):

That the Secretary of State seek approval from his generous colleagues on the treasury benches for an immediate $1 million transfusion of supplementary funds in order that Canadians not lose this 40-year old cultural resource through a lingering death caused by financial starvation.

Mr. Speaker: The introduction of such a motion for debate at this time can be done only with unanimous consent. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

S.O. 43

HUMAN RIGHTS

PROTEST AGAINST SOVIET PROPOSAL RESPECTING 1980 OLYMPIC GAMES—MOTION UNDER S.O. 43

Mr. Tom Cossitt (Leeds-Grenville): Mr. Speaker, I rise, under Standing Order 43, on a matter of urgent necessity concerning the 1980 Olympic Games to be held in the Soviet Union. I move, seconded by the hon. member for Swift Current-Maple Creek (Mr. Hamilton):

That this House affirms its belief that the Olympic Games must always be above the field of political ideologies of any kind whatsoever, and that it therefore request an explanation from the government of the Soviet Union on the apparent infringement of human rights by the proposed banishment of all Moscow children between the ages of seven and fifteen from that city during July and August of 1980 for the apparent, expressed concern that visiting outsiders would contaminate their minds with ideas contrary to ideology taught in Russian classrooms.

Mr. Speaker: Order, please. The introduction of such a motion for debate would require the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

● (1110)

[*Translation*]

CANADA WORKS

REQUEST GRANTS BE ALLOCATED ACCORDING TO NEEDS OF RIDINGS—MOTION UNDER S.O. 43

Mr. Raymond Savard (Verdun): Mr. Speaker, under the provisions of Standing Order 43, I ask for the unanimous consent of the House to move a motion dealing with a matter of urgent and pressing necessity.

Considering the large number of senior citizens who have taken advantage of the services made available through several Canada Works projects in the constituency of Verdun and in almost every Canadian constituency; considering that the provinces of Ontario, Manitoba, Saskatchewan and Alberta were entirely excluded from the program; and considering that the funds made available to Quebec have been reduced in comparison to last year, I move, seconded by the hon. member for Blainville-Deux Montagnes (Mr. Fox):

That the House direct the government to review immediately the criteria for the allocation of funds to ridings so that the funds benefit those with the most pressing needs.

Mr. Speaker: The House has heard the motion of the hon. member. The introduction of such a motion for debate pursuant to Standing Order 43 can be done at this time only with unanimous consent. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

[Mr. Speaker.]

[*English*]

PENSIONS

CALL FOR REVIEW OF PROVISIONS APPLICABLE TO SURVIVING SPOUSES—MOTION UNDER S.O. 43

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, under the provisions of Standing Order 43, and seconded by the hon. member for Winnipeg-Birds Hill (Mr. Blaikie), I move:

That this House urges the government to review all the employee pension plans that come under its jurisdiction, and to take the necessary steps to provide that in all cases the pensions of surviving widows—or of surviving widowers where applicable—will be not less than 75 per cent of the contributor's pension, and that the eventual goal be a full 100 per cent pension for either survivor, in accordance with the principle of equality between men and women.

Mr. Speaker: Introduction of such a motion for debate at this time would require the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Yes.

Some hon. Members: No.

* * *

TRANSPORT

FOREIGN CAR RENTAL COMPANIES—INVESTIGATION INTO OPERATIONS BY HOUSE COMMITTEE—MOTION UNDER S.O. 43

Mr. Pierre Deniger (Laprairie): Mr. Speaker, I rise, under the provisions of Standing Order 43, on a matter of urgent and pressing necessity.

In view of the new policy announced October 19 which unfairly permits large, foreign car rental companies to qualify as Canadian in the allocation of booth space at Canadian airports, and considering that booth space for foreign car rental agencies has already been generously supplied, and in view of the statements of legitimate Canadian competitors whose existence is threatened by this policy, I move, seconded by the hon. member for Chicoutimi (Mr. Dionne):

That the Standing Committee on Transport and Communications be authorized to examine and report upon the effect of this policy on Canadian car rental companies, and that its implementation be suspended for 60 days until the committee has completed its recommendation.

Mr. Speaker: Presentation of such a motion for debate at this time can be done only with unanimous consent. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

NUCLEAR DEVICES

REQUEST THAT SOUTH AFRICA DISCONTINUE TESTING—MOTION UNDER S.O. 43

Mr. Simon de Jong (Regina East): Mr. Speaker, under the provisions of Standing Order 43, I rise on a matter of urgent and pressing necessity.

In view of the fact that United States intelligence services have reported that the government of South Africa has exploded a nuclear device in the atmosphere, I move, seconded by the hon. member for Winnipeg-Birds Hill (Mr. Blaikie):

That this House demand that the government of South Africa discontinue all nuclear testing.

Mr. Speaker: Introduction of such a motion for debate at this time can be done only with the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

PENSIONS

EQUALITY OF BENEFITS FOR WIDOWS—MOTION UNDER S.O. 43

Mr. Hal Herbert (Vaudreuil): Mr. Speaker, I rise, under provisions of Standing Order 43, on a matter of urgent and pressing necessity. I move, seconded by the hon. member for Parkdale-High Park (Mr. Flis):

That the government recognize the desirability that all Canadians in similar financial circumstances be treated equally, and that to this end all widows with little or no income and who are between the ages of 60 and 65 receive the same access to federal pension benefits as are presently accorded or are to be granted only to those widows whose husbands have died at a certain age.

Mr. Speaker: In accordance with the terms of Standing Order 43, such a motion can be introduced at this time only with the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

ORAL QUESTION PERIOD

[*English*]

THE CANADIAN ECONOMY

INCREASES IN INTEREST RATES—ADVERSE EFFECT ON SMALL BUSINESS—REQUEST FOR GOVERNMENT ASSISTANCE

Hon. Herb Gray (Windsor West): Mr. Speaker, I have a question for the President of the Treasury Board, who always told us about his concern for the private sector and for privatization.

Will he really do something to help the private sector, especially small business, to cope with the serious problem and the concern that the government's policy of high interest rates has created for Canadian business?

Hon. Sinclair Stevens (President of the Treasury Board): Mr. Speaker, I can assure the hon. member for Windsor West that we constantly have under review various measures that would help the small business sector in this country. I am very, very pleased that at last the hon. member is becoming alerted to the sad consequences of the deficits his former government ran up in this country.

● (1115)

Some hon. Members: Hear, hear!

Mr. Gray: Mr. Speaker, last December 13 the President of the Treasury Board, speaking in this House on behalf of the Conservative party, said, "For every one-half point the interest rates go up, it costs businesses $375 million."

Does he realize this means the Conservative high interest rate policy has already cost Canadian business over $2 billion? Why is he abandoning the promises he made before the election to bring down interest rates? Why is he not doing anything to help Canadian business, especially small business, instead of giving us this empty talk?

Mr. Stevens: Mr. Speaker, again, as the hon. member knows as a former ex-cabinet minister, it is not primarily the responsibility of the Treasury Board to take such measures as he is referring to.

Some hon. Members: Oh, oh!

Mr. Stevens: But I can assure him that this government is the friend of small business in this country—

Some hon. Members: Oh, oh!

Mr. Stevens: —and if ways and means can be taken to assist the small businessman, they will certainly be taken.

Mr. Gray: Mr. Speaker, if the Conservative government is such a friend to small business, why, according to press reports, is John Bulloch, president of the Canadian Federation of Independent Business, expressing fear that a downturn of consumer spending due to the Conservative high interest rate policy will leave small retailers with large inventories of unsold goods, and thereby increase the number of business bankruptcies?

Why has the government taken no steps to help them deal with this problem and just given us this talk? What estimates does he, or his colleague the Minister of Finance, have of the number of business bankruptcies anticipated because of the Conservative high interest rate policy?

Mr. Stevens: Mr. Speaker, again I would reply to the hon. member who raised similar questions at the finance committee meeting yesterday, I understand, that when that information is

available—as I have already indicated—we will certainly make it available to members of this House.

In short, we have explained—certainly my colleague, the Minister of Finance, has explained—why interest rates are rising in this country and I cannot understand why the hon. member persists in indicating that it is this government's fault, as opposed to his own former government's fault.

Mr. Chrétien: If you do not want to talk responsibly, get out.

GOVERNMENT POLICY ON LEVEL OF CANADIAN DOLLAR

Mr. Arthur Phillips (Vancouver Centre): Mr. Speaker, yesterday the Minister said, yes, people are being crucified now with high rates but they will be better off in a year or two as a result of this policy. I must say this reminded me very much of the American general in the Vietnam war—

An hon. Member: Order.

Mr. Speaker: Order, please. Does the hon. member have a supplementary question?

Mr. Phillips: The question is this, Mr. Speaker. Since the minister has said that high interest rates are needed to prevent the dollar from falling, and to combat inflation, can the minister answer the question which the acting minister refused to answer two days ago as to what the government thinks is the appropriate level for the dollar—90 cents, 85 cents, or 80 cents? What does he believe is the appropriate level?

Hon. John C. Crosbie (Minister of Finance): Mr. Speaker, while it may be that some people are being crucified by high interest rates, obviously the hon. gentleman has not been, because he looks quite well.

Some hon. Members: Oh, oh!

Mr. Chrétien: You are getting tired already, John.

Mr. Crosbie: As a result of our policy, and with the steps we have taken now that will improve the economy, the people who are suffering now will be rising again in a year's time.

Some hon. Members: Oh, oh!

An hon. Member: What about the dollar?

FUTURE POLICY RESPECTING INTEREST RATES—EFFECT OF OIL PRICE INCREASES

Mr. Arthur Phillips (Vancouver Centre): Mr. Speaker, since the government is planning to raise the inflation rate to over ten per cent next year by raising the price of oil sharply, I ask the minister, can we look forward to even higher interest rates for a prolonged period of time and many more crucifixions of individuals and small businesses in the next year or two?

[Mr. Stevens.]

Hon. John C. Crosbie (Minister of Finance): Mr. Speaker, what we can look forward to is that this government is going to do what is right in the long-term interests of the economy of this country. The steps that are being taken now have to be taken now because of the weakness of our present economy and because of events that have occurred over the last few years.

The steps that have to be taken now are going to be painful for a short time. There is no way of trying to improve our economic situation which is not going to be painful to many people now. We are confident that taking these steps now will mean that in the next few months and in the next several years Canada will realize its inherent strengths which have been pointed out by forecasters and economists such as Mr. Grant, of Wood Gundy, who said that "Canada has a lot of pain to go through in the next five years. However, we probably have the strongest economy among the western countries and we are best equipped for survival." With the right policies now, we will succeed.

● (1120)

CREDIBILITY OF GOVERNMENT IN FACE OF ECONOMIC SITUATION

Mr. Edward Broadbent (Oshawa): Mr. Speaker, I have a question for the Prime Minister which goes to the root of the central question of government, that is, of credibility as a whole. Given that the Canadian economic reality just before the May election with high inflation, high unemployment and a low economic growth rate was precisely the same as it is now—as was acknowledged by governor Bouey yesterday—can the Prime Minister explain to the people of Canada why he thought it was appropriate, given that economic reality before the last election which has not changed, to promise low interest rates then but to implement high interest rates after the election? Do we not have a very serious credibility problem here?

Right Hon. Joe Clark (Prime Minister): Mr. Speaker, to deal with that question which the Leader of the New Democratic Party has raised for three days in a row, and to give him an answer which remains the same and which I hope will be clear to him: when this government came into office it found an economic situation which was more severe than we had anticipated.

Some hon. Members: Oh, oh!

Mr. Breau: The Minister of Finance just said it was the strongest in the western world.

Mr. Clark: It was more severe than we had anticipated. This was as a result of the mismanagement of the former government.

Mr. Chrétien: You are the government now.

Mr. Clark: The former minister of finance, who was shunted aside to federal-provincial relations in the hope he would be quiet, says that we are the government now. The problem is

that they were the government then. They created a series of problems with which we have to deal and which require the kinds of policies we are now following.

Some hon. Members: Hear, hear!

Mr. Broadbent: Mr. Speaker, the Prime Minister knows that answer was utter rubbish. There has been no change in the economic reality from the time before the election as it pertains to the present time, and the governor of the Bank of Canada acknowledged that yesterday before the committee. No amount of rhetoric from the Prime Minister will get around that. The five principal chartered banks in Canada, whose profits last year amounted to almost a billion dollars, up some 33 per cent from the year before, have now announced their intention to raise their rate to Chargex holders to 21 per cent—a further gouging of the public on top of these profits. Will the government take concrete action with the banks and stop this new act of gouging on their part?

An hon. Member: Usury.

Mr. Clark: Mr. Speaker, that question was raised by a member of the New Democratic Party some days ago and directed to the Minister of Finance. He indicated that we would not take the action recommended by the NDP. I repeat that answer.

Mr. Broadbent: The Prime Minister said in the House a few days ago that inflation was public enemy No. 1. He has ruled out a subsidy on bread prices, ruled out a subsidy on milk prices, cancelled his election promise of a tax cut for middle and low income taxpayers, and today reiterated that they are not going to do anything about exorbitant bank profits. What, precisely, does he intend to do for the ordinary person in this country?

Mr. Clark: Mr. Speaker, what we intend to do for what the Leader of the NDP calls the ordinary people in this country is to face, now, the tough decisions which exist for the Government of Canada either to face or to ignore. They were ignored in large measure by the former government. We will not ignore them: we will face them head on. That is the only way we can bring order, growth and confidence to the Canadian economy and assure our future.

* * *

HOUSE OF COMMONS

PRESENCE IN GALLERY OF THE GOVERNMENT LEADER IN THE YUKON TERRITORY

Mr. Speaker: Before continuing the question period, I invite hon. members to join with me in signalling the presence in our gallery of a distinguished visitor in the person of Mr. Chris Pearson, the government leader in the Yukon territory.

Some hon. Members: Hear, hear!

• (1125)

[*Translation*]

REGIONAL ECONOMIC EXPANSION

REQUEST FOR COMMITTEE STUDY OF SUGGESTIONS TO ASSIST UNDERPRIVILEGED AREAS

Hon. Pierre De Bané (Matapédia-Matane): As the Minister of Regional Economic Expansion is absent, Mr. Speaker, I should like to direct my question to the right hon. Prime Minister—

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, I cannot tolerate being treated in this way! There is a time-honoured tradition established in this House and I should like it to be adhered to.

Mr. Speaker: Order, please. If the hon. member for Bellechasse rises on a point of order at this moment, I shall consider him at noon today. The Chair recognizes the hon. member for Matapédia-Matane.

Mr. Lambert (Bellechasse): I do not accept being treated this way. I do not accept our being treated as though we had not been elected.

Mr. Speaker: Order, please! The Chair recognizes the hon. member for Matapédia-Matane.

Mr. De Bané: In view of the absence—

Mr. Lambert (Bellechasse): Mr. Speaker, there is a question I want to ask and I want to ask it now.

Mr. De Bané: As the Minister of Regional Economic Expansion is absent, I should like to direct my question to the Prime Minister. Considering that the Prime Minister has stated on several occasions—

Mr. Lambert (Bellechasse): Mr. Speaker, I insist on being respected and recognized in accordance with the tradition of the House! I do insist—

Mr. Speaker: Order. I should like to remind the hon. member for Bellechasse—and he is fully aware of this anyway—that hon. members may not rise on points of order during oral question period. That is to conform with the recent practice of proceeding with question period without any interruptions. I understand very well that the hon. member for Bellechasse should seek the opportunity to put a question. Yesterday, I recognized him so that he could put a question after that of the hon. member for Broadview-Greenwood (Mr. Rae) and today I shall recognize him again later in the period because he is an hon. member just like all other hon. members. Still, it is always up to the Chair to choose the order in which hon. members will participate in the oral question period. I shall now recognize the hon. member for Matapédia-Matane

once again. The hon. member for Matapédia-Matane has the floor.

Mr. Lambert (Bellechasse): I did not rise on a point of order, but to be recognized as tradition would have it, and I insist upon it. I do not want to be disrespectful, but I insist that I be recognized; I think it is quite normal.

Mr. Speaker: Order. The hon. member for Matapédia-Matane has the floor.

Mr. De Bané: Mr. Speaker, I should like to direct my question to the right hon. Prime Minister who has repeatedly stated his intention of having all hon. members participate more actively in the business of the House. As the Standing Committee on Regional Economic Expansion will be meeting next week, would he agree to having the Minister of Regional Economic Expansion, the Minister of Finance and the President of the Treasury Board appear before the members of the committee so that all its members can make suggestions on the means that should be taken to help the underdeveloped areas of Canada, and so that those suggestions can be reflected in the budget speech promised by the Minister of Finance?

Right Hon. Joe Clark (Prime Minister): Mr. Speaker, that is a suggestion I would be prepared to discuss with the ministers. However, it should be stressed that there is some problem with the ministers' schedules, particularly the Minister of Finance, because he has several bills listed in his name in the House of Commons. Considering the principle and the possibility of all hon. members in the House of Commons having the opportunity to make positive suggestions on regional development, I find the hon. member has made a suggestion which is really valid for the government. So we want to try to find some means to meet such an objective.

INQUIRY WHETHER MEETINGS WILL BE HELD AT HIGHER LEVEL WITH PRESIDENT OF GM ON ESTABLISHMENT OF NEW PLANTS

Hon. Pierre De Bané (Matapédia-Matane): Mr. Speaker, I have a supplementary. I thank the right hon. Prime Minister for his positive attitude. Considering that the Minister of Regional Economic Expansion recognized last week in this House that there was, to use his expression, a serious imbalance between Ontario and Quebec as far as location of the automotive industry is concerned, and considering the investments already announced by Ford and GM, can the leader of the government tell us whether he himself or other cabinet members intend to meet GM's head soon and what proposals the government can make to the company to correct that anomaly?

Mr. Speaker: Order, please. The right hon. Prime Minister.

[Mr. Speaker.]

Right Hon. Joe Clark (Prime Minister): Mr. Speaker, a meeting will take place between, on the government side, the Minister of Regional Economic Expansion and the Minister of State for Economic Development, Senator de Cotret, and the representatives of General Motors on Monday, October 29. I cannot indicate the exact position the government will want to take in the discussions but the meeting has been requested by the government to discuss a plan with General Motors.

• (1130)

REQUEST FOR ADDITIONAL FUNDS

Mr. Herb Breau (Gloucester): Mr. Speaker, I have a supplementary for the right hon. Prime Minister.

In the Speech from the Throne, the government said it intended to expand the role of the Department of Regional Economic Expansion. In light of that statement, can the Prime Minister assure the House that during the current fiscal year and the next there will be an increase in the budget of that department?

Right Hon. Joe Clark (Prime Minister): Mr. Speaker, I regret telling the hon. member that I do not have the figures in my hand right now, but I will consult with the Minister of Regional Economic Expansion to determine exactly what the situation is concerning the various sectors of economic development.

Mr. Lambert (Bellechasse): Mr. Speaker, I want to present a motion pursuant to Standing Order 29 in order to be recognized, and I ask that the motion be put to the House.

Mr. Speaker: Order, please. Is the hon. member for Beauce (Mr. Roy) rising on a point of order? The hon. member for Beauce.

Mr. Fabien Roy (Beauce): Mr. Speaker, I refer to Standing Order 29 which says that when two or more members rise to speak, Mr. Speaker calls upon the member who first rose in his place. I am not too sure but I believe a motion may be moved so that any member who has risen "be now heard", or "do now speak", which motion shall be put forthwith without debate. I want to move that the hon. member for Bellechasse (Mr. Lambert) be heard now.

Mr. Speaker: Order, please. I am sure the hon. member for Beauce and the hon. member for Bellechasse are fully aware that motions may be moved only during periods specifically reserved for that purpose. They referred to Standing Order 29 concerning the rules of debate. But this is oral question period, to which the rules of debate do not apply. Moreover, a motion cannot be introduced during oral question period. That is understood.

REQUEST FOR GREATER CLARIFICATION ON ROLE OF MINISTER

Mr. Herb Breau (Gloucester): Mr. Speaker, I would like to ask the Prime Minister a supplementary question.

How can the Prime Minister state in the Speech from the Throne, that the mandate of the Department of Regional Economic Expansion will be strengthened, when he has just told me that his government has not taken any decision at cabinet or at Treasury Board level, without necessarily giving me the exact amounts that his government intends to spend, until the end of this fiscal year and during the next, through the Department of Regional Economic Expansion?

Right Hon. Joe Clark (Prime Minister): Mr. Speaker, I do not have with me today the exact figures from the budget of the Department of Regional Economic Expansion. The hon. member has raised another matter. He suggested that the only way to have an efficient regional economic development policy is to spend money. In our view, a more efficient way of ensuring economic development is for the government to consider all the implications of every action aimed at regional economic development. That is the policy of our government, which I am forced to recognize is a change from the policy applied by the former government with which the hon. member is associated.

[*English*]

AGREEMENTS SIGNED WITH NEWFOUNDLAND

Mr. George Baker (Gander-Twillingate): Mr. Speaker, in the absence of the Minister of Regional Economic Expansion, my question is directed to the Prime Minister. Is the Prime Minister aware of any new agreements which are being signed with the province of Newfoundland, and whether these agreements will follow that provincial government's priorities totally?

Right Hon. Joe Clark (Prime Minister): Mr. Speaker, I am not aware of any agreements which are being signed with the government of Newfoundland. That is not to say that there are not agreements which are ready for signature and which might be within the specific knowledge of the minister who, unfortunately, is away from the House, in Nova Scotia.

DISCUSSIONS WITH NOVA SCOTIA ON STEEL INDUSTRY

Hon. Allan J. MacEachen (Cape Breton Highlands-Canso): Mr. Speaker, I want to take advantage of this series of questions on regional development to ask the Prime Minister about discussions which have taken place between his government and the government of Nova Scotia with respect to the steel industry in that province, with which the Prime Minister is familiar.

The Prime Minister may recall that at the request of the government of Nova Scotia, the former government allocated the sum of $50 million for rehabilitation of the plant. I would like to find out whether that obligation is still in existence and whether that money is still available to the government of Nova Scotia for the rehabilitation of the plant.

Right Hon. Joe Clark (Prime Minister): Mr. Speaker, I regret that, once again, I am not able to give as detailed an answer as the Minister of Regional Economic Expansion could give. I do not know the exact state of the discussions between the government of Nova Scotia and the Minister of Regional Economic Expansion, except that there remains a continuing commitment on the part of this government to aid in the strengthening of the steel industry in Cape Breton.

[*Translation*]

REQUEST GRANTS BE GIVEN TO ASSIST ESTABLISHMENT OF NEW INDUSTRIES IN QUEBEC

Mr. Yvon Pinard (Drummond): I have a supplementary, Mr. Speaker. Around 1975 the Department of Regional Economic Expansion signed a subsidiary agreement with the province of Quebec under which eight cities in the province of Quebec were to be selected as sites for regional industrial parks, and the infrastructures are in the process of being completed in those eight cities, those eight industrial regional parks.

Is the Prime Minister prepared to go along with that policy so that industries will get grants to fill those industrial parks which, in certain cases, are white elephants, and to that end is the Prime Minister prepared to state clearly in the House today that the Minister of Regional Economic Expansion will have an increased budget because he is not a member of the inner cabinet but, rather, a member of that scattered outer cabinet which meets only about once a month and does not seem to have all the influence he would require to implement the principles he states publicly?

Right Hon. Joe Clark (Prime Minister): Mr. Speaker, I do not want at this point to go into the organization of the government. We now have some 30 ministers with influence whereas there was only one in the former government.

As to the specific question of the hon. member, once again I will have to consult with the minister responsible to find out exactly what the situation is with respect to the commitments that were made or are being made by the government. I believe the hon. member knows there will be a meeting between the representatives of the Government of Canada and the representatives of the province of Quebec, on November 5, to discuss priorities in the economic development of Quebec which both levels of government could pursue together.

[*English*]

ENERGY

BEAUFORT SEA—EXPLORATION DRILLING BY DOME PETROLEUM

Mr. Peter Ittinuar (Nunatsiaq): Mr. Speaker, my question is to my friend, the informative Minister of Indian Affairs and Northern Development. My question concerns the decision by on-site and regional engineers to suspend drilling by Dome Petroleum in the Beaufort Sea due to the environmental risk of heavy ice build-up. This decision was overturned by Department of Indian Affairs and Northern Development officials in Ottawa, thereby undermining the authority of the local engineers.

● (1140)

Can the minister tell the House on what basis the decision of local authorities was reversed, and did a telegram from Dome Petroleum to departmental officials in Ottawa have any influence on this decision?

Hon. Jake Epp (Minister of Indian Affairs and Northern Development): Mr. Speaker, I share the hon. member's concern in terms of protection of the environment in Canada's north.

Under the Oil and Gas Production and Conservation Act, a field officer can suspend operations on the drill sites in the Beaufort. That communication is then passed on to the regional engineer in Yellowknife. Due to the build-up of six-inch ice in the drill area, it was recommended by the field officers that operations be suspended.

I should indicate to the hon. member and to the House that at the time of the order, drilling was not taking place. In fact, they were production-testing and the area was completely encased. The order went to Ottawa. After discussion, not only—as the hon. member has indicated—with Dome but also with the regional officer in Yellowknife, the order was modified in order that the production-testing be completed. We need approximately two days, or a maximum of five days—that is the window we need—and then the well would be suspended for the winter period.

Mr. Ittinuar: My supplementary is for the Prime Minister of Canada. Does his Minister of the Environment, who is not here today, unfortunately, stand by his earlier stated concern over our lack of preparedness in case of a major oil spill in the Arctic, and was his department consulted by the Department of Indian Affairs and Northern Development about this latest decision concerning drilling in the Arctic; and what are this minister's concerns?

Mr. Epp: Mr. Speaker, I will attempt to answer the question fully. I have spoken with my officials today, and I am not satisfied with the communication which took place in terms of the incident to which the hon. member has referred and with the fact that there was a lack of communication between the Ottawa office and the various departments and our field officers

This morning I have given instructions that the communication system be examined and improved in order to avoid the indecision and also the apparent conflict which has taken place.

* * *

UNEMPLOYMENT INSURANCE

OVERPAYMENT OF BENEFITS—STEPS TO PREVENT CONTINUANCE

Mr. John Thomson (Calgary South): Mr. Speaker, my question is for the Minister of Employment and Immigration. The 1978-79 annual report of the commission indicates that in addition to $71 million of unemployment insurance overpayments found by the commission, the Auditor General found $290 million.

Can the minister indicate to the people of Canada what he is doing to ensure that these unprecedented overpayments are halted immediately?

Hon. Ron Atkey (Minister of Employment and Immigration): The overpayments in question, as reported by the Auditor General, were overpayments in the calendar year 1978 and, of course, are of great concern to me and to this government.

I should say that the new Government of Canada has taken three specific steps to deal with this very serious problem. The first step is to constitute a new record of employment which will ensure greater accuracy in the filing of information by employers in Canada. The second is to institute a report of hiring procedure on a pilot project basis to ensure that there will not be continuing instances of abuse by some employees who collect unemployment insurance at the same time as they acquire new work. The third thing that this new government has done is to establish an on-line computer system which will be operational in Ontario and the west by the summer, and in the Atlantic provinces by next fall. This will ensure greater accuracy in the compilation of data and will ultimately lead to a rather sizeable reduction in the rather large overpayments which now exist.

* * *

[*Translation*]

EXTERNAL AFFAIRS

EFFECT ON CANADIAN ECONOMY OF POSSIBLE MOVE OF EMBASSY IN MIDDLE EAST

Hon. Jean-Luc Pepin (Ottawa-Carleton): Mr. Speaker, so that the Prime Minister may catch his breath, I shall ask my question of the Secretary of State for External Affairs. On Wednesday, some of my Liberal colleagues echoed in the House the concern of businessmen who export to Arab countries about the situation resulting from the proposed transfer of the Canadian embassy from Tel Aviv to Jerusalem. I must say that certain Progressive Conservative politicians have also

expressed such a concern, namely Mr. Stanfield, the Minister of Industry, Trade and Commerce, and the Minister of State for International Trade. He stated:

Trade negotiations with the Arab countries are seriously affected.

And he added on Wednesday:

—we hope that the whole matter will be clarified shortly.

In view of the foregoing, and with a view to protecting our foreign trade as always, I ask once again whether the Prime Minister and the Secretary of State for External Affairs could not dissociate the problem of moving the Canadian embassy from Tel Aviv to Jerusalem from the general government policy review on the Middle East. It seems to me that such a dissociation is possible, and I strongly urge that this be done as soon as possible, as the Minister of State for International trade suggested, in the interest of our foreign trade.

[*English*]

Hon. Flora MacDonald (Secretary of State for External Affairs): Mr. Speaker, I would be very happy to send the hon. member a copy of the terms of reference which were handed to Mr. Stanfield at the outset of his mission, which include a broad look at the relations that Canada has with the Middle East and include, of course, the question that was put there in the first place and which the hon. member mentioned, that of the move of the embassy.

Mr. Pepin: Mr. Speaker, I have a supplementary question.

Mr. Speaker: A short supplementary.

Some hon. Members: Oh, oh!

[*Translation*]

INQUIRY WHEN GOVERNMENT WILL MAKE DECISION CONCERNING MOVE OF EMBASSY

Hon. Jean-Luc Pepin (Ottawa-Carleton): Mr. Speaker, I am of course quite aware of this document, but it states very clearly:

[*English*]

We are now not working to deadlines.

[*Translation*]

My question is this: How long shall we have to wait before knowing the government's decision on a matter which is obviously quite urgent? What is it that the Prime Minister and the Secretary of State for External Affairs want to know that they do not know already? They know quite well that foreign trade is seriously affected since the minister confirmed this recently. They are also well aware that Canadians do not agree with this policy. What more does the government want to know?

[*English*]

Hon. Flora MacDonald (Secretary of State for External Affairs): Mr. Speaker, the hon. member will be aware that Mr. Stanfield has already completed a good part of the study he has undertaken. It is his intention to visit with provincial ministers across the country in order to ascertain their point of view and to visit as well the countries of North Africa.

An hon. Member: Will he visit the Middle East?

Miss MacDonald: In that connection, he intends to have his study completed before the end of the year and to report to the government at the beginning of the new year.

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INTERNATIONAL ECONOMIC BOYCOTTS

STRENGTH OF LEGISLATION TO BE INTRODUCED

Mr. Bob Kaplan (York Centre): Mr. Speaker, my question is for the Prime Minister. First, I want to welcome the commitment of the government to introduce the international economic boycott legislation early in 1980, especially in view of the government's failure to honour certain other commitments.

I want to ask the Prime Minister whether the hon. member for Ottawa West was stating government policy when he assured us all yesterday that it would not be a mild piece of legislation that was going to be introduced.

Right Hon. Joe Clark (Prime Minister): Mr. Speaker, I have not yet had the pleasure of reading the speech made by the hon. member for Ottawa West. I read his speeches regularly and attentively and look forward to having the opportunity to do so this weekend. But this government does not introduce mild pieces of legislation.

Mr. Kaplan: Mr. Speaker, if the government knows that the legislation will not be mild, why does it claim to be waiting for the Stanfield report to make up its mind about what legislation to introduce? If it does know that it intends to introduce effective legislation, why does it not do that now and thus relieve the uncertainty to which my colleague referred?

Mr. Clark: We intend to introduce legislation which, while not mild, is informed.

* * *

EXTERNAL AFFAIRS

MINISTER'S INTERVENTION IN CASES OF FOREIGN DISSIDENTS

Mr. Jesse Flis (Parkdale-High Park): Mr. Speaker, my question is for the Secretary of State for External Affairs. It is about the case of the Bulgarian dissident which I raised under Standing Order 43 yesterday and which did not receive unanimous consent from the opposite side of the House.

Would the minister please tell the House why she agreed to intervene in the case of Ida Nudel, a Soviet dissident, yet refused to intervene in the case of a Bulgarian dissident, Dimiter Kolev, whose son is a Canadian citizen?

Hon. Flora MacDonald (Secretary of State for External Affairs): As the hon. member knows, I have intervened in a number of cases. Following his representation and those of others, I did, indeed, contact Bulgarian officials to look into the case of Mr. Kolev. I was advised by Bulgarian officials that Mr. Kolev is in prison because of possession of a false passport which, as the hon. member will know, would also be an action not condoned in this country.

● (1150)

While I would understand the reason for his trying to obtain such a passport, it does not allow any legal ground on which I can proceed to intervene in another country. On humanitarian grounds, however, I would inform the hon. member that we have made representations to the Bulgarian government that all necessary medical attention be given to Mr. Kolev, and also that he be relieved from any physical responsibility.

* * *

TRANSPORT

CROWSNEST PASS RATES—REQUEST REPORT OF TASK FORCE BE MADE PUBLIC

Mr. Les Benjamin (Regina West): Mr. Speaker, I have questions for the Minister of Transport. In view of the efforts by the private grain trade, the CPR and a number of Conservatives in recent years to destroy the Crowsnest Pass rates, and in view of reports that the hon. member for Lisgar, the chairman of the task force set up by the minister, said yesterday in his report to the minister that he will be requesting that the Crow rates be reviewed, I would ask the minister whether he has received the report from the hon. member for Lisgar; does it contain any such recommendation; will he make the report public; and will he assure the House that if the hon. member for Lisgar did say that, it will not be government policy?

Hon. Don Mazankowski (Minister of Transport): Mr. Speaker, the Crowsnest Pass freight rates is a matter on which I have received representations from interested parties in the grain trade, producer organizations and, indeed, members of the NDP. In so far as the report of the task force is concerned, I have not yet received it. I expect it will be in my hands within a couple of weeks or so. It would be my intention to make that report public.

I have not seen the report, so obviously I cannot tell the hon. member whether there is any reference to the statutory rate; but I can assure the hon. member that matter was not within the terms of reference or the task force mandate.

Mr. Benjamin: Mr. Speaker, in view of the fact that three successive royal commissions said the Crow rates should be retained, and in view of the fact that the Hall commission—which made the definitive recommendation—recommended that the Crow rates be retained and the nation as a whole pay the railways the difference between the Crow rates and the compensatory rate, does the minister realize that the difference between the Crow rate and the compensatory rate is 13 times the Crow rate and the commercial rate from Wakaw to Vancouver, which would cost farmers another $1.73 a bushel? Will the minister urge the government and his Prime Minister, and quit being obstinate and stubborn like his predecessor, to have—

[Mr. Flis.]

Mr. Speaker: Order, please.

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THE CANADIAN ECONOMY

DIFFERENCE BETWEEN INTEREST AND INFLATION RATES IN CANADA AND U.S.

Mr. Paul E. McRae (Thunder Bay-Atikokan): Mr. Speaker, I have a question for the Minister of Finance dealing with the difference between the real, prime interest rate and the inflation rate. At no time in the last five years has the real interest rate spread between the United States and Canada exceeded 3 per cent. It now exceeds 5 per cent. Will the minister look at this significant difference to see whether interest rates are really too high in this country?

Hon. John C. Crosbie (Minister of Finance): Mr. Speaker, I agree with the hon. gentleman opposite, that interest rates are too high. I would like to see lower interest rates. The point is that there is no reasonable alternative at this moment. I am quite prepared to look at what the hon. gentleman wants me to look at, the difference in the real interest rates between the U.S. and Canada. That is constantly being reviewed and looked at, in any event. I would ask the hon. gentleman to remember that our inflation rate and the U.S. inflation rate, once you take out the energy factor, is pretty much the same.

* * *

NATIONAL REVENUE

POLICY ON DUTY-FREE SHOPS AT BORDER POINTS

Mr. Mark MacGuigan (Windsor-Walkerville): Mr. Speaker, my question is for the Minister of National Revenue. I understand he is now considering a change in government policy which does now allow duty-free shops for land travellers at border points such as Windsor. Would he tell the House whether he is prepared to announce a decision on that and, if not, when he might be in a position to do so?

Hon. Walter Baker (President of the Privy Council and Minister of National Revenue): Mr. Speaker, legislation has been on the books to allow that since 1975, and I often wondered why the former government did not do it.

I wish to inform the hon. member, however, that at cabinet yesterday approval was given to the principle of providing duty-free shops at land frontier border points, and in a relatively short period I will be announcing the criteria for applicants. I want to thank the hon. member for giving me this opportunity of announcing new government policy.

PUBLIC WORKS

INQUIRY WHETHER GOVERNMENT SUPPORTS PRINCIPLE OF FRENCH LANGUAGE SCHOOL

Mr. Donald J. Johnston (Saint-Henri-Westmount): Mr. Speaker, in the absence of the Minister of Public Works, my question is for the right hon. Prime Minister. I would first like to congratulate the Prime Minister's government on the position it has taken with regard to the secondary French language school at Penetanguishene.

I understand that $100,000 has been invested to improve the premises. Does this represent support in principle by the Prime Minister's government for the creation of a separate secondary French language school in Penetanguishene?

Right Hon. Joe Clark (Prime Minister): Mr. Speaker, what this represents is a decision by the Government of Canada, which we had the opportunity to discuss on an informal basis with the government of Ontario, to make repairs to a public building that was in need of repair.

Mr. Johnston: Mr. Speaker, would the repairs have been made in the absence of the requirements of the school, because I understand the repairs were made to enable the building to be used for the functions of a school? Therefore, I would again ask the Prime Minister if this is not an endorsement of the existence of such a school.

Mr. Clark: Mr. Speaker, the hon. member is asking me if the government knew what it was doing when it made the repairs. The answer is yes.

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[*Translation*]

EXTERNAL AFFAIRS

INQUIRY WHETHER PRIME MINISTER CONSULTED PROVINCES BEFORE MAKING CAMPAIGN PROMISE ON MOVE OF MIDDLE EAST EMBASSY

Mr. Maurice Dupras (Labelle): Mr. Speaker, my question is for the right hon. Prime Minister. It follows from the answer given by the Secretary of State for External Affairs to my colleague from Ottawa-Carleton about the consultation that Mr. Stanfield intends to have with the provinces. Can the Prime Minister tell the House what kind of consultation he had with provincial premiers before he promised during the campaign to move our embassy from Tel Aviv to Jerusalem?

Right Hon. Joe Clark (Prime Minister): Mr. Speaker, I understand that consultation with the premiers is not a problem for Liberal spokesmen since they have no opportunity to speak with the premiers. However, I believe that if this is a serious matter, if Mr. Stanfield wishes to consult the provinces, I do not have to discuss with him the need for such consultations as the decision is up to him. He can hold such consultation by phone or in person.

Mr. Dupras: Mr. Speaker, I have a supplementary. I ask the Prime Minister what kind of consultation he had with the premiers before the election and during the election campaign when he made that promise to move our embassy. I am not interested in knowing how Mr. Stanfield will consult the provinces. I want to know what consultation he had himself before making that promise?

Mr. Clark: Mr. Speaker, before the election I could not, like the leader of the hon. member, speak officially as government leader with the premiers. Of course, during the election campaign I was closer to the premiers than the opposition leader because they were pleased to see me. But as to whether or not I made the decision to discuss every item of our electoral platform with each premier, indeed not, because we are a federal party and as such we make our own decisions.

● (1200)

[*English*]

Mr. Speaker: Order. Because of some time used in considering points raised during the course of the question period so far, we shall continue the question period for a few minutes. I would think that we could appropriately conclude the question period by recognizing the hon. members for Vancouver-Kingsway, Sherbrooke, Spadina and Kenora-Rainy River.

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CULTURAL AFFAIRS

NATIONAL FILM BOARD—ACTION TO MAINTAIN FUNCTION

Mr. Ian Waddell (Vancouver-Kingsway): Mr. Speaker, my question is to the Secretary of State. May I say that the minister comes to his office with a very good reputation amongst the artistic community. I hope he can keep that reputation and obtain some money from the President of the Treasury Board.

Since we did not beat the Americans in the war of 1812 with words only, what actions, if any, will the minister take to save the dying National Film Board and to stop this terrible situation which was pointed out earlier by the hon. member for Mission-Port Moody?

Hon. David MacDonald (Secretary of State and Minister of Communications): Mr. Speaker, I thank the hon. member for his kind remarks. I can assure him that I am very much aware of the increasing difficulties encountered by the National Film Board, particularly with regard to the very substantial cuts which took place in the budget last year.

I have already had meetings with the commissioner of the Film Board and with my own officials to see if we cannot work out a much more effective, immediate solution to their problems in order that their outstanding work—which was referred to in the motion presented by the hon. member for Mission-Port Moody—can be pursued. I think that the Film Board is

an outstanding landmark of cultural achievement for this country.

Mr. Waddell: Mr. Speaker, the minister still has not told us whether he is prepared to give them any money, which is the bottom line.

The National Film Board employs Canadian artists and is made up of 100 per cent Canadian content. Yesterday, the minister advocated to the Canadian Broadcasting League a policy of going into pay-television. Will that policy not mean more Americanization and fewer jobs for Canadian artists in the long run?

Mr. MacDonald (Egmont): Mr. Speaker, the whole intention of this government, with respect to the development of this new marketing system of pay-television, is to ensure that there is adequate development of the Canadian production industry. I happen to know, from earlier representations, that the National Film Board itself is very much interested in the possibilities in terms of the board's enhanced activities in this area, which will certainly be one of the matters very much under consideration.

* * *

[*Translation*]

LOTO CANADA

INQUIRY WHEN TERMS OF AGREEMENTS WITH PROVINCES WILL BE PUBLISHED

Mr. Irénée Pelletier (Sherbrooke): Mr. Speaker, my question is for the Minister of State for Fitness and Amateur Sport and Multiculturalism. Since Loto Canada has been transferred to the provinces and the minister seems to have already completed his tour across the country and met with his provincial counterparts, could he tell this House when he intends to make public the final agreement and the specific terms of that agreement?

[*English*]

Hon. Steven E. Paproski (Minister of State for Fitness and Amateur Sport and Multiculturalism): Mr. Speaker, I expect to bring the final agreement to the House right after the first of the new year.

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PETRO-CANADA

DISTRIBUTION OF REVENUE IF CORPORATION SOLD

Mr. Peter Stollery (Spadina): Mr. Speaker, my question is to the Prime Minister. Many Canadians believe that the only reason the government is proposing to sell the profitable parts of Petro-Canada is in order to pay for the housing mortgage credit scheme.

Some hon. Members: Oh, oh!

[Mr. MacDonald (Egmont).]

Mr. Stollery: Could the Prime Minister tell the House if the government has, indeed, conducted studies to see how much revenue would be collected by the government if, in fact, the profitable parts of Petro-Canada were sold?

Right Hon. Joe Clark (Prime Minister): Mr. Speaker, many Canadians believe that if we were to put on sale the hon. member who has just raised a question, we would not yield great profits to the Government of Canada, although we might to the House.

There have not been any of the kinds of inquiries to which the hon. member has referred. I would be very interested in receiving from him the evidence on which he bases his assertion as to the belief of Canadians.

Mr. Stollery: Mr. Speaker, I will not raise a question of privilege at this time, because I know that they cannot start until after the question period is finished. I think that the kind of insulting answer which the Prime Minister has just given to me is unacceptable.

Mr. Speaker: Order.

Mr. Stollery: I would like to ask the hon. gentleman: if, in fact, this is true—and I can assure him that a great number of Canadians believe it is—would the Prime Minister consult with his Minister of Finance, in view of the fact that we now have Shylock interest rates in this country, in view of the fact that the housing tax credit is only applicable to a small number of Canadians, and consider abandoning his proposal to sell the profitable parts of Petro-Canada and his proposal for an unequal tax program and, instead, give a tax credit or tax cut to all Canadians because of the high interest rates in this country?

Mr. Clark: Mr. Speaker, I was trying to answer, in what I thought was a humorous way, what I thought was a humorous question. Obviously, my humour was not interpreted humorously by the hon. member.

Mr. MacEachen: Non-existent.

Mr. Clark: I want to assure him that I intended no insult. The opposition House leader, who is an expert on these matters, tells me that the humour was non-existent.

Mr. MacEachen: That's right.

Mr. Clark: Relative to the particular question put forward by the hon. member, no, I do not intend to withdraw the tax credit proposal. We will be making an announcement in due course—in two or three weeks, I would hope—in relation to the government's decision in response to the task force on Petro-Canada. We intend to review that report very seriously. I would genuinely hope that all members of Parliament who are interested in bringing the institutions of government closer to the people of Canada, and who are interested in giving Canadian citizens a broader opportunity to play a direct role in the country, will also consider the task force report.

ENERGY

REPORTED POSSIBLE WITHDRAWAL OF EAST COAST EXPLORATION BY MOBIL OIL

Hon. John M. Reid (Kenora-Rainy River): Mr. Speaker, my question is addressed to the Minister of Energy, Mines and Resources. It concerns a statement that is alleged to have been made by the president of Mobil, one of the oil companies exploring off the east coast, to the effect that he was thinking of withdrawing his company's activities there.

Has the minister been in touch with the president of Mobil, or has Mobil been in touch with the minister, to ascertain what the difficulties are and whether they are thinking of withdrawing from this exploration?

Hon. Ray Hnatyshyn (Minister of Energy, Mines and Resources): Mr. Speaker, I thank the hon. member for his question. I have only this week had discussions with representatives of Mobil, and that particular intention was not drawn to my attention. I am not aware of any intention on the part of Mobil to withdraw its explorations from offshore-Newfoundland. If the hon. member has any information in his possession to that effect, I would be glad to receive it.

Mr. Reid (Kenora-Rainy River): Mr. Speaker, in that case, I would suggest that the minister might want to go back to Mobil and ask them if there are any questions, dealing particularly with the situation which they now face in terms of the jurisdictional problem.

The difficulty here is that there is jurisdictional ambiguity between now, when the jurisdiction is under the authority of the Government of Canada, and potentially when it will come under the government of Newfoundland. There is a problem here, as I understand it, in terms of "grandfathering" in the obligation which Mobil has taken with respect to the Government of Canada.

Would the minister go back both to Mobil and the government of Newfoundland to ascertain if there are any jurisdictional problems, and with a view to assuring that these ambiguities will be cleared up as swiftly as possible?

Mr. Hnatyshyn: Mr. Speaker, questions relating to regulatory matters and offshore drilling in Newfoundland were discussed between myself and the representatives of Mobil. According to my recollection, they did not indicate that there were any great problems in that regard.

Concerning our relationship with the province of Newfoundland, we intend to carry on in co-ordinating with them the matter of regulatory authorities and the terms of federal and provincial jurisdiction. I am sure that we will be able to carry on in a proper spirit, as we have in the past, with respect to these matters respecting the provinces of Atlantic Canada. Obviously, there will be problems in terms of jurisdiction, but these are matters which can be resolved between us in the spirit of co-ordination and co-operation to which this government is dedicated.

• (1210)

Mr. Speaker: I have a notice of a question of privilege from the hon. member for Laurier (Mr. Berger).

* * *

PRIVILEGE

MR. BERGER—DENIAL OF CONFLICT OF INTEREST

Mr. David Berger (Laurier): Mr. Speaker, some questions were raised in this House earlier this week concerning a government lease for a building at 219 Laurier owned by a company that belongs to my family. Some hon. members called for an investigation so that "the people of Canada may be assured it was not in fact political patronage".

I should like to inform this House that our dealings and my involvement in them prior to any thought of becoming a candidate were entirely proper. At the time I became a candidate in March I resigned as an officer and director of this company—of our companies, I should say—and had no further dealings whatsoever with respect to this matter.

I think, if I may say so, that it is outrageous that assertions or insinuations were made in this House and in newspapers without any attempt whatsoever to obtain the facts. I find that I and, more important to me, my father who has led a life of distinguished service to the people of Ottawa, Montreal, Quebec and Canada, have had aspersions cast upon us for no reason. I must say that for a young man entering politics it is not encouraging to be subjected to slurs of this nature. I would wonder how responsible people are going to be attracted to government if they are subjected to treatment of this kind. Do we expect people to live in a vacuum, to have no interests anywhere?

The Minister of Public Works (Mr. Nielsen) has indicated that the matter is currently under inquiry. I should like to say to this House that I welcome this inquiry and indeed I invite him to make his findings public.

Some hon. Members: Hear, hear!

Mr. Speaker: Order, please. I have received a notice of a question of privilege from the hon. member for Spadina (Mr. Stollery).

MR. STOLLERY—NOTICE OF POSSIBLE QUESTION OF PRIVILEGE

Mr. Peter Stollery (Spadina): Mr. Speaker, at this time I should like to give notice that when I have had the opportunity to look through *Hansard* and examine the reply of the Prime Minister (Mr. Clark) to me today, in which I believe he used unparliamentary language, I should like to reserve my right to bring to you that question at the first available opportunity, presumably on Monday next.

Right Hon. Joe Clark (Prime Minister): Mr. Speaker, on that request to be given the opportunity to consider a question of privilege, let me simply indicate in advance of any evidence

that may be adduced or any finding to which you may come that if I engaged in language that was not parliamentary or indeed if I said something that caused undue offence to the hon. member, I withdraw those remarks without any qualification and express my apology to him.

Some hon. Members: Hear, hear!

Mr. Speaker: Order, please. I am sure that the House, as always, accepts the unqualified and generous withdrawal of the right hon. Prime Minister (Mr. Clark) as exemplary under any circumstances. Certainly it happily lays to rest any possibility of any such tension or grievance in respect of the language used today. I am sure the House welcomes the action of the right hon. Prime Minister.

The hon. Minister of Employment and Immigration (Mr. Atkey) on a question of privilege.

MR. ATKEY—REQUESTED WITHDRAWAL OF REMARK OF HON. MEMBER FOR SPADINA

Hon. Ron Atkey (Minister of Employment and Immigration): Mr. Speaker, I very much regret rising on this question of privilege but before the hon. member for Spadina (Mr. Stollery) leaves the House, I want to raise a matter of privilege which I think is an offence to my privilege and that of all members of this House.

The hon. member for Spadina made a reference to "Shylock interest rates". That, Mr. Speaker, in my submission, is an anti-semitic remark. It offends my sensitivies and my privileges. It is a term which has been adjudged in history, in literature and in contemporary terms an improper remark.

In keeping with the spirit of withdrawal by the right hon. Prime Minister (Mr. Clark), I think the hon. member for Spadina might seriously consider the implications of his remark and a withdrawal may well be in order.

Mr. Peter Stollery (Spadina): Mr. Speaker, certainly in the spirit of co-operation I would withdraw the word "Shylock" if it would give offence to any people and substitute the words "loan shark". I hope that will satisfy the hon. member for St. Paul's (Mr. Atkey). "Loan shark" should go into the spot in *Hansard* and "Shylock" taken out, and I apologize if I offended.

Mr. Speaker: Order, please. I do not know if this kind of excessive generosity is going to continue for very long but it certainly suits me.

[Mr. Clark.]

[*Translation*]

NARCOTICS

REQUEST THAT POSSESSION OF MARIJUANA BE DECRIMINALIZED—EXPLANATION OF ANSWER DURING QUESTION PERIOD

Hon. Bill Jarvis (Minister of State for Federal-Provincial Relations): Mr. Speaker, yesterday I answered a question put to me by the hon. member for Jonquière (Mr. Marceau). He asked whether the government was considering measures on marijuana and the ombudsman. Unfortunately, Mr. Speaker, I did not hear his question on the ombudsman and my answer addressed only his question on marijuana. Immediately after question period I explained my error to my colleague the hon. member for Jonquière, but I would like today to indicate to the House that the government has no intention at this point to introduce legislation on the ombudsman in the near future.

* * *

[*English*]

RAILWAYS

CONTINUATION OF RAIL PASSENGER SERVICE

Hon. John M. Reid (Kenora-Rainy River): Mr. Speaker, it was my intention to present a petition to the House calling for the continuation of the rail passenger service between Capreol and Winnipeg, but in view of the announcement made yesterday by the Minister of Transport (Mr. Mazankowski)—for which I thank him—that the service will be continued for another six months, I am not now going to present the petition.

Hon. Don Mazankowski (Minister of Transport): Mr. Speaker, on a point of order, I appreciate the very kind words of the hon. member for Kenora-Rainy River (Mr. Reid). I should also say that I appreciated the representations that came from him and from the hon. member for Cochrane (Mr. Penner) as well as the hon. member for Nickel Belt (Mr. Rodriguez). I am sure that the announcement will be greeted with a great amount of enthusiasm and will alleviate a number of potential problems that would have been faced by northern residents if the service had been implemented as originally planned.

ROUTINE PROCEEDINGS

[*English*]

NORTHERN AFFAIRS

TABLING OF REPORT OF NORTHERN MINERAL ADVISORY COMMITTEE

Hon. Jake Epp (Minister of Indian Affairs and Northern Development): Mr. Speaker, under the provisions of Standing

Order 41(2), I wish to table, in both official languages, copies of the report of the Northern Mineral Advisory Committee.

* * *

YOUNG OFFENDERS

TABLING OF LEGISLATIVE PROPOSALS TO REPLACE JUVENILE DELINQUENTS ACT

Mr. Chris Speyer (Parliamentary Secretary to Solicitor General): Mr. Speaker, pursuant to Standing Order 41(2), I would like to table, in both official languages, on behalf of the Solicitor General, (Mr. Lawrence), legislative proposals to replace the Juvenile Delinquents Act.

* * *

HOUSE OF COMMONS ACT

AMENDMENTS RESPECTING INTERNAL ECONOMY COMMISSIONERS

Hon. Walter Baker (President of Privy Council and Minister of National Revenue) moved for leave to introduce Bill C-19, to amend the House of Commons Act.

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

* * *

ELECTORAL BOUNDARIES READJUSTMENT ACT

AMENDMENT TO PROVIDE FOR FULL REPORTING OF CHANGES

Hon. Marcel Lambert (Edmonton West) moved for leave to introduce Bill C-485, to amend the Electoral Boundaries Readjustment Act.

He said: Mr. Speaker, this bill is simply an amendment to have commissioners attach full reasons for the changes they are making in any reports that are being made at the time of the decennial revisions. It provides not only the reasons for the changes they advocate but they must comment on every representation that is made. Failure to do so calls for the invalidation of the report.

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

Hon. Walter Baker (President of Privy Council and Minister of National Revenue): Mr. Speaker, I wonder if we might revert to the tabling of documents for just a few moments so the Prime Minister may table some correspondence.

Mr. Speaker: Is it agreed?

Some hon. Members: Agreed.

Order Paper Questions

CROWN CORPORATIONS

TABLING OF CORRESPONDENCE RESPECTING PRACTICES CONCERNING GROUPS INVOLVED IN QUEBEC REFERENDUM CAMPAIGN

Right Hon. Joe Clark (Prime Minister): Mr. Speaker, the other day the hon. member for Beauce (Mr. Roy) asked if I would lay upon the table of the House of Commons correspondence between myself and the president of Air Canada and the CNR respecting the practices of Crown corporations concerning groups involved in the referendum campaign in Quebec. I should like the permission of the House to table that material.

* * *

[*Translation*]

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. David Kilgour (Parliamentary Secretary to President of Privy Council): Mr. Speaker, the following questions will be answered today: Nos. 263, 264 and 404.

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

[*Text*]

CANADIAN FORCES—SUPERANNUATION ACCOUNT

Question No. 263—**Mr. Knowles:**

1. What was the total amount at credit in the Canadian Forces Superannuation Account as at March 31 (a) 1976 (b) 1977 (c) 1978?

2. What rate of interest has the government paid for the use of this money during the fiscal years ending on the dates noted above?

3. What amount of interest was credited to the Canadian Forces Superannuation Account during the fiscal years ending March 31 (a) 1976 (b) 1977 (c) 1978?

4. What was the total amount paid of the Canadian Forces Superannuation Account during the fiscal years ending March 31 (a) 1976 (b) 1977 (c) 1978?

Hon. Allan B. McKinnon (Minister of National Defence and Minister of Veterans Affairs):

1. Balance in the Canadian Forces Superannuation Account as at:

	CFSA	Actuarial Liability Account	Total
March 31, 76	2,186,562,695.73	4,270,267,250.56	6,456,829,946.29
March 31, 77	2,263,362,998.98	4,742,803,872.70	7,006,166,871.68
March 31, 78	2,333,827,474.93	5,204,825,818.72	7,538,653,293.65

2. Rates of interest for:

(a)	1975-76	1. Quarter ending June 30, 75	1.6612 per cent
		2. Quarter ending September 30, 75	1.6724 per cent
		3. Quarter ending December 31, 75	1.7109 per cent
		4. Quarter ending March 31, 76	1.7209 per cent
(b)	1976-77	1. Quarter ending June 30, 76	1.7471 per cent
		2. Quarter ending September 30, 76	1.7488 per cent
		3. Quarter ending December 31, 76	1.7707 per cent
		4. Quarter ending March 31, 77	1.7891 per cent
(c)	1977-78	1. Quarter ending June 30, 77	1.8102 per cent
		2. Quarter ending September 30, 77	1.8204 per cent
		3. Quarter ending December 31, 77	1.8372 per cent
		4. Quarter ending March 31, 78	1.8508 per cent

Order Paper Questions

3. Amount of interest credited to CFSA during fiscal year ending:

	CFSA	Actuarial Account	Total
March 31, 76	85,565,010.91	157,615,710.88	243,180,721.79
March 31, 77	88,547,963.29	176,486,622.14	265,034,585.43
March 31, 78	91,476,814.34	198,022,138.53	289,498,952.87

4. Payments out of CFSA during fiscal year ending:

March 31, 76	172,352,486.95
March 31, 77	189,680,605.01
March 31, 78	207,873,360.29

CANADIAN ARMED FORCES—PERSONNEL RETIRED TO PENSION

Question No. 264—**Mr. Knowles:**

1. In each year 1959 to 1978 (a) how many personnel of the Canadian Armed Forces have commenced drawing pensions under the Canadian Forces Superannuation Act (b) how many widows have commenced drawing pensions under the said Act?

2. In each year 1959 to 1978, how many pensions under the Canadian Forces Superannuation Act to (a) retired Canadian Armed Forces personnel (b) widows of such personnel, have been discontinued because of the death of the annuitant?

3. In each year 1946 to 1978, how many service personnel contributed to the pension or annuity account under the former Part V or under the provisions of the present Canadian Forces Superannuation Act?

Hon. Allan B. McKinnon (Minister of National Defence and Minister of Veterans Affairs):

1. (a) Personnel of the armed forces retired to pension in:

1959	752	1966	3,407	1973	3,357
1960	1,048	1967	2,983	1974	3,478
1961	1,418	1968	2,787	1975	3,459
1962	1,343	1969	4,050	1976	3,003
1963	1,623	1970	4,075	1977	3,124
1964	2,454	1971	4,267	1978	3,388
1965	3,419	1972	4,405		

(b) Widows who commenced drawing pension:

1959	98	1966	263	1973	441
1960	121	1967	303	1974	478
1961	166	1968	303	1975	470
1962	179	1969	371	1976	554
1963	207	1970	323	1977	527
1964	208	1971	375	1978	574
1965	283	1972	420		

2. (a) Retired pensioners deceased in:

1959	91	1966	208	1973	379
1960	103	1967	243	1974	524
1961	114	1968	295	1975	496
1962	127	1969	353	1976	513
1963	142	1970	356	1977	507
1964	169	1971	331	1978	384
1965	190	1972	323		

(b) Widows of pensioners deceased in:

1959	9	1966	39	1973	12
1960	12	1967	45	1974	30
1961	17	1968	56	1975	39
1962	19	1969	50	1976	58
1963	26	1970	52	1977	28
1964	28	1971	24	1978	38
1965	34	1972	11		

[Mr. McKinnon.]

3. Number of CFSA contributors.

1946	212,692	1955	118,077	1964	120,781	1973	82,402
1947	36,535	1956	116,678	1965	114,164	1974	79,921
1948	34,762	1957	117,092	1966	107,467	1975	79,639
1949	41,676	1958	119,038	1967	105,584	1976	79,772
1950	47,185	1959	120,412	1968	101,572	1977	80,546
1951	68,427	1960	119,597	1969	98,340	1978	80,032
1952	95,394	1961	120,055	1970	93,353		
1953	104,427	1962	126,474	1971	89,563		
1954	112,529	1963	123,693	1972	84,933		

MINISTER'S EXEMPT STAFF

Question No. 404—**Mr. Evans:**

What is the salary paid to (a) Dr. Elizabeth Parr-Bond, Senior Policy Advisor (b) David Zifkin, Executive Assistant (c) Catherine Ravin, Special Assistant (d) Philippe Gariépy, Special Assistant (e) Tom Sloan, Special Assistant, exempt staff in the office of the Minister of Employment and Immigration?

Hon. Ron Atkey (Minister of Employment and Immigration):

(a)	Dr. Elizabeth Parr-Bond	Senior policy advisor to the minister	up to	$47,500
(b)	David Zifkin	Executive assistant to the minister	up to	$26,700
(c)	Catherine Raven	Special assistant to the minister	up to	$26,700
(d)	Philippe Gariépy	Special assistant to the minister	up to	$26,700
(e)	Tom Sloan	Special assistant to the minister	up to	$26,700

Please note that in the case of (b) and (e) these individuals have been hired under Personal Service Contracts (Exempt staff budget) for a period less than one year for respective amounts of $14,952 and $13,350.

[*Translation*]

Mr. Speaker: The questions enumerated by the hon. parliamentary secretary have been answered. Is it the pleasure of the House that the remaining questions be allowed to stand?

Some hon. Members: Agreed.

GOVERNMENT ORDERS

● (1220)

[*Translation*]

BORROWING AUTHORITY ACT, 1979-80

SUPPLEMENTARY BORROWING AUTHORITY FOR 1979-80

The House resumed from Thursday October 25, 1979, consideration of the motion of Mr. Crosbie that Bill C-10, to provide supplementary borrowing authority for the fiscal year

1979-80, be read the second time and referred to the Standing Committee on Finance, Trade and Economic Affairs.

Mrs. Céline Hervieux-Payette (Mercier): Mr. Speaker, as a new member, and in view of the tremendous responsibility we have in this House to consider supplemental supply in the order of $7 billion, some 7.5 per cent of the total Canadian supply, it is important in my view to consider seriously the situation before passing such legislation. At this point, after reading the legislation and of course without any other information than that provided by the Minister of Finance (Mr. Crosbie), I feel this legislation is in a way a blank check for this government.

Since it is my responsibility, Mr. Speaker, to give my constituents an account of this government's expenses and obviously, through Parliament, to take part in the discussion of those expenses, I would like to remind the House that we now reportedly have a $12 billion or $13 billion deficit, but with this government in power for six months, I cannot take without discussion that additional $7 billion policy. I must say that this government has expressed its intention to give up some income sources like Loto Canada, Petro-Canada and other profit making corporations such as Canadair, and I wonder, Mr. Speaker, whether getting rid of those companies, which bring profits to this country, will help reduce our supplementary estimates. I wonder, Mr. Speaker, with unemployment being what it is today—and I am referring here to an article by Mr. John McCallum, published in the chartered accountants' magazine, which states that the unemployment problem is as serious today as it was in the 1930s.

Mr. Speaker, in the 1930s—of course, it will be obvious that my knowledge of those economically sad days is derived from what I read and heard from my parents—but I must say that, today, when we are asked to pass supplementary estimates of some $7 billion, when government services are being cut right and left, when we are not told what those extra $7 billion will be used for, I can only ask for more explanations, and though I am not on the Standing Committee on Finance, Trade and Economic Affairs I feel that I should, just the same, look into the matter very closely because my constituents are the ones who will foot the bill.

Mr. Speaker, the present government has had 16 years to reflect on the direction to be given our economy. Last year, the previous government managed efficiently and without drastic cuts in the public service to reduce expenditures by some $2 billion. That, to my mind, is good management. In my past experience as chairman of a school board, I had to manage a $30 million budget.

On the other hand, I think that the principles applying to a local government are exactly the same for the federal government, and it seems to me that, because the deficit is likely to be increased by their tergiversations about Petro-Canada and their promise to give Loto Canada back to the provinces, we are taking wrong decisions which will only add to the difficulties and the recession in Canada. I wonder, Mr. Speaker, exactly what does the Minister of Finance intend to do. The private sector is supposed to co-operate closely with this government. What measure does this government propose to lower this $7 billion figure, since it is a well known fact that a healthy economy would yield additional funds to the government and allow it to lower the deficit? According to the Toronto-Dominion Bank report, the most recent rises in interest rates and especially the payment of a bonus on Canada Savings Bonds will accelerate the debt service which will tower above the 19 per cent rise indicated in the budget. So as a concerned citizen and as the representative of a riding which is home to low income people, I think that it is my duty to remind this government that it is governing in the interest of all Canadians and that every dollar and every cent that is spent by the government must be spent for useful purposes.

I think that some cuts could be made if the present government, after six months of pondering over and analysing previous budgets, could some day direct its policy in keeping with its electoral promises. I still think that the former government made a praiseworthy effort and if the present government which succeeded the Liberals would analyse these programs one by one, it would then be in a position to see to what extent spending cuts could best be achieved.

I am referring, Mr. Speaker, to the new steps taken by this government to conduct public affairs. I do not know as of yet what is the positive impact of these changes but I must say that I do not see what benefits will be derived by voting an additional $7 billion, or at least they do not transpire from the Minister of Finance's remarks. That is why, Mr. Speaker, I ask the Minister of Finance to reconsider the amount and to bring his policy in line with his election promises to restrict government spending to $51.1 billion, since most optimistic economists are now predicting that this government will have to increase its expenditures by $2 billion or $3 billion.

Of course, I note also, Mr. Speaker, the increase in interest rate which was announced by the Bank of Canada, and I think that such a rate is definitely unfair to the taxpayers of Mercier. We must not let consumers foot the bill for an irresponsible government.

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

Mr. Lachance: Mr. Speaker—

Mr. Deputy Speaker: Order! The hon. member for Rosemont is on his feet, but another member was already standing behind him. So, I think I will recognize him. The hon. member for Comox-Powell River.

[*English*]

Mr. Ray Skelly (Comox-Powell River): Mr. Speaker, I am pleased to have the opportunity to participate in this debate concerning Bill C-10. My comments will be fairly brief this afternoon, but I do wish to express my concern about the proposal of the Minister of Finance (Mr. Crosbie) within this bill in attempting to obtain a blank cheque for $7 billion from the people of Canada.

I reflect back to things said during the election, and to a commitment made by the Conservative government. As its members travelled from one end of this country to the other, they complained about the high interest rates encouraged by the previous government. Bitter complaints were made about the deficits run up, what these things were doing to small businesses, how this country had a lack of direction and how throughout the country people lacked confidence in the government.

I would suggest today that these things apply in spades, that as typified by the $7 billion attempt to borrow, we now have the highest interest rates this country has ever seen. These high interest rates, instead of preventing inflation, will be a main factor in the rise of inflation in Canada. These interest rates could in all probability, in an attempt to cure, bring about a far worse disease, the recession that everyone predicts and expects as a result of them. The impact of this borrowing and its complications in the country will be felt in every industry in Canada. I am very concerned about this kind of interest rate and the borrowing that is advocated. It will cause a very serious situation.

● (1230)

The government opposite has often professed to be the friend of small business. I have a very large number of small businesses in my riding, a number of large industries, single industries in the community. When they are cut back, the only opportunity for employment and economic well-being is the base of small business that we have.

The present government's economic policy, reflected by the borrowing bill and a number of other gestures, particularly their move to drive up energy costs, will be felt directly in my riding. Small business must be able to transport its goods. Anything produced there has to be transported to market. The price of the cost of goods in my riding will be driven up, as well as competitiveness, as a result of driving up the price of energy.

I have received numerous letters, phone calls and items of concern from small businessmen in my riding who feel that their friends in government have abandoned them completely. I am very serious about this. Many of these businesses are not large, employing only five, six or seven people. In order to keep an inventory over the winter, they have to borrow. The bank on a daily basis is switching interest rates, driving them up. In some cases the banks are concerned about whether, with the interest rate and economic confidence that exists, some of these businesses can continue. In fact, it is calling in loans. This is not based on the viability of businesses in my riding but on a lack of confidence in the moves of this government.

Energy costs and interest rates are causing havoc. I believe the term Mr. Bullock of the Federation of Independent Businessmen mentioned the other day was that it was creating a horror show for small businessmen. This is typified in my riding. It will be interesting to see how they react at the time of the next election to the kind of confidence the Tory government has inspired.

Apart from interest rates and their effect on small businesses as well as the energy problem, the government is requesting a $7 billion blank cheque. That is interesting in view of their claims during the election campaign. Corporate tax deferrals far exceed this $7 billion and future sums the government will have to borrow. In spite of bank profits, they continue to increase interest rates. The banks have been given a licence to shovel money. There is profiteering. There is no attempt to rectify the situation and place fair taxation upon the profits of these banks. We are literally giving away money that properly belongs to the people of Canada and which would remove the necessity of borrowing this money.

The same kind of tax policies prevail with regard to the oil companies. Reports of windfall profits have recently been expressed in the paper with regard to multinational corporations. We have forfeited our obligations to tax these companies which are earning enormous amounts of money. Fair taxation of these companies would remove the necessity to continue borrowing sums such as the $7 billion the Minister of Finance is currently after.

The banks, oil companies and large corporations in this country have been allowed to get away with a tremendous avoidance of taxation. However, knuckle busters from the Department of National Revenue have been visiting households in my riding, people trying to raise children between jobs, and attempts are being made to impose a 90 to 100 per cent garnishee on their incomes.

I recently heard of a family on a dairy farm in my riding with a modest income who have been trying to pay back at a very reasonable amount per month. National revenue officials visited them and stated they would be required to pay 90 per cent of their income. With our tax policies, we do not mind letting off the corporations. However, a taxpayer trying to meet his obligations and look after his family is visited by the equivalent of the Mafia.

This same gang visited a business in my riding which employs 100 people, a major industry in a small coastal community in Comox-Powell River. They decided it was time to collect the overdue tax. They went to the business and said they would garnishee the business accounts. The bank justifiably became panicky and decided to close down the company. One hundred jobs were placed on the line because of the kind of tax policies this government is adopting. They were quite prepared to get rid of a small business even though it would have a terrible impact on the surrounding community. If the tax policies of this government or the previous government were in any way equitable, we would not be requiring moves

against small businesses and individuals in rural Canada that can be compared to moves the Mafia would make.

I wish to talk about a few other matters I have heard raised in this House. However, I would be repeating many of the arguments put forward more articulately by other members. These facts are well known to members opposite. They are aware of it and it would certainly be repetitive.

I have listened to the Prime Minister (Mr. Clark), the Minister of Finance, the President of the Treasury Board (Mr. Stevens) and other individuals responsible for this government and its policies. They have been asked whether they were concerned about rising inflation and, if so, would they provide subsidies on bread and milk. The answer was "absolutely not". When asked about the prospect of providing a fair prices review board to control some of the outrageous price increases, the Prime Minister either does not answer or is not in favour of that. He has continuously dodged the question of what they are going to do about interest rates. They keep trying to foist off that problem on the previous government, while at the same time implementing the same procedures of that government. Their remarks are coupled with phrases such as "a lack of sense of direction in this country" and "a lack of confidence". I suggest when they again visit the people to seek a mandate, something they do not now have, that that mandate will not be forthcoming.

An hon. Member: Blame it on the gang of four.

Mr. Skelly: The gang of four are like saviours compared to this group. We are being asked to approve the borrowing of this money even though we have no idea of how these funds will be applied. I see the Minister of National Defence (Mr. McKinnon) in the chamber. The other day I asked him a question about search and rescue. A great many people have died in my riding and along the coast of British Columbia as a result of a lack of resources to rescue them. Before I vote for any such proposal as this I should like to know whether there is any intention of going ahead with something like a national search and rescue plan. I understand many of its aspects have been cut because the government refuses to spend money on it.

● (1240)

I am curious as to where this $7 billion is going. I understand that the Minister of Transport (Mr. Mazankowski) and the Minister of State (Transport) (Mr. Howie) visited representatives of a number of shipping companies in Canada and put forward a proposal to repatriate foreign flag ships owned by Canadian companies, and that in the process they were going to forfeit some income tax. Before we spend any money in that direction, give away more of our taxes to acquire things like this, I, personally, would like the government to lay before the House a policy on the direction it intends to take the country in regard to merchant shipping. There is no indication of what we are going to do.

According to the throne speech, we are apparently going to relax some of our taxing power in order to repatriate foreign flag ships, but what we need before we attempt to do any of that is a statement in this House giving some policy direction on how we are going to establish merchant shipping in this country, what we are going to do about maintaining shipping in the Arctic and developing ports. Before we go giving any further tax amounts away and requiring that we have to ask again, after this $7 billion, for another $7 billion, I would like to know where we are going in that regard.

I should like to thank you, Mr. Speaker, for allowing me this opportunity to put forward some of my concerns about this borrowing bill and the economy in the country.

[*Translation*]

Mr. Claude-André Lachance (Rosemont): Mr. Speaker, it is a privilege for me to take part for the first time in a debate on a bill presented by a government minister while I sit on the opposition benches. However, it is less of a privilege than it should be on a measure such as Bill C-10 which amounts in fact to giving the government a $7 billion blank cheque. I do not know, Mr. Speaker, if you have ever tried to imagine what the sum of $7 billion represents. I doubt if Canadians can imagine it either. It is so huge, so extravagant a figure that it remains an abstraction. That figure 7 followed by nine zeros is something absolutely incredible and I am convinced that neither you nor I, Mr. Speaker, will ever have it in our pockets. In fact, if I had it, I do not think I would be in the House this morning.

In any event, we are expected now to give this amount of $7 billion to the Minister of Finance to do God knows what, since we have not yet seen the colour of the famous budget he has announced high and low and we do not know when we are going to get it.

This $7 billion authority therefore is the money that this House is going to give to the government, as it can rightfully do, to finance its operations. What operations? I wonder, Mr. Speaker, especially when I consider this new Progressive Conservative government which has made such great promises and painted such brilliant and bright tomorrows to the Canadian public that all hon. members, without fear of making mistakes or being confused by the intricacies of supplementary estimates, should decide, after serious examination, to grant the government the money it needs to finance its priorities.

I wonder, Mr. Speaker, after having seen to this date the performance of the Minister of Finance (Mr. Crosbie) in and outside this House, whether we should thus so easily give him that confidence. During the past three weeks, we have witnessed the sad sight of a government which not only is in deep waters as far as budgetary matters are concerned but also does not know where it is going. We have had the most glaring example when the Minister of Finance refused to appear before the Committee on Finance, Trade and Economic Affairs to tell the Canadian people about his objectives, those new and famous objectives which the Progressive Conservative government once more promised the Canadian people in the last general election would put the country back on the right

track and turn the wheels of our economy. He refused to appear, and had Governor Bouey, a qualified official of course whose job is to advise the government and the Minister of Finance, stick his neck out to have it chopped. Mr. Speaker, I am not concerned about Governor Bouey, he is an economist and a distinguished finance man who I am sure is doing his utmost to get us out of this mess. However, Mr. Speaker, it was not governor Bouey whom we wanted to see before the committee on finance so much as the Minister of Finance so that he could explain these new criteria or parameters which will guide the budgetary policy of this government for the duration of its mandate, which I must say, had a very bad start.

I repeat, Mr. Speaker, that the Speech from the Throne contained all sorts of promises to the effect that the government would introduce a whole set of measures to help our legislative body, the House of Commons and Senate, to make more enlightened judgments about government expenditures. We had been promised a whole set of measures! We had been promised the famous sunset laws through which we could re-evaluate government programs every ten years and go back to the basics regularly and periodically and decide whether these numerous programs, budgets, votes and credits were justified or not. We had been promised a revamping of the estimates format, and we had hoped that the supplementary estimates could have been submitted in the same format.

Finally, we had been promised three-year estimates of government expenditures and projects so that this House could have a more comprehensive view of such estimates and be in a better position to judge the government's general orientation. We had been promised that the budgetary envelopes would make it easier to allocate the budgets required for the operation of the administrative machine for each major sector of government business.

We have had many promises! But where are those documents, those bills, those mechanisms which were supposed to make us go back to the basics and allow us to make enlightened judgments? Mr. Speaker, in Bill C-10 we have the same formula of a blank cheque for $7 billion and we are asked to decide out of thin air once again, because, as I said earlier, $7 billion is such a large and incredible amount that no one can imagine what it really means in dollars and cents. Once again, we are presented with a bill which will allow the Minister of Finance to decide according to his own criteria and priorities, that is the government's and not those of the House of Commons, what the government will do until a budget is rendered. And this budget, what will it include, when, why, and under which format will it be presented to the House?

Mr. Speaker, I am greatly disappointed with the fact that this renewal which we had been promised with such clamour is unfortunately so very long in coming.

I am one of those parliamentarians who have suffered in the past from the complexity of the estimates submitted to us in committee and from the difficulty in obtaining the required information. No particular government is to blame. That was the way things were, and the tradition being what it is in this august assembly, it is often quite difficult to keep in mind what is essential, the purpose or the main reason for our presence in this House, namely to give the government the financial means to achieve its aims.

I suffered from that, Mr. Speaker, and I viewed of course the government's promises as a formula to be discussed, a technical means, a mechanism that would enable us to do our job better. I am disappointed because the new government which promised the Canadian people to make a clean sweep of all those practices, all those old mechanisms and all that antiquated budgetary machinery, is still operating like all the others and is content with obsolete procedures without putting before us, before you, Mr. Speaker, the new proposals they were flaunting so much during the election campaign.

Mr. Speaker, in all probability the Minister of Finance will most certainly get that borrowing authority of $7 billion. There is no other alternative in any case. There is nothing we can do because the government must keep on operating. But having said that, let the government put forward what they promised, let it establish its credibility. Once again, the performance of the Minister of Finance to date has not been good enough to make us feel confident about putting such large amounts in the hands of this surging, sailing government, as I said earlier—

Mr. Breau: Winding.

Mr. Lachance: Winding, indeed, my colleague from Gloucester said the word I was looking for. Winding, that is the proper word for this kind of devious government that comes up with amounts, that changes its direction, that comes up from one day to the next with inconsistencies and particularly that refuses to meet with the elected representatives of the people in a committee of the House to discuss specifically with the Canadian public and before them its general orientation, the great changes it had proposed. Now, Mr. Speaker, there is no alternative, we shall have to give them $7 billion, but I urge the government, particularly the Minister of Finance, to spend wisely this money that the House of Commons is going to give him to keep the government machinery in operation. I urge him to be accountable for that amount he will receive, more accountable than with the kind of devious and evasive answers he gives constantly in the House to the legitimate questions of the opposition parties, whether it is my party, the Liberal party or the NDP. He should give us answers, Mr. Speaker, instead of saying all the time that it is Tom, Dick and Harry's fault, that it is the fault of the previous government. How long is he going to play the same record, Mr. Speaker? One year, two, three or four years? I feel he is going to play the same record until the Canadian people are tired of the attitude of the government, Mr. Speaker.

• (1250)

[*English*]

Mr. Peter Stollery (Spadina): Mr. Speaker, I thank you very much for giving me an opportunity—

Mr. Breau: Mr. Speaker, I rise on a point of order. I just want the record to show that the Minister of Finance (Mr. Crosbie) was not here to move his motion.

Mr. Deputy Speaker: I refer the hon. member to another citation in Beauchesne which says that it is not permissible for hon. members to raise points of order to signify to the House the presence or absence of members.

An hon. Member: Shame!

Mr. Stollery: Thank you, Mr. Speaker, for this opportunity to make a contribution to this very significant debate on borrowing authority. I think it is worth noting that one of the reasons we are discussing at some length the ability of the government to arrange credit of $7 billion is that none of us has any idea what kind of budget the government will be bringing to Parliament. We are having pretty much of a replay of the debate which took place a year ago. I think any taxpaying citizen should look through the House of Commons debates for Tuesday, October 24, 1978 and read the speech by the present Minister of Finance (Mr. Crosbie), who was then just the hon. member for St. John's West.

I do not think we should make too much of the fact that the government is floating without any real sense of direction. We cannot comment too much on that until we see a budget, but we can comment on the way the then hon. member for St. John's West went on with regard to this same bill. What day is it today?

Mr. Knowles: October 26.

Mr. Stollery: On October 26 of this year we have an exact reversal of speeches which were made last year on October 24. At that time the present Minister of Finance was giving a grandiose performance with regard to the collecting of taxes from one John C. Doyle. I gather there has been some settlement of this matter, but as I read through the minister's remarks I wondered whether now that he is Minister of Finance he has actually pursued the matter about which he was so accusative of various governments a year ago. We all know the Minister of Finance is a very colourful and entertaining member of the House of Commons. He has had to bear some rather grim burdens for the last little while, which he blames on everyone but himself.

If there is one characteristic of this government about which the public is very aware, it is that for five and a half months we have been treated to a bag of clichés about strengthening Parliament, but we are now seeing the opposite. We are seeing that in many ways. We could read *Hansard*, specifically the remarks made by the Minister of Finance when he was first elected to the House. I am sure that what we are seeing now will be going on for months. On March 9, 1978 the present Minister of Finance was talking about exchange rates, and he asked the then minister of finance the following question:

Is the Minister of Finance now stating the government of Canada has no responsibility for the monetary policy and that only the governor of the Bank of Canada has that responsibility, and does he agree with the governor of the Bank of Canada in his statement yesterday—

My goodness, for years *Hansard* has been filled with such remarks! We could change the names and reverse the comments, but the questions would be the same.

Mr. Rae: That is exactly what we have been saying for the past 30 years.

Mr. Stollery: Members of the New Democratic Party, of course, have other solutions, but we never hear what they are. We hear about things like the West German economy. In West Germany, of course, there are wage and price controls, and that is one of the reasons the West Germans have a low rate of inflation, but the New Democratic Party certainly is not propounding wage and price controls in Canada.

Mr. Rae: You don't know what you are talking about.

Mr. Stollery: There are examples and more examples of questions, comments and debate in which positions have been reversed.

The inconsistent, confused and vague group of individuals who make up the Government of Canada were elected on May 22 because they told the people of Canada that they had new ideas. Where are they?

Mr. Deputy Speaker: Order, please. It being one o'clock, I do now leave the chair until 2 p.m.

At one o'clock the House took recess.

• (1400)

AFTER RECESS

The House resumed at 2 p.m.

Mr. Stollery: Mr. Speaker, I think it should be noted that the governing party does not have very many members in the House this afternoon; I see only one cabinet minister. If this is an indication of what we can expect from this government, they should take notice that as the official opposition we on this side will continually make the following point to the Canadian public. After all the talk about parliamentary democracy, and after all the rather meaningless and inane comments by the Prime Minister (Mr. Clark) about returning power to the House of Commons, we find on this parliamentary day only one minister of the Crown present in the House.

I should like to continue the remarks I was making just before the luncheon break about the way this government, the Prime Minister and Minister of Finance, have continually told us for the last two weeks that all of the problems of Canada were created by the previous government, yet at the same time this government continues those policies of which it says the previous government was guilty. I believe that is one reason the Canadian public is disenchanted with this government that was elected on May 22 with a mandate to develop some new ideas. The Canadian public has a right to expect some clear and new directions from this government rather than this

repetition of the platitudes and banal comments of the Prime Minister and Minister of Finance. Presumably that is why the people of Canada gave that party a mandate on May 22. I suggest this is a very real criticism of that group.

Some hon. Members: Oh, oh!

Mr. Stollery: I hear a word from the "gas works" in the back. If they will be quiet I will continue my remarks.

One can look at *Hansard* and find the words of the Minister of Finance when presenting a motion under Standing Order 43 on December 8, 1977 regarding the manufacturing sector and an industrial strategy. He made accusations against the government in 1977 in a Standing Order 43 motion of the kind often moved by the present Minister of Finance when he was just the hon. member for St. John's West. That was before he rose to these spectacular heights in high finance, from whence I gather he was chased in Newfoundland. In fact, he remarked last year that in Newfoundland he was known as public enemy number one. In the rest of Canada he is now becoming known as public enemy number two.

● (1410)

We appreciate that minister's sense of humour, but the people in my urban constituency cannot find any humour in the kind of interest rates that are supported by the Minister of Finance, in direct contradiction to anything he said before becoming the Minister of Finance. This government has shown a total lack of new direction, the kind of direction the people expected from the new minister.

We now have a situation where the government and this minister decide, on the one hand, to sell the profitable parts of government enterprise, retain the unprofitable parts, while on the other continue with this increasingly absurd housing tax credit scheme. That is a scheme that is meaningless as far as any kind of incentive to the housing industry is concerned, particularly when interest rates keep going through the roof. I cannot believe that even the Minister of Finance, with his very great wit, can explain away the high interest rates, or explain the importance of this tax credit scheme which will benefit a relatively small group of Canadians. It certainly will not benefit the people in my constituency, who are mostly tenants, and others who have already paid for their homes. Those who will benefit will only benefit to a small degree from this tax break. Surely the minister will reconsider this hair-brained scheme.

The minister is proposing to give a $2.5 billion or $3 billion tax break to one group of people and is totally ignoring those who have to pay these loan shark interest rates that his government supports. No one seems to be clear yet exactly how much this will cost. I have to be careful to use the right word as I certainly would not want to provoke a response, but I have heard it mentioned that the loan sharks in Canada are sending a delegation to the Minister of Finance because of unfair competition by the federal government.

Some hon. Members: Oh, oh!

[Mr. Stollery.]

Mr. Stollery: One just does not know what to say when a government promotes this kind of mindless exercise. When we ask members of the government about this scheme, we get the same answers we heard from the previous government. I am sure that members on this side—

Some hon. Members: Oh, oh!

An hon. Member: Explain.

Mr. Crosbie: Where were you when the last government was here?

Mr. Stollery: I was in the last government caucus. In fact, at one time I was the chairman of that caucus.

Some hon. Members: Shame.

Mr. Stollery: I am fully aware of what must be going on in this government's caucus meetings on Wednesday. None of us on this side would ever suggest there were no vigorous discussions in our caucus meetings when we were the government. There were things on which all our members did not agree. We had vigorous discussions and debates. We had double doors on the caucus room, as does the present government, to stop the sounds of our discussions from being heard outside. It would be silly to suggest that the members of a government party like the one in power that endorses actions that produce the consequences that have followed the actions of this government would support those actions unanimously. I wonder whether any of the members of this government party will have the courage to tell us what they really think. Those hon. members actually campaigned during the election as being in favour of lower interest rates.

Mr. Pepin: Some of them must remember their speeches.

Mr. Stollery: As the hon. member for Ottawa-Carleton (Mr. Pepin) says, some of those members must remember the words of their election speeches. We on this side of the House will undertake to review some of the election speeches made by members of the government party on the opposite side, especially those of the men and women who are now ministers.

I think the feelings of many Canadians have been summed up in a letter I had the opportunity of reading when I was in my office during the luncheon break. It was written by a constituent I have not met and was directed to the Prime Minister. This letter says what probably millions of Canadians are thinking. Let me read part of it:

Dear Mr. Clark;

As the new party in power, I was willing to accept and co-operate with different ideas—in other words, give you a chance to prove yourself. As a matter of fact, I welcomed the opportunity for a clean sweep of cobwebs from the last party, a lessening of the deadwood in the top-heavy bureaucratic machine.

Some hon. Members: Hear, hear!

● (1420)

Mr. Stollery: Paragraph 2 reads:

> Now I am disillusioned beyond belief with your latest proposals concerning the so-called return of public corporations to private enterprise. PetroCan was something I had hoped you would reconsider, merely a rash electoral promise like the moving of the Israeli embassy. Our future energy supply is too important an issue to leave with short-term opportunists. Consider the way Exxon delegated our country to have lesser priority for its oil than the U.S.A. We need champions, not uncontrollable multinationals.
>
> Furthermore, you propose to turn over the invaluable and controversial nuclear power industry, Eldorado, to private enterprise. Have you not learned anything from Three Mile Island in the U.S.A.? Must we make all their mistakes?
>
> To add insult to injury, you declare this to be the "deadwood" civil servants you promised to clear out. It is more likely that you are leaving the parasistes in government and clearing out those who are actually paying their own way.

So here we are, discussing a bill that this government has brought to Parliament requesting the authority to borrow $7 billion, a bill which we all know we will have to approve. We will have to do that without hearing anything from the government on its energy policy, its international trade policy—other than failure after failure—or its policy on industrial strategy, which was the subject of one comment by the Minister of Finance when he was in opposition. We have not heard a word about industrial strategy.

It is hard to believe that a government which is raising interest rates to all-time historic highs has not given this House any indication of its position vis-à-vis the referendum campaign of next year and has been so vague regarding anything concerning substantive provincial-federal issues. In fact, their only response has been to give in to the provinces. The two best examples are the offshore resources issue and the Loto Canada issue.

When one looks at the history of the Canadian dollar, one can see that it started to drop following the referendum in 1976. In September, October and November of 1976 the value of the Canadian dollar in relation to the U.S. dollar was at par or $1.01. Following the Quebec election and the victory by the PQ, the value of our dollar in relation to the U.S. dollar was 98 cents by December, and then it went down to 97 cents. By March, 1977 it had dropped to 95 cents. In April, May and June it was 95 cents and then 94 cents.

The minister's reasoning for following the United States in maintaining these very high rates of interest is that he has to protect the Canadian dollar, but in all the comments we have heard from the government, we have not heard any comments of any substance about what the government is actually going to do about improving national government and getting away from increasing provincialism in Canada. This provincialism is having an economic consequence in that it is affecting very clearly the value of our currency, and the value of our currency is apparently a significant factor in Canada's achieving the highest interest rates in its history.

How can we possibly continue without having a serious discussion about just what we are doing with national economic policy and with this trend to provincialism in Canada, so as to protect our currency and create a climate in which the Minister of Finance does not have blindly to follow the United States in the way in which he once said he would never do.

Mr. Crosbie: I never said that. You can't find anywhere where I ever said that.

Mr. Stollery: The minister has said that I cannot find anywhere where he actually said that. One of the charming characteristics of the minister is that he talks a lot when he makes these speeches.

Mr. Crosbie: Yes, but I never said that.

Mr. Stollery: He probably talks more, if one were to look through the index of *Hansard*, than any other member in the entire House of Commons, and he says a great deal of things.

Mr. Crosbie: You point it out. Where is it?

Mr. Stollery: The minister has said a great deal of things, and it would take more volumes of *Hansard* than I have here today to find those comments; but I will be doing so, and I am sure that other members will do so before this debate is over.

I would like to switch for a moment to trade. As far as I understand it, we have "Stanfield the Magnificent" making his way from souk to souk.

Mr. Crosbie: He is in the souk.

Mr. Pepin: From tent to tent.

Mr. Lachance: From tea to tea.

Mr. Stollery: I have a vision, Mr. Speaker, of the former member for Halifax, "Stanfield the Magnificent", going from Levantine capital to Arabian souk. They have an expression in the Middle East, which is a very interesting and complex area, as we all know, and as the Prime Minister (Mr. Clark) found out to his dismay, which is, "the word is around the souks". The word that the former leader of the opposition in Canada is "around the souks" is out. As a result, I guess one could call him "Hadji Bob". Has "Hadji Bob" been to Baghdad yet, because if he has it is our understanding that he had his pockets picked by the "thief of Baghdad".

We in Canada were not even allowed to bid on a $4 million or $5 million airport project.

Mr. Breau: Billion.

Mr. Stollery: Four billion bucks down the drain! We have our intrepid traveller making his way from capital to capital, and the sum and substance of it all is nothing, zero. It is also well known that we may even lose the largest project that we have ever managed to promote with Saudi Arabia.

Mr. Wilson: Even Mirabel wasn't that big.

Mr. Stollery: The largest project that we have ever managed to promote with Saudi Arabia is in danger, and who knows how many thousands of Canadian jobs are endangered along

with it? I think that the story should be told to this Parliament before this government comes to us for borrowing authority, before in fact this government comes to us with a budget, as to just what are the results of these negotiations with the various capitals of North Africa and the Middle East. If "Hadji Bob" is actually having some success, we would like to hear about it, because so far all we hear about is project after project being lost.

One is hard put to give names to this group of characters across the way, but last night I spent some time looking through my copy of "Pickwick Papers". I remember that the former member for Hillsborough, who is now in the Senate, was "Mr. Pickwick" of the House of Commons. Dickens certainly had a better way with names than I have but I wonder if we could put some of these names to some of the ministers we have here. For example, who would "Old Lobbs" be or the "Shepherd"? I guess the Shepherd would be the present President of the Treasury Board (Mr. Stevens). He would be the Shepherd, the "Rev. Sinc Stevens (the Shepherd)". Sitting two doors away from Old Lobbs, the Minister of Finance, is "Angelo Cyrus Bantam, Esq". That could only be our present Prime Minister. You can just see it, Angelo Cyrus Bantam, Esq. trying his best, but his best just is not good enough. Who is "Gabriel Grub"? I will save that for another afternoon. All of these visions come to mind, I suppose brought on by the picture of "Hadji Bob" on a trade mission making his way around the souks.

● (1430)

Because trade and energy are so intimately connected, we cannot leave this subject because we are told the reason we have no budget is that we have been unable to get an agreement with the provincial ministers on price increases for oil in Canada. That again is connected by the fact that we have not really heard from the government yet just what their approach is on federal-provincial relations, other than to just give in to the provinces. It appears to us that what we are doing right now is giving in to the province of Alberta in the area of world oil prices.

I think Canadians are confused about world energy prices because of their effect on the ability of the government to bring in a budget. This is really quite remarkable. What Canadians can understand and what the government does not seem to appreciate is that world prices have continually changed over the last eight years. They have nothing whatsoever to do with the production of a barrel of oil. World oil prices are purely a political decision made by countries who have oil. It costs about 20, 21 or 22 cents to produce one barrel of oil. It is less than a quarter. One barrel is 35 Imperial gallons of Arabian light crude. That barrel of Arabian light crude sold for about $1.80 in 1972, and it has been steadily moving upward, from $13.33 in January, 1979, to $14.00 in April, and now $18.00. I think it has gone up again, but as the price base is Arabian light crude, sometimes the numbers that one hears are not relative to the actual world price.

[Mr. Stollery.]

It is my view that Canadians would like to know from this government—and it is something that they have been unable to find out—just how much they will be paying for heating oil this winter and how much of what they will be paying for heating oil is a completely phony political price that has nothing to do with the production of heating oil.

For about five years we were told by those who are experts that it cost about $8 or $9 a barrel to extract oil from the tar sands. That was the cost of extraction. They did not want to be too specific because there was an enormous capital investment going on. It was about $9 a barrel, I remember that very well. Why must the Canadian taxpayer, the consumer, when he buys a gallon of gas or pays for heating oil have to pay what is a totally political price that has no relationship whatsoever to the cost of the production of that petroleum product? When will we get more specific information on the cost of heating oil?

If there are many people who believe that a lot of jiggery-pokery is going on, it is probably not in the gas you buy for your car so much, because everybody buys gas all the time. Every time you fill up your gas tank the pump registers what you are paying for a gallon of gas. But what you do not recall and have difficulty remembering is what you paid last year for your heating bill. Usually people pay their bills once a month or once a season. Before we have any decisions or agreements by the Minister of Energy, Mines and Resources (Mr. Hnatyshyn), I believe strongly that there should be a hard look taken at just what is going on in the heating oil department. We should not be diverted by the gasoline question. Of the two important subjects, surely heating oil would have to come first.

The Minister of Finance, charming man that he is, before he comes to us wanting us to give him $7 billion borrowing authority, first of all should be coming to us with a budget giving a clear indication of where this country is going, a lot clearer indication than we had in the throne speech. I never read a throne speech any faster than that one; it took me about six minutes. The substance of it all, I think, was putting the word "multicultural" in the Immigration Act. That was the major commitment of this government in its throne speech.

Before we start authorizing this government to borrow money, we should have a budget. This budget should give us a clear indication of where this country is going financially. It is all very well to listen to clichés about the fact that we must control inflation. Of course we must control inflation. But surely the point is that the cost of controlling inflation should be borne more by those who can afford it than by those who cannot afford it. So far as the housing tax credit is concerned, people who cannot benefit from it are paying taxes and their money is going to people who are in a better position to afford this terrifically expensive fight against inflation.

Words were flying around here earlier during question period. It is all very well for the Minister of Finance to say that everything will be all right in two years. But, will everything be all right in two years? If we are still around in two

years, if we have an industrial sector and if our trade balances are genuinely going to improve, will everything be all right? This government took office five months ago and they are saying that five months is nothing; but four and a half months without Parliament meeting is a significant amount of time for a group of men and women who presumably had some sense of direction when they ran for Parliament.

Surely when the Prime Minister wanted to become Prime Minister he had a reason. Surely it did not take him five, six or seven months to tell us why he wanted to be Prime Minister. So far we have not found out. I think the people of Canada are asking themselves why they changed the government and what benefit are they getting for this change, since this government is doing exactly the same things the previous government did when given a mandate on May 22 to go in a new direction. If they are not going to take new directions, I do not think we should be approving their request to Parliament. The whole point of the operation is that they are supposed to have some new ideas and they have not. As I said earlier, one can go through *Hansard* and just change the names.

• (1440)

I do not think that was meant by the people of Canada. They asked for more. How long are they expected to put up with this? When are we going to get a budget that says something? So far all we have is a placebo, one of those funny coloured pills—the throne speech with nothing in it. It has been platitudes, government by cliché and lots of roly-poly jokes. Meanwhile small businessmen are in serious trouble. One can only presume we will see a large increase, not only of bankruptcies of small businesses over the next half year or so, but a decline in borrowing to promote new business, a decline in industrial direction to create new jobs for Canadians.

We have to look at the two major problems because they are interconnected. One is inflation and the other is unemployment. The argument seems to be that inflation will create more unemployment. That is great, but is it true? One would think that when we have a lower rate of inflation in Canada by four percentage points than the United States, we should be more competitive. The dollar is at an all-time low since the Diefenbaker government. We have a government with no direction as to where it is going. Canadians have a right to expect a newly elected government to give them some sense of direction. It is not good enough for a newly elected group of men and women to sit for five and a half months and give us no indication of where they are going.

Mr. Cyril Symes (Sault Ste. Marie): Mr. Speaker, we have before us a bill presented by the Minister of Finance (Mr. Crosbie) to borrow $7 billion to run the affairs of state. We in the New Democratic Party have some objection to the way the bill was brought in and the explanation given to us by the Minister of Finance as to why he needs this money. The first argument is that it is really a blank cheque we are giving the government. We have no idea exactly how the money would be spent. That criticism has a familiar ring to it because we heard it from the Minister of Finance when he used to be in the opposition.

I was interested in listening to the minister introduce the bill in the House. In the speech that he gave he waxed quite eloquent and reminded us of the former effervescent member for St. John's West when he was in opposition. It gave me a bit of worry in terms of the levity and lack of really serious analysis that I noticed in the minister's presentation. I was particularly struck by the minister's opening remarks. He quoted from Shakespeare and said "Neither a borrower nor a lender be". He admitted he would prefer not to borrow but had to because of the mess in which the former Liberal government had left the country.

It would have been enlightening had the minister read the full quotation from Shakespeare which, of course, comes from Hamlet, act I, scene III, when Polonius is speaking to his son, Laertes. It reads as follows:

Neither a borrower nor a lender be,
For loan oft loses both itself and friend,
And borrowing dulls the edge of husbandry;
This above all, to thine own self be true
And it must follow as the night the day
Thou canst not then be false to any man—

Had the minister read the full quotation, he would have been embarrassed with the very telling line, "This above all, to thine own self be true". The minister is in an embarrassing position because he is not to his own self true. If we read some of the statements the minister made while he was in opposition, it becomes evident that this is no longer the hon. member for St. John's West that we knew in the Conservative opposition benches.

Was he true to himself then, and is he true to himself now? It was almost a year ago to the day, October 24 last year, when the present Minister of Finance, then the opposition finance critic, stood on this side of the House and ranted, railed and castigated the Liberal government for doing exactly what he is now doing. I quote from *Hansard* of October 24, 1978, on this business of bank interest rates, which are closely associated with this whole question of borrowing. The present minister then said:

Where will it end? Where will it stop? How can we have economic expansion in light of these interest rates? What will the small businessman do? What will they do to meet these heavy, additional expenses?

Is it not correct that one of the factors which make us uncompetitive compared to the United States is the much higher interest rates in Canada? Who is considering all this? Who cares?

That question posed a year ago by the present Minister of Finance is just as relevant today. Indeed, when we look at the kind of policy that this Conservative government has been following since its election on May 22, any unbiased observer has to conclude that it is identical to the policies of the previous Liberal government which got us into the economic mess the Minister of Finance says he has inherited. The rationale the present minister uses for having to increase interest rates and borrow $7 billion is that his hands are tied,

that because of the mess the Liberals left the economy in, he has no other course of action.

One of the reasons we are in this economic mess today is that the previous Liberal government followed exactly the same policy. It followed the policy of continuing to raise interest rates. That slowed down the economy and caused more and more bankruptcies, unemployment and inflation for the ordinary consumer. I thought Canadians wanted to throw out the Liberals because of the economic mess they were creating. I thought Canadians believed the new Conservative government would change policy and swing things around. Most Canadians are now beginning to realize that the old adage is indeed true—Tory times are tough times.

● (1450)

Just since the election of a few months ago the bank interest rate has gone up to a record high. It is now 14 per cent, which means consumers and lenders are being charged somewhere around 16 per cent by the banks. "Who cares?" I quote the minister's words right back to him. It seems to me that what happened in the election of May 22 is that we just exchanged the black cats for the white cats. They are still cats. They are still wedded to the same economic philosophy which created the problems we have today and which will not get us out of the problems we are in today.

This minister is wedded to advice from the governor of the Bank of Canada, who is convinced that a policy of high interest rates and of foreign borrowing is the only way to proceed in terms of keeping the economy healthy. Where is the health in this economy? Canada, among western countries, has one of the highest unemployment rates, one of the highest interest rates, a very high inflation rate and an economy which has no over-all industrial strategy. We are wedded to the old concept of exporting our raw materials and, hence, exporting potential manufacturing jobs which could be created here in Canada.

It seems that there has been no change. There are new faces on that other side of the House, but they certainly do not have new policies. It is hypocritical of the present government and the present Minister of Finance to argue that they did not realize things were so bad when they were in opposition but now that they are in government they have discovered things are so bad that they have no choice but to proceed with the disastrous economic policies they were condemning only a year ago. That is not good enough. It will not fool the Canadian electorate. What was wrong when the Liberals were in power is just as wrong today. Economic circumstances have not changed. The factors the Liberal government was dealing with are the same factors this government is dealing with. Where are the dramatic changes which could make things different? I do not see them. Therefore, how can the government argue that it cannot strike out with new initiatives and new solutions to the problems it analysed only a year ago?

I think it is hypocrisy of the highest order to argue one thing when you are in the opposition and then when you are in government to reverse yourself because of political expediency and carry on the same policies you were railing against only 12 months ago. I think it points out the shallowness of the criticism the Conservatives made of the economic performance of the Liberals when the Conservatives were in opposition. One can only conclude that they really did not mean it when they said that a high interest rate policy was wrong and damaging to small business and consumers. I think they were only saying it because they wanted to say something different or look different from the Liberals when they were in government. Now, of course, the Conservatives are in government, and their true colours are showing.

When we look at the amount of borrowing sought by the bill which is before us, we see that the Minister of Finance wants to be able to borrow $7 billion. Our criticism is that we do not know what he is going to do with it. What is he going to do with this $7 billion?

When he was leader of the opposition, the Prime Minister (Mr. Clark) used that same kind of argument in criticizing the Liberals in the first place.

Mr. Crosbie: If you don't want to pass this bill, you tell us what you want cut. What part of the $7 billion do you want to cut out?

Mr. Symes: I hear the minister asking how he can avoid borrowing $7 billion from foreign markets or from wherever it is he has to borrow. Well, I ask him to look at the income tax system as it is presently structured. My latest calculations show that large corporations in this country owe the federal government $12 billion in deferred taxes, taxes which have not been collected by the previous Liberal government nor by this present Conservative government. He is saying he has no alternative, because federal revenues are down so much, but to go out and borrow $7 billion and, of course, pay a very high interest rate which we as taxpayers have to fund. The federal treasury lacks close to $12 billion in taxes which it has not collected from the corporations of this country. This was a deliberate policy.

It was argued that these tax concessions and deferred allowances had to be given to corporations in all sectors of the economy to encourage them to expand and hire Canadians in order to keep our unemployment rate down. It obviously has not worked. We have one of the highest unemployment rates in the industrialized world. Something went wrong, but this government would never think of collecting taxes which have been deferred indefinitely and which accountants indicate in annual reports of corporations are unlikely ever to be collected.

Never do we as individuals have a chance to defer our taxes. Come April 30, the Department of National Revenue wants those taxes; but for corporations the story is not the same. We as individual taxpayers have to bear the burden and make up revenue that this government and its predecessor have refused to collect from the corporate sector, in spite of record profits in certain sectors of the economy. I think the most dramatic recent examples are the profits of oil companies, which are at a record level. Those profits amount to incredible sums, yet their tax rates, depletion allowances and other factors are incredibly

low. Despite the millions of dollars of profits Shell has made, Shell does not pay any federal income tax because of the write-offs allowed. The taxpayers of Canada are funding, on the average, about 65 cents out of every dollar that oil companies spend on exploration.

In addition, we give them all kinds of other depletion allowances, etc. Then, as the government does not collect taxes from them at the normal rate, it is little wonder that this government has a revenue problem and has to seek more borrowing authority.

As I have indicated, the minister has changed his tune now that he is on the treasury benches. He is arguing that he has to borrow and that he has to keep interest rates high. What is the rationale behind the high interest rate policy? One of the arguments—and we heard the governor of the Bank of Canada before a committee yesterday reiterate it—is that interest rates need to be kept high so that we can attract foreign capital. What is the result of foreign capital being attracted into Canada? Surely if high interest rates attract capital, not only should Canadian investment be attractive to foreigners but it should also be attractive to Canadian investors. Despite this high interest rate policy we still find capital flowing out of the country. In 1978 the net capital outflow was $2 billion. Something does not gibe here. The argument does not always work. There are other factors at work. The government never likes to talk about this, but when it keeps attracting foreign capital, it also attracts foreign ownership.

• (1500)

Foreign ownership of our economy is, indeed, at the root of many of the problems we face, because as long as 80 per cent of our oil industry is foreign-owned, as long as 60 per cent of our manufacturing industry is foreign owned—one can go through it sector by sector and realize that the majority of it is foreign-owned—how can the national government ever expect to implement policies for the benefit of Canada?

Endorsement of a high interest policy and dependency on foreign capital are an admission of bankruptcy in terms of any strategy which seeks to regain Canadian control and initiative in the development of our economy. The foreign ownership syndrome into which the government is locked, following exactly the same bias as the previous Liberal government, means we shall never be able to develop a healthy manufacturing industry since foreign ownership is mainly designed to extract raw materials for manufacture into final form elsewhere.

What is happening to our manufacturing sector? In 1953, 26 per cent of all jobs was in manufacturing. By 1979 the proportion had declined to 19 per cent. Do we ever stop to think why there is such high unemployment in this country? In the job intensive sector, manufacturing, employment has gone down. We depend more and more upon the extraction of raw materials and the export of raw or semi-processed materials, and we are providing fewer jobs in Canada. This is reflected in declining employment.

A further consequence is that we have to import foreign goods which are always more expensive in the long run in terms of their effect on the balance of payments; the only way we can get our balance of payments back into equilibrium is by exporting more oil, natural gas or raw materials. Hence the vicious circle continues and Canada goes on suffering from unemployment, a weak dollar, and high inflation.

The policies the minister is following are identical with those of the previous government, and our economy has been in serious trouble for the past decade so I cannot see how those policies followed by the Conservatives can extricate us from the predicament in which we find ourselves. The Conservatives are ignoring the structural weaknesses in our economy, the need for an over-all industrial strategy, and the need to help the weaker sectors of the economy regain some strength.

In the context of this very high interest rate I am thinking in particular of what is happening to small business. We see on the order paper a bill in the name of the Minister of State for Small Businesses and Industry (Mr. Huntington) to increase funding for the Federal Business Development Bank. Hopefully, we shall get to that bill later on, because I have some comments to make on it. But this kind of tokenism does not get to the real problem facing small business. The real problem facing small business today is the cash flow problem, the difficulty of finding finance at a reasonably low rate.

The high interest rate policy adopted by the Minister of Finance flies in the face of all the Conservative promises to small business. Small business has always had trouble in ensuring an adequate cash flow. Through its high interest policy whereby 16 per cent or more has to be paid for loans, the minister is driving small firms out of business. Inventories are down because small business cannot afford to build them up in the circumstances. Bankruptcies, which were at a record rate last year under the Liberal administration, are going to be even higher this year because of the high interest policy of the Minister of Finance.

Again and again we see the rhetoric on one side and the economic reality of the policies of the government on the other. I do not think the small business community is fooled by the bland assurances of the minister or of the Prime Minister that a high interest rate is necessary now because the economic problems have to be solved that way before the Conservative party can carry out its pledge of bringing down interest rates in the long term. I wonder how long the long term is going to be. I would be prepared to bet that even if the government survives four years in office the interest rate will not go down. Structural problems in the economy and the monetary thinking of the governor of the bank, supported by the Minister of Finance, indicate that, if anything, the interest rate will continue to rise. This will lead to more bankruptcies and more unemployment.

Economists were predicting a very bad situation for the economy over the winter months late in 1980 before the present government came to power because of the structural weaknesses I have described and because of the spill-over of the recession in the United States. We have now embarked on

a record high interest rate policy and it would seem to me that this prediction will come true in a much more dramatic and negative way, and that we shall move into a deeper recess.

As hon. members know, the government is wedded to moving the price of energy up, in a dramatic way. The current thinking is at least $4 a barrel. Again, this is going to add to the inflation rate and will probably, using the figures from the last first ministers' conference, if they move up the price of oil to $4 per barrel, throw another 80,000 Canadians out of work, reduce the growth of the gross national product by at least 1 per cent, and move up inflation by 2 per cent. All this has the makings of a serious economic recession, yet I do not detect any sense that that is the direction in which we are moving. I do not detect any concern on the part of the Minister of Finance that the policies he is pursuing will inevitably lead us into that severe economic downturn.

We get assurances that the budget is to be somehow a cure-all for the problems the Conservatives have inherited from the Liberals. I cannot see it, because if one accepts the logic that the Liberal policies contributed to the economic mess in which we now find ourselves, how will the Conservatives get us out of that mess by using the same kind of policies?

I am dismayed at the hypocrisy of the minister and his cabinet colleagues saying one thing in opposition and then, when they get into government, doing exactly what they have criticized.

● (1510)

For these reasons we oppose this kind of borrowing policy and high interest rate policy which we think will be disastrous to the Canadian economy, not only in the short term but in the long term.

[*Translation*]

Hon. André Ouellet (Papineau): Mr. Speaker, I rise to speak on the bill introduced by the Minister of Finance (Mr. Crosbie) which asks for an additional borrowing power for the fiscal year 1979-80. I would be inclined first of all to answer the previous speaker, the hon. member for Sault Ste. Marie (Mr. Symes), who referred to the economic performance of the former government and seemed to suggest that the actions of the former government and those of this government were almost similar. It is quite a different record as the Canadian people will realize.

After scarcely a few months of this new government, inflation has never been worse in Canada, the Canadian economy has never been in such a bad way, interest rates have never been higher and the concrete measures taken by a Canadian government to solve our economic problems have never been so weak. I think that our party which is now the official opposition will have the opportunity to return to power and take steps to correct the economic conditions. I think that the performance of a socialist party in British Columbia or in Manitoba has really not convinced anyone that they had the proper

[Mr. Symes.]

policies to meet our needs. But enough of that. I wish instead to deal this afternoon with the Minister of Finance's proposals which I find surprising, to say the least. On October 23 last, the Minister of Finance made a speech that bordered on buffoonery. I realize it is not very amusing to be Minister of Finance nowadays. I realize also that his leader, the right hon. Prime Minister (Mr. Clark), in spite of all the good advice given to him by economists in the Department of Finance and economists from the business and academic world, I repeat, in spite of all the good advice given to this government, the right hon. Prime Minister and leader of the Minister of Finance persists in going ahead with his mortgage interest deduction program which will cost billions of dollars to Canadian taxpayers to no purpose, implementing a program which will actually not benefit housing at all.

I know the Minister of Finance has tried to convince his colleagues, and particularly his leader, not to go ahead with that wasteful expenditure, but he had to submit to his leader's orders and to endorse this measure which will squander public funds in Canada. I understand why he jokes his way around the difficult and thorny questions relating to the Canadian economy every time he rises in the House instead of dealing with them in a serious and responsible manner. That is why his speech of October 23 is much more of a joke than a serious, factual and positive statement of the measures this new government intends to take in order to solve the economic problems facing all Canadians. At the end of his speech, the Minister of Finance went as far as to say, as reported at page 507 of *Hansard* for October 23, and I quote:

Therefore, I appeal to the hon. gentlemen opposite—

That is, members of the opposition.

—to help pass through the House their debris—

—their debris. This is how he speaks about this bill asking for the authority to borrow an additional amount of some $7 billion. The Minister of Finance dares call that debris. He goes on to ask us to support and pass this bill—

—so that we can get on with our bright new future for Canada, with our own budget and with the affairs of this country, as the people of Canada showed on May 22 they wanted us to do.

I say to the minister that, on this side of the House, we are quite willing to deal with what he called the unfinished business, but we consider this to be a particularly important and significant measure which must not be dealt with lightly and which calls for some $7 billion in additional borrowing authority for the fiscal year 1979-80. I must say I am amazed to note that what hon. members of the Progressive Conservative Party are saying now is quite another tune from their claims when they were in opposition. Why is this bill, one of the very first to be introduced to us, calling for additional borrowing power? Why? This political party which is now in power used to claim that the Canadian government was spending too much, that government spending had to be reduced, that a balanced budget was to be our goal. Well, in one of his

first moves as a member of the government, the Minister of Finance, instead of tabling a regular budget has decided to seek an additional borrowing power of $7 billion; there is no consistency between what the hon. gentleman used to say when he was a member of the opposition and what he is now saying as the new Minister of Finance. And it is more serious than that, Mr. Speaker. What makes it worse is that the new government that enjoyed the support of Canadians on May 22 has waited an unprecedented five months to call Parliament after the election; such a long delay had never been seen in the whole history of Parliament. When it was in opposition, this political party used to boast it was ready to act and form a new government on one hour's notice, that it had a whole array of measures on ice that were best suited to Canadian interests. Just imagine! That same party waited 5 months to face the House and, when finally it did, all it could deliver is a wishy-washy Speech from the Throne that is neither fish nor fowl, that contains no financial and economic commitments and, to top the lot, seeks additional authority to borrow another $7 billion. And they ask this without giving any explanation, and this is quite serious in my opinion, Mr. Speaker. In reply to the Minister of Finance, one of my colleagues in the House, the hon. member for Windsor West (Mr. Gray), in a brilliant and timely speech—

Mr. Rae: What do you mean brilliant? This is too much!

Mr. Ouellet: —reminded this government that when the President of the Treasury Board (Mr. Stevens), the hon. member for York-Peel, was the opposition critic and was sitting on this side of the House, he said he could not allow the former government to borrow large sums without knowing everything about estimated expenditures and revenues and budgetary deficit. Of course, as the hon. member for Windsor West rightly noted, the Minister of Finance took care not to give any clear explanation about what he plans to do. And no more than the Progressive Conservatives, when they sat on this side of the House, would give the government a free hand to borrow large amounts of money without providing any explanation, do we now, as the true official opposition in this House of Commons, intend to allow this new government to borrow such large amounts as $7 billion with no explanation other than a semi-facetious and humorous speech made by the Minister of Finance on October 23 last.

I congratulate my colleagues, the hon. members for Mercier (Mrs. Hervieux-Payette), Rosemont (Mr. Lachance) and Spadina (Mr. Stollery) who spoke earlier today. I have been impressed by their serious approach to public affairs, especially in the case of the hon. member for Mercier who was newly elected to this House and who made a brilliant speech and gave evidence of her seriousness and desire to serve well not only the people whom she represents in the Canadian Parliament, but also all Canadians, who are entitled to more respect and more information from the Minister of Finance.

What we regret, Mr. Speaker, is that we are asked to pass this borrowing authority while a budget should have been introduced instead. We should be informed of what the budgetary forecasts are concerning the economy. We do not know what the government will have to say in its budget about the economic situation and the agreement on the price of oil. The government has been in charge for five months now. Ministers have been in the opposition for years and presumably they were preparing themselves to assume power. They had all the time they needed to get ready and bring forward original solutions to present economic problems. Especially on the fundamental problem of oil pricing, they had all the time they could have needed to consult with the provinces and to reach a decision which is of vital importance for all Canadians. If the rumours are true, if the price of a barrel of oil is going up by some $4, the economic implications of this move will be tragic and unacceptable for all Canadian consumers. I cannot accept that this government leave us in the dark.

After five months, this government has not had the elementary decency to tell us what the price of oil will be. The Minister of Finance hides and does not even dare appear before the Standing Committee on Finance, Trade and Economic Affairs. He should have been its first witness but he did not even show up. At this point in time, Mr. Speaker, the only public statement he made to the hon. members in this House was his speech of October 23 in which he did not deal with anything serious but only made jokes.

Will he appear before the Standing Committee on Finance, Trade and Economic Affairs? I hope he will. In any event, Mr. Speaker, we, on this side of the House, will speed things up and see to it that he discharges his duties fully by appearing before our Standing Committee on Finance, Trade and Economic Affairs. It is inconceivable, Mr. Speaker, that the Minister of Finance should have shirked his responsibilities by not showing up before that committee; it is really quite incredible, Mr. Speaker, that at a time when he is asking the House to grant him authority to borrow $7 billion, he should not even be in the House to fight for his bill and hear the parliamentarians say what they think of his bill. Where is the minister? I point out to you that he is not at his seat. I also point out once again that he is hiding—

Mr. Lambert (Edmonton West): Oh, come off it! What utter nonsense!

● (1520)

[*English*]

Mr. Kempling: On a point of order, Mr. Speaker, I believe the rules clearly show that it is not proper for a member to mention in the House that another member is not in his seat. I would think the hon. member for Papineau (Mr. Ouellet) should know that, having been a minister of the Crown. He should recognize that the Minister of Finance (Mr. Crosbie) is at a cabinet meeting and will be here shortly before four o'clock.

[*Translation*]

Mr. Ouellet: I am very pleased to learn that the Minister of Finance is at a cabinet meeting. I accept the hon. member's remark and I forgive the Minister of Finance for having been forced to be absent. However, I hope that in the discussions in the cabinet meeting he will be able to make concrete decisions which he will submit to Parliament as soon as possible, because since the beginning of the present session we have been unable in fact to ask the minister the questions we wanted to ask him, and in particular to hear from him what policy the government intends to follow in the economic field.

It was too easy for him to hide behind the governor of the Bank of Canada. It was too easy for the Minister of Finance to say that it is the fault of the previous government, that things are bad. Those explanations are all too simple and easy; they do not correspond at all to the present situation. What the Canadian public wants to know is what he is going to do now that he is the Minister of Finance and what the new Prime Minister is going to do now that he is the Prime Minister. A few months ago they told us that they had the solutions to all the problems, and that it would be easy if only they received a mandate from the Canadian people. Interest rates would drop, inflation would go down, the dollar would go up, unemployment would be lower, the sun would shine on a brave new world if only the Progressive Conservative Party could take over the government. Well, the people have been had. They have elected this new finance minister, this new Prime Minister and we find that not only did they fail to come up with concrete proposals but one of their first measures is to ask us, in this House, to borrow some $7 billion more. And what for? We do not know since he did not tell us, since he did not go before a parliamentary committee to answer questions from the members. All we know is that he will sink Canadians further into debt. We will have an additional debt of some $7 billion thanks to the good work of this finance minister.

Mr. Speaker, I cannot accept this situation and I tell the members of this government, you have had time and opportunity to take decisions in the best interest of Canadians, and every time you had to deal with a specific case, you missed the ball and struck out, to use baseball parlance.

And now on to the contract we were supposed to sign with the government of Argentina. Of course, the new minister, the hon. member for Etobicoke Centre (Mr. Wilson), came to the House to apologize and explain to us that, unfortunately, this contract had been lost and consequently the government would lose jobs and this would obviously cause a major loss of revenue for Canada.

● (1530)

Strike two, the famous Foothills project. Thanks to the lack of concern, the lack of responsibility on the part of the ministers in this new government, the government of the United States could not know what was actually the position of the Government of Canada. And, once again we realize this country struck out and this project will not take place and will not bring the economic benefits we were hoping to get for all Canadians.

And just recently, again, we learned that General Motors would not be coming to invest in a plant in Montreal. Strike three. This government, once again, in a short time bit the dust on three issues most important for the economy of this country, the creation of jobs in Canada, economic stability, and those lost revenues which might, in fact, explain why the Minister of Finance now has to come before this House and ask for an additional borrowing authority of $7 billion for the fiscal year 1979-80. If that is the kind of performance this government is capable of, if every time it gets involved in an issue it has only a negative impact on the economy of this country, at the rate at which we are going it is not $7 billion that the Minister of Finance will shortly seek from us permission to borrow but maybe $20 billion or $30 billion. I find that unacceptable and I ask the Minister of Finance to introduce his budget at the earliest to meet the present needs of the people, especially the low-income groups who suffer infinitely from the increasing cost of living. It is unacceptable to see this government more concerned with setting a price for oil that is going to suit large corporations, and particularly the producing provinces, but that is going to cause irreparable harm to all Canadian consumers.

There is talk of a $4 increase—I do not know what the increase will be—but I have this to say, Mr. Speaker. Whether it is $2, $3, $3.25, $3.50, $3.75 or $4, I think it will be too much and it will be unacceptable for the good interest of Canadian consumers. They are playing hide and seek now concerning the increase in the price of oil. There are secret meetings in the backrooms of large oil companies and in the offices of the energy minister of Alberta and of a few other Conservative organizers, probably, but I say this, whatever the price of a barrel of oil, whatever the amount of the increase, I think it will be too much because Canadian consumers are already being smothered with the inflation we have in Canada. The Canadian consumers are being crushed by this Minister of Finance who is letting the interest rate increase inconsiderately. The interest rate is now at 14 per cent and soon will reach a level of 15 per cent and even 16 and 17 per cent. And when I mention these rates, of course—

An hon. Member: You would have done exactly the same thing!

Mr. Ouellet: I am talking not only about the bank rates, but also about the prices that will have to be paid by the small consumer, the modest customer who will have to borrow money to buy the car he needs to go to work, and who will perhaps have to pay a 17 or 18 per cent interest on a loan in order to get it. Not only will he have to pay an interest rate that is unacceptable, excessive though lawful, proposed, toler-

ated, and even accepted in a complacent manner by this Minister of Finance, but this same government will come back very soon to tighten the rope around the poor Canadian taxpayer's neck, because, of course, he will have to buy gas if he is to use his car to go to work. Not only will he have to pay usury rates on his car loan, he will also have to pay an unacceptable rate on the gallon of gas he will have to buy to go to work.

● (1540)

Those are the direct consequences of this government alone, the Progressive Conservative Party which just came into office. We did not allow this. I heard a member from the New Democratic Party suggest we did the same. Under the Liberal government interest rates did not reach 15 per cent, and if we were now in office we would not tolerate 15 per cent rates. Were we now the government, we would not allow such disgraceful increases in the price of oil. This is a Progressive Conservative government. They should have all the blame for those unjustified and unacceptable increases in interest rates, the cost of living and very soon the price of oil, the price of heating fuel, the price of gas Canadian consumers have to buy. Mr. Speaker, I have this to say: the Minister of Finance needs a better budget, a much more serious budget than what he has indicated until now in this House, because he will not remain very long as Minister of Finance. The people themselves will rise and send back into the opposition that bunch of dimwits who have given the people nothing positive since they were elected. There are a government that is adrift, a government that is carried away by events, a government without any concrete measures to deal with economic problems.

Mr. Rae: Will the hon. member who just spoke allow a question?

Mr. Ouellet: Yes, Mr. Speaker.

Mr. Rae: Among his suggestions at the beginning of his remarks, because later he went another way, he mentioned he shared the concerns we have expressed in this party about information lacking in the bill put forward by the Minister of Finance (Mr. Crosbie). I would like to ask him a simple question. In what way does this bill differ from the other bills that were introduced by his Liberal colleagues, and especially by the former minister of finance, the hon. member for Saint-Maurice (Mr. Chrétien)?

Mr. Ouellet: Mr. Speaker, I would refer the hon. member to the speech made in this House by the hon. member for Windsor West (Mr. Gray), who dealt with the matter on October 23 last. He clearly showed there was a world of difference between the legislation introduced by the former minister of finance and the new legislation by the current minister. I suggest the hon. member should improve his education by reading the remarks made by the hon. member for Windsor West. They deal very eloquently with the matter, and very clearly explain there is nothing similar between the two.

[*English*]

Mr. Arnold Peters (Timiskaming): Mr. Speaker, I want to participate in this debate particularly because I know that the Creditiste members will return. They are interested in this kind of a bill and will want to take part in the debate.

We are being asked in this country to raise another $7 billion by way of borrowing, much of that borrowing from outside of the country, Mr. Speaker. I listened with great interest to the Minister of Finance (Mr. Crosbie) introducing this measure and I listened while he ridiculed the previous government and to his assertion that all of the responsibility for the $7 billion borrowing need was the fault of the previous government. I have just now listened to a cabinet minister in the former government who was so little interested in the operation of the finances of his own government that he told my colleague, the hon. member for Broadview-Greenwood (Mr. Rae), that if he wants to find out anything about it he should ask the hon. member for Windsor West (Mr. Gray). The hon. member for Windsor West was not allowed to participate in that cabinet for some time. All of this must confuse the country no end.

Where is this money coming from that we are going to raise? Would it not be wise, instead of raising $7 billion, to curtail some of the expenditures? This was a suggestion made by my colleague, the hon. member for Sault St. Marie (Mr. Symes). Immediately the Minister of Finance asked the question how? There are lots of ways we could do it. Although it would hurt the Conservative party and the Liberal party, but not my party, one way would be to get rid of the other place. That is the place where politicians are pensioned off who have never really served in a political sense except as that of bagmen. It would mean that we would have to do something about several of the cabinet ministers who would no longer be able to serve there. This would save a great deal of money. It would save a great deal now, and the expenditures for which we must borrow in another land would be saved, as well as the interest that must be paid on the borrowing. There are indeed many ways we could save money, many of them which this government does not intend to carry out.

It has been interesting listening to members of the new government speak because, in operation, there is very little difference between a Conservative and a Liberal. It is no more easily ascertained than to look at the zeal being expressed by the present government members in supporting the budget and the financial arrangements of a previous government. This government had four or five months but it did not bring in a new set of estimates. Not one penny was changed; nothing was changed.

One could say that it would cost thousands of dollars to reprint the estimates to put them into line with the thinking of the new government. Sure it would. It might cost $100,000. Is the government of the day telling me that in those estimates that it criticized as widely, violently and as strongly as we did, although probably not in so many areas, that it could not save

the price of the printing? Now there is the exhibition of the finance minister defending the financial arrangements of a previous government rather than having any of his own. One of the ways to save money obviously is in the estimates of the previous government that have already been partially spent.

There are, of course, other ways. It seems to me that one way is to keep the interest rate down. The present government follows the same pattern as the previous one did. It is saying that we need, as the governor of the Bank of Canada said to the committee the other day, to maintain an interest rate higher than the American interest rate so that we can do business in Canada by importing foreign money.

We are not importing foreign money, we are exporting Canadian money. We export more dollars than we bring into this country. We are a net exporter of dollars, not importer. If that were cut out, the government would not need to borrow this money. This would equalize the $7 billion it wants to borrow and the $7 billion it gives away to foreign markets. If we did that, we could eliminate the need for borrowing this amount of money. Not only would that affect the present deficit, but it would hold for a number of years to come.

● (1550)

We have slavishly gone along with the idea of raising our interest rate every time our American neighbours do so. The Canadian public are told that in terms of the manufacturing industry, multinational corporations, in terms of oil and so on, that we need to have a continental policy. We tell them we must follow that policy and, if the Americans raise their interest rate, that we must do the same. The same applies to the price of oil. We are told that if the multinational corporations do something in one country, they should be allowed to do the same in this country, under the same circumstances. That is not really true.

While we go out of this country to borrow money, we have always balanced our payments. We have always been able to balance our payments. We have always maintained our standard of living by robbing and raping our resources. The manufacturing sector of this country has never carried its share in the production of wealth in Canada. It has flowed from our mining industry, forest industry, and agricultural industry.

Mr. Kempling: Oh, oh!

Mr. Peters: If the hon. member doubts that, that may partly explain the bad shape we are in. His small companies may have done very well, but they do very little in terms of the total national economy. The parliamentary secretary may disagree if he wishes, but every time there is an ad in my area from the forest products industry, it points out that 27 cents out of every dollar produced in Canada comes directly or indirectly from the forest industry.

Mr. Huntington: Mr. Speaker, I rise on a point of order. I want to remind the hon. member that the information he has just given to this House is erroneous. Forty-two per cent of the GNP is a business component and 25 per cent of that comes from businesses that have sales of less than $2 million, or 2.5 million people employed in the labour force sector which serves that business component. Of 6.6 million people, 42 per cent of them were employed in small business.

The Acting Speaker (Mr. Ethier): Order, please. I think the minister has made his point.

Mr. Peters: He made a point, but it does not apply to anything. Small businesses are in the mining industry. They are also in farming. Many farmers consider themselves to be small businessmen.

I do not take credit for the figure I mentioned. It is the forest industry that stated 27 cents out of every dollar in the economy of Canada is directly or indirectly from the forest products industry. I presume some small businesses are involved in that. There are very few major businesses in the forest products industry. It proves my point.

Mr. Huntington: Your point is erroneous.

Mr. Peters: We allow our American neighbours to set the price on everything, including oil and hydro. If we need more money, we rob our resources and export them in as raw a form as possible. This country should take an independent point of view. Because I live on the North American continent, I do not consider myself an American citizen or to be involved in the American economic milieu.

The hon. member for Burlington (Mr. Kempling) keeps telling us that he is doing very well. I do not know if he is using American technology, research and money. The hon. member gives us the impression that he has developed some leadership and prominence in his industry. He may be a leader in his field, but it must be a small field. He must have a good staff because it has run without him for years.

There is absolutely no justification for raising interest rates in Canada. When the government gets into the field of raising $7 billion, it means the rest of the Canadian economy has to scratch. In many cases it does not have the collateral the Canadian government has because of our resources. That is because we still have forests, mines, and agricultural potential that has not been squandered. This can be put up as collateral to borrow from foreign banks.

Interest rates continue to rise because our American neighbours are in a severe economic bind, having put up more than can be supported by their collateral. Because there are $240 billion worth of Eurodollars floating around destroying faith in the American economy, that is no reason for us to raise our bank interest rates and create a similar situation. The banks are making a huge profit. They do not need to raise the interest rate in order to make more money for themselves. The oil companies do not need to raise their prices because they, too, are making a profit.

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

[*Translation*]

The Acting Speaker (Mr. Ethier): Order, please. It being four o'clock, this House will now proceed to the consideration of private members' business as listed on today's order paper, namely, notices of motions.

PRIVATE MEMBERS' MOTIONS

[*English*]

The Acting Speaker (Mr. Ethier): Item No. 1 standing in the name of the hon. member for Renfrew-Nipissing-Pembroke (Mr. Hopkins). Shall the item stand?

Some hon. Members: Stand.

The Acting Speaker (Mr. Ethier): Stand at the request of the government. Item No. 2, the hon. member for—

[*Translation*]

Mr. David Kilgour (Parliamentary Secretary to President of Privy Council): Mr. Speaker, I rise on a point of order. It is not at the request of the government. I think everyone knows that we want to deal with the motion of the hon. member for Winnipeg North Centre (Mr. Knowles). The others are allowed to stand by unanimous consent of all members. That is certain.

[*English*]

The Acting Speaker (Mr. Ethier): Is it agreed by unanimous consent that all orders up to order No. 6 shall stand at the request of the government?

Some hon. Members: Agreed.

[*Translation*]

Mr. Kilgour: Mr. Speaker, I rise on a point of order.

The Acting Speaker (Mr. Ethier): The hon. Parliamentary Secretary to the President of the Privy Council on a point of order.

Mr. Kilgour: Mr. Speaker, I think I have to make myself clearly understood. I believe the Chair said that the House would hear the motion of the hon. member for Winnipeg North Centre (Mr. Knowles) at the government's request. I do not think that is the case. It is at the request of the members of this House that the motion of the hon. member for Winnipeg North Centre will be heard. I think the Chair said it was at the government's request, but that is not correct. Are the other—

[*English*]

The Acting Speaker (Mr. Ethier): This has to be corrected then. It should have been by unanimous consent.

● (1600)

PENSIONS

SUGGESTED LOWERING OF ELIGIBILITY AGE AND INCREASE IN BENEFITS

Mr. Stanley Knowles (Winnipeg North Centre) moved:

That, in the opinion of this House, the government should consider the advisability of amending the Old Age Security Act and the Canada Pension Plan to provide for the pensions payable under these two acts to be available at age 60 to all persons who meet the other requirements of the said acts and who are not in or are prepared to withdraw from the labour market, and also to provide for the basic amount of the pension payable under the Old Age Security Act, at age 60 for those not in the labour market and to everyone at age 65, to be increased to $350 per month, for this basic amount to be escalated each year by an amount that will enable pensioners not only to keep up with rising living costs but to share in rising living standards, and also to provide for the elimination of any means or income test from the Old Age Security Act, so that the full pension thereunder will be recognized as the established right of all our people.

He said: Mr. Speaker, in saying a few words on the motion you have just read from the chair I should like to begin by saying two things which may seem inconsistent or contradictory. I assure you they are not. On the one hand I should like to express great pride in what Canada has done in the last 50 years or so to improve the lot of our senior citizens. On the other hand I present this motion and I raise this subject again because I think there is so much we still need to do for our older and retired people.

If I may return to my first comment, I do feel very happy with the changes we have effected in the last 50 years. It is not necessary for me to tell my colleagues in this chamber how old I am. I sometimes point out I am 71, so members do not think I am 81 or 91. My real reason for making that statement is to establish my credentials for talking about the situation in which older people have found themselves for the greater part of the twentieth century. I still remember what a stigma it was when the old age pension came into being for persons to be on that pension. The amount was pitiably small, only $20 a month, and it was payable only at age 70. Further, there was such a severe means test attached to it that if a person was on the pension it meant he was really one of the miserably poor.

I have on occasion told of the experience I used to have as a young minister on going into the homes of people in my congregation and finding therein old folks, grandma and grandpa, of whose existence I was not aware. Why? Because they had no clothes suitable for wearing outside the home, for going to church or going anywhere. That was the condition of the old folks not only prior to the introduction of the old age pension but as long as it carried with it a severely restrictive means test. But thanks to my predecessor, the late J. S. Woodsworth, and those of us who have followed him in this House, a fight was carried on in the forties and fifties and we got rid of the means test.

We have done other things for older people. We have increased the amount of the pension, we have established hospitalization plans, medicare, and senior citizens' apartments. But I still feel very strongly that the thing we did that was most beneficial was getting rid of the means test from

what was then the entire pension and from what is still the main part of the pension so that no stigma is attached to it.

Members of the older generation, the generation to which I am proud to belong, are not ashamed to be on a pension. They are glad to show their identification cards and be recognized as part of today's senior citizen group. This is largely because we went for the principle of universality, because we decided we ought not to give pensions to older people just because they were poor but because they are people, because they have played their part in building up the life of this country and deserve a pension in the years of their retirement. I am pleased, too that the efforts, mainly from this quarter of the House, have resulted in other things I have talked about such as hospitalization and medicare for seniors before these benefits were available for others, senior citizens' apartments, and many things in terms of recreation and so on which are now provided. This is good.

I was pleased to hear the new Minister of National Health and Welfare (Mr. Crombie) use the word humanity the other day. He talked about a certain element of humanity that is in our legislation respecting older people. I am asserting today, as I have before, that the main aspect of humanity in our legislation is the recognition of older people as persons and not just as poor people who should be the object of our charity. My plea is that whatever review takes place of our pension programs we should not lose sight of that central element of humanity, and that we keep it there.

I know all the talk there is about selectivity and let's-make-the-money available-to-those-who-need-it-most, and so on, but the minute we start saying to older people "you get pensions if you can prove you are poor", we take away some of the dignity we have given to senior citizens by what we have achieved in this country in the last 50 years—I use that figure because it was in 1927 that pensions first became payable under the first act in this sphere, an act that came into being because of the pressure exerted on Mr. King by my predecessor, the late J. S. Woodsworth.

Well, it is a tremendous and existing story, what we have done. As I say, I run into people now in my constituency, particularly some older men who are by themselves and who are living in senior citizens' apartments, and who say to me that in physical terms, in terms of comfort, life is better for them today than it was in their working years. So, we have done well. But let us not retreat from that by going back on the principle of universality, by going back on the proposition that Canadians are entitled to decent and dignified retirement in their older years, not on the basis of their poverty but on the basis of their being persons.

● (1610)

Having made the plea that we not lose any of the gains we have won, I move on to say that even with all of the assertions I can make about how much better things are today than they were for my parents or grandparents, the fact of the matter is that our older people, in the light of today's standard of living, in the light of what is needed today and in the light of what is available today, are having a difficult time.

Every study and every report which is made on the condition of older people comes to the conclusion that something must be done to improve their lot. I am hoping that in a day or so we may see that Lazar report, about which a motion of mine under Standing Order 43 was passed the other day. The word is that it recommends quite a number of things which should be done both by governments and out in the private sector. However, the point I make in reference to that is that there is not a study anywhere, whether it is by a social agency body in one of our metropolitan cities, whether it is by the Canadian Council on Social Development, whether it is by departments of the federal government or departments of the provincial governments, whether it is by the trade union movement or what have you, which does not say that improvements need to be made.

One of those improvements is a very simple one, that the rate of the pension should be higher. That is why, in my motion as it is before the House today, I suggest that it should be a minimum of $350 a month. Before any one says, "Where is the money coming from?" and before anyone says, "Why give that to the wealthy, those who do not need it?" I remind hon. members that those arguments have been answered many a time.

Where will the money come from? It is not something which has to be saved up. It is not something which has to be borrowed through the kind of legislation we have been discussing here for a couple of days. Pensions are paid out of current income, out of current production, and all we are saying when we decide that a certain amount should be paid in the form of pensions to our people, is that a certain percentage of the wealth society is able to produce in 1979, in 1980, in the decade of the eighties, shall go to our senior citizens.

Those of my generation who are over 65 represent about 8 per cent or 9 per cent of the population of this country, but the amount which comes to the 2 million people who are over 65 is running at about 4 per cent of the gross national product, so today's senior citizens are not getting the share which should be theirs. I am speaking for my generation, and I say that any arguments about piling up debts for the future are sheer nonsense. What counts, and what has to be looked at, is the capacity of society to share what we now produce so that the young will get what they need, so that working families will get what they require, and so that senior citizens will get theirs as well.

As for the argument that paying pensions on a universal basis means that some who do not need it will get it, the answer to that is in the income tax structure. It is not enough now that we charge older people who may not need the old age security payment, but that could be jacked up, and I say it is far better to do it that way, to take it back in taxes, than to apply a needs test first, because every time you apply a needs test, you are invading privacy and saying to individuals, "You will get this money only if you can prove that you are poor".

The minute you require Canadians to prove that they are poor, you are robbing them of their dignity, a dignity which we gave them in the early 1950s when we said that old age pensions are for everyone who has reached the required age.

In addition to increasing the amount of the pension and extending the principle of universality, I believe very strongly that the time has come to make pensions available at age 60. I do not argue that they should be paid to everyone at age 60 the way they are to everyone at age 65, but I do argue that both old age security and the benefits under the Canada Pension Plan should be available to persons between 60 and 65 who are out of the labour market. Thus far the only people in that age bracket who get anything in the way of a pension from the federal government are spouses who get the spouse's allowance. I need not take time to go into that today because I spoke about it last Monday when that legislation was before us. I believe that the principle of saying to women in that age bracket, "You get a pension only if you can prove your attachment to a man, alive or recently dead", is totally wrong.

I would accept a needs test in that area before I would accept a marital test, but I think even better would be a work test. If people are out of the labour market they should be able to apply for and receive both old age security and benefits under the Canada Pension Plan.

Incidentally, if we went in that direction, there are many people, particularly in the heavy industries in my constituency, who find that racket pretty hard to take, and they would retire early and open up jobs for younger people. I urge strongly that this House move in that direction.

Hon. members are aware from the speeches that I keep making and have been making—not in all of my 71 years have I been talking about this, but for many of them—

Mr. Pepin: Almost.

Mr. Knowles: I see my friend, the hon member for Ottawa-Carleton (Mr. Pepin), smiling at me about the years. I simply tell him that the very day I was born, June 18, 1908, was the day when this House debated at second reading and passed the Government Annuities Act, which was the first piece of legislation providing anything looking like a pension for the Canadian people. With me it was a birthright right from the beginning to be concerned about pension legislation. That concern leads me into the position of women, as I have just said, and I presented a motion today under Standing Order 43 calling for women, when they are survivors of their husbands, to get the same pension the husband would get if he survived his wife. I just cannot buy at all any longer that if a man and wife live together, build up their estate and their equity and go on pension, under the normal rules if the wife dies first the husband lives on a 100 per cent pension but if the husband dies first she lives on a 50 per cent pension. It is just utterly unfair and completely lacking in any respect for the position of women.

By the same token, pensions for veterans need to be improved. I still think they should be a little ahead of the rates and provisions we make for the civilian population and at an earlier age. Also by the same token I think we should be doing much better for the widows of veterans. I am hopeful from what the Minister of Veterans Affairs (Mr. McKinnon) said to me in the late show last night that something is going to be done in that area.

Public service pensions need to be improved. So do those of retired RCMP personnel and those who are retired from the Canadian armed forces, as well as pensions for the blind and disabled. Outside of these pensions which come directly under the government, there are such pensions as those of the Canadian National Railways and Canadian Pacific, and then there is the whole question out there in the private sector of requiring private sector employers to meet the same kinds of standards we are trying to set for the public sector. That includes indexing. In some quarters that is an offensive word, but if we agree that people in their working years have the right for their incomes to go up to keep up with the cost of living or to keep up with the rising standard of living, it is completely wrong and unfair to say that when you are retired, "Do not expect that any more."

Whether we are talking about retired public servants, retired personnel from the RCMP or the armed forces, retired railways workers or people retired from private industry, that principle of indexing so that pensions enable people to keep up with the cost of living is one which we must pursue, if we believe, as I think we do, judging by the rhetoric I hear in this place, that our older people are not just cast-offs. They are not just there until the day they die but are still persons, are still Canadian citizens with all the rights and privileges pertaining thereto, if I may use a phrase that I use sometimes when I wear another hat.

● (1620)

I welcome this opportunity to make this case again today. It is good to see a few members present who were not here in the last Parliament, so I do not feel that everyone who has listened to me has heard this speech a dozen, 50 or 100 times.

Mr. Rose: It is one of my favourites.

Mr. Knowles: My good friend, the hon. member for Mission-Port Moody (Mr. Rose), says it is one of his favourites. He has been away for five years and he is enjoying it like an old song from days gone by.

I am prepared to admit that we should not take all the credit over here. We take all we can. But I am prepared to admit that the generation that came to maturity in the 1930s was a generation that resolved we would do something better in the social field, something better for older people. For a while every organization, all the political parties and all the churches asserted that we must move in this direction. There was consensus which came to fruition in the legislation that is now on the books. But it took some of us to do the prodding and the pushing to get it done, and that is what I am still doing.

If hon. members say I am too futuristic when I talk about a high pension on a universal basis, when I talk about widows getting just as much pension after their husbands die as

husbands get after their widows die, I say that I remember long ago being back here in the last row arguing for the removal of the means test, and some friendly Conservative sitting nearby said to me, "That is a good speech, Stanley, but it will never come to pass." Well, it did. We got rid of the means test; we improved the lot and the dignity of our people. We can go on doing it, and I hope that this House of Commons in this Thirty-first Parliament has the will to do it.

Some hon. Members: Hear, hear!

Mr. Paul McCrossan (Parliamentary Secretary to Minister of Employment and Immigration): Mr. Speaker, I am most honoured to join the ranks of the many who, in the past, have debated a motion to increase the old age security pension and to lower the age of eligibility. The hon. member for Winnipeg North Centre (Mr. Knowles) has, with this motion, again demonstrated his unswerving dedication to older Canadians.

I support his motives, as I believe do all hon. members in this House. Let me say that as an actuary I have long been concerned by the inadequacies in our pension systems, both public and private. Let me also say that my government cares about senior citizens. We would like the retirement of every Canadian to be totally secure and fulfilled. We have, over the years, pressed for and supported changes and improvements in our social programs that would help reach that goal.

The most recent evidence, as the hon. member indicated, of this government's commitment to older Canadians was the introduction, on October 17, of a bill to amend the spouse's allowance provisions of the Old Age Security Act. If approved, this bill will allow us to amend what was one of the most poorly designed pieces of legislation ever to be introduced into the House. We condemn the practice of creating false expectations, of giving a spouse's allowance to an OAS pensioner's spouse, and then withdrawing it arbitrarily with wanton disregard for that spouse's emotional state and financial circumstances.

I spoke a moment ago of the quality of retirement that we would like to see for older Canadians. By "we" I do not mean we, the government, nor we, the members of this House. I mean we as Canadians—government and citizens. It is together that we must strive to realize our objective.

In looking today at these proposed changes to the Canada Pension Plan and the old age security program, I am reminded of misconceptions that often give rise, or at least relate, to suggestions such as those contained in this motion. I would not suggest that there was any such misconception on the part of the hon. member for Winnipeg North Centre when he formulated these proposals, but I do think it might shed some light on this debate if we looked at these for a moment.

[*Translation*]

The first concept to which I refer is that the problems of senior citizens can be solved by merely increasing the basic old age security pension. Without mentioning the cost of implementing the formula, I consider this as a rigid perception of the issue: all pensioners need the same retirement income and the state assumes all responsibilities. I urge hon. members and all Canadians, particularly older citizens, to examine carefully and seriously with me what the implementation of such a measure would cost. The hon. member would like to raise to $350 the basic old age security benefits, but he does not ask himself if Canadian taxpayers are prepared to pay almost twice the cost of the existing old age security program, which means annual expenditures exceeding $9 billion. This amount does not include the huge cost of benefits paid because the eligibility age will have been lowered and the means test abolished, as is also recommended in the proposal of the hon. member. Those $9 billion will have to be paid not just for one year but year after year and this amount will continuously increase. I do not believe that our economy or the Canadian taxpayer have the financial means to pay for it, or that senior citizens wish to impose such a heavy burden on their children and grandchildren. In fact, everyone has different retirement needs. It depends to a large extent on the income level you had during your active life and on your standard of living. This is why the retirement system in Canada has undergone the changes we have seen.

The government, rather than merely implementing a single program to meet all the income needs of retired people, preferred to develop a three-fold formula. This formula recognizes both public and individual responsibilities concerning retirement and faithfully reflects, I think, the values and attitudes of Canadians on that matter.

[*English*]

But let me once again stress that it would be completely irresponsible to increase our deficit by over $4 billion at a time when our deficit exceeds $10 billion. Day after day we hear from hon. members opposite about their concern over the fact that interest rates are too high. Increases of this magnitude in government spending would seriously impair at this time the financial credit of the country.

As I was saying, we have a three-tier pension system in Canada. The bedrock of the system is the old age security program. This is a pension scheme that provides basic benefits to everyone who meets the requirements of age and residence in Canada. In addition, a guaranteed income supplement is made available to OAS pensioners who have relatively little income beyond the basic pension. This benefit is income tested to ensure that the largest benefits go to those with the lowest income, a concept supported by the House in the recent introduction of the child tax credit. In addition, of course, is the spouse's allowance for the spouse of an OAS pensioner who is between 60 and 65 years of age, in order to ensure that low income pensioner couples have an adequate income to meet their basic living needs. Our hope is that hon. members will agree that we will no longer deprive the spouse of this assistance at a time when it is needed most.

The next level of the system is the Canada Pension Plan. The CPP is a compulsory, contributory, and earnings related social insurance program. Thus, rather than being a flat rate universal benefit, the CPP retirement pension is related to the

career earnings upon which the CPP contributor and his or her employer have made contributions. Together, the CPP and OAS programs have the effect of providing Canadians over the age of 65 with benefits that guarantee a basic amount of income to all pensioners, and at the same time provide income that is related to their earnings prior to retirement.

• (1630)

As well, the pensioner's income from OAS and CPP is protected through cost of living indexation from the effects of inflation. Thus the first two tiers give the pensioner a solid base of real income on which to build the third tier, which consists of private income sources such as pension plans, investment earnings, and registered retirement savings plans.

In this regard I should touch on another misconception about our national retirement programs in Canada. That is the idea that these benefits should go beyond basic needs and by themselves provide whatever level of security and comfort in retirement might be desired. Such an idea ignores the basic responsibility, and the right of the individual, to make personal provisions for his or her own retirement.

It is one thing for the nation to wish to ensure that everyone has enough to live on. That is a proper and necessary concern for government. But to go beyond that with even the most charitable motives and try to provide completely for every individual through the largesse of the state has far-reaching implications. If we begin to discourage individuals from saving for their own retirement and encourage them to look to the government to provide everything, then we may be destroying initiative and self-reliance. If we allow unions to think that the public programs will look after all retirement needs, then they will quite rightly ignore pension benefits in collective bargaining and concentrate instead on direct pay increases.

This leads directly to another misconception about pensions in Canada, and that is the belief that any and all improvements in the system must come in the public sector. It seems that every time the problems of pensioners arise, the solution that is offered is an increase in old age security or Canada Pension Plan benefits. The suggestion that perhaps there could be improvements in other areas, such as private pensions, is usually brushed aside. With our current severe financial difficulties we must look at all parts of the pension problem to consider the most effective solutions.

Perhaps it is time we realized that not only is it possible to expect improvements in private pensions, but that there may be more room in this area to make improvements than there is for increasing public benefits which result directly in an increased burden on the taxpayer. Private pension plans are widespread and numerous. They are intended, ostensibly at least, to ensure that the employees of both private and public employers can look forward to a secure income when their working career is over.

Enormous amounts are tied up in these funds and the total invested in them is growing at the rate of several billions of dollars annually, yet there is evidence of many problems with these plans which I will outline later.

Another area where retirement income can be affected is that of personal savings and encouragement to increase these savings. The growth in registered retirement savings plans in the past few years is testimony to the fact that people will put money aside for retirement if they are given the proper encouragement to do so. Literally billions of dollars are now being placed in these plans every year, and the money invested will in large part be used to improve the future income of retired Canadians.

The success of RRSPs suggests that other areas in the private sector, such as private pensions, could be made more effective in providing Canadians with retirement income. Yet the member opposite seems to have ignored private plans as a source of adequate pensions. The Canadian Labour Congress has in the past advocated that private pensions be replaced by a vastly increased Canada Pension Plan. Instead, perhaps we should be looking at these private plans more deeply to see if they cannot be improved and strengthened.

As I mentioned, certainly it is quite evident that there are problems with the pension industry at the moment. One of the major difficulties is that pensions simply do not cover enough of the Canadian work force. Even though the percentage has been rising the figures published by Statistics Canada at the beginning of 1978 indicate that only about 44 per cent of the labour force is covered by a pension plan. Admittedly, the percentage is considerably higher if we include only the full-time workers, then about 54 per cent of the full-time labour force was covered. Nevertheless, on a national scale any objective observer would admit that there are too many people without such coverage.

Furthermore, many of those persons who are ostensibly covered by pension plans will not be entitled to benefits. Instead, because they will change jobs at some time in their career, in a large number of cases they will lose the entitlements they have accrued because their pensions are not adequately vested.

Even if they retain the entitlement, they usually will not be able to transfer the credits into a new pension plan. This year the pension industry made a start in providing a mechanism for transfer of pension credits between plans. It is a start that should be encouraged directly by government.

These two major problems of vesting and portability may mean that only the employee who spends a major portion of his working years with a single employer currently stands a good chance of retiring with an adequate private pension. Even then the adequacy of the pension may erode very rapidly because some pension plans make no provision for inflation. The real value, that is, the purchasing power of these benefits will only remain stable if the inflation rate is low.

It is a major objective of this government to lower inflation. However, the high inflation experienced in the recent past has dealt a severe blow to the fixed incomes of these pensioners and has caused many to lose confidence in pension plans in general. The government will encourage post-retirement adjustments against inflation. I hope personally to be able to assist in putting our own plans for the public service and forces

on a sound financial basis, a basis which will serve as a model for pension plans to cope with this problem.

There is another problem as well with survivor benefits. Widows in general are not adequately protected by the private pension system, and often, as is pointed out in studies, they are left in dire straits. We must encourage the rapid growth of survivors' benefits in pension plans.

Clearly, then, there is room for improvements in the area of private pensions, improvements that will eventually affect the incomes of a very large number of Canadian workers and their dependants. The whole area of pension adequacy is one of high priority with this government. As hon. members are aware, it was announced in the Speech from the Throne that we will ask Parliament to establish a committee to review the retirement income needs of Canadians in the 1980s.

Along with the performance of the private sector, there are specific areas of our public pension system that are of grave concern to us; the plight of many old age pensioners, the lack of protection provided for women, the position of the disabled and handicapped, the protection offered to the families of deceased persons, the need for greater flexibility in the age of retirement, and the maintenance of the purchasing power of benefits.

We are all aware that a great deal of research and study has already been done in these areas. We will draw upon the work that has already been done and review it in light of our own priorities. We will add to it what we learn from our consultations with Canadians, with the pension industry, with provincial governments and special interest groups.

An interdepartmental review on pensions that has been going on for the past three years will shortly be available to us. We will as well refer to major provincial studies such as the Quebec Cofirentes Plus study on pensions and the Ontario Royal Commission on pensions. I hope that as a member of this new government I can bring a fresh perspective to the pension area. If our review indicates the need for major overhaul of the pension system, I hope we will be free to develop and carry out such an overhaul.

I have one other reservation in reviewing the proposals contained in this motion, and that is in respect of the advisability of lowering the retirement age. The hon. member for Winnipeg North Centre has suggested that OAS and CPP benefits be available to any retired person who is more than 60 years of age. However, it is not certain that the majority of people want to retire at 60, or that society can afford to assist the minority who want to retire early in doing so. This may become even more clear if predictions about the changing age structure of our population prove out.

The time may come when we will have to think in terms of raising the retirement age, or at least of encouraging people who want to continue working to do so. We may find, much to our surprise, that such an idea would be welcomed by many older Canadians and that our entire society would benefit as a result. We will be particularly interested in the findings of the Senate Committee on Retirement Age which is now in progress.

• (1640)

There is one other common misconception, Mr. Speaker, which I should mention so that members may give careful consideration to the implications of this motion. That is the view that the Canada Pension Plan is funded through the general revenues of the Government of Canada. Of course this is not the case. The CPP is financed entirely through the contributions of Canadian workers and their employers. Already there are indications these contributions may have to be raised during the life of this Parliament.

Consequently, when we consider lowering the eligible age for CPP benefits to age 60, we must remember that we would be requiring CPP contributors to raise their contributions so that some may receive their retirement benefits five years earlier than others. We know that some workers are forced by ill health to retire before age 65, but I should point out that in many such cases CPP disability benefits may be available. I wonder, however, whether it is fair to ask those contributors who continue to work to age 65 to subsidize those contributors who chose to retire at an early age.

In summary, I recognize the concern of the hon. member for Winnipeg North Centre for the plight of the elderly. However, his solutions are completely impractical financially at this point in time. That is not to say that nothing should be done, however. We will have to change the CPP in the next five years. We must deal with the problems of portability, vesting, survivor's benefits, and protection against inflation in the private sector. We must deal with the problem of a lack of coverage for many employees in the private sector. These problems, the problems of the aged, are real and serious. However, it is my belief that the solution outlined in this motion is not the proper one.

[*Translation*]

Mr. Marcel Ostiguy (Saint-Hyacinthe): Mr. Speaker, I would like to make a few comments on the motion by the hon. member for Winnipeg North Centre (Mr. Knowles), which is most welcome in this year of 1979, and especially after the elections of May 22 which brought this government into office, because the election platform they circulated throughout the country had a commitment to lower the pensionable age to 60 for all Canadians.

The Minister of National Health and Welfare (Mr. Crombie) just tabled legislation, Bill C-6, which will bring very little change to that election promise made last spring by the Progressive Conservative Party. Long before that, my party which was the administration for a number of years amended old age security by lowering the pensionable age from 70 to 65. Of course, deficiencies remained. The hon. member for Winnipeg North Centre made his motion, and the people I meet regularly in my constituency remind me of that deficiency, which is the following: among people between 60 and 65, most

of them, at least the greater majority are women who cannot join the labour force because of their physical condition or cannot find work, and they have no alternative but to ask for welfare, which is not altogether normal.

In his motion the hon. member for Winnipeg North Centre proposes that the pension be paid to all Canadians aged 60 and over. This may be going far, as was explained by the hon. member who spoke before me. Monetary factors and the ability of Canadians as a whole to pay should at any rate be considered.

A minor amendment, as I said earlier, is proposed in legislation that will come later, giving the spouse or rather maintaining the spouse's allowance after the husband dies. This means, Mr. Speaker, that in the case, for example, of a woman aged 62 whose husband aged 66 gets pension she is entitled to the spouse's allowance, and when her husband dies the pension will still be coming to her. But what do we do for the other person, the person I was referring to a moment ago, who most of the time is a woman between 60 and 65 who cannot join the labour force? I suggest this is what the hon. member for Winnipeg North Centre should have emphasized in his motion, in order that Bill C-6 be amended to give more help to that group of Canadians of both sexes.

It would have been possible of course in this bill which is soon to become law to phase down the pension; it should be remembered that it was the previous government that brought the pension down from 70 to 65. That government intended to phase down that pension gradually by reducing it year by year, that is down to 64, then 63 and so on until the age of 60. And by the time all those people who are entitled to the guaranteed income supplement get that pension, it is an expenditure, but if you look at it from the other side, it is not a real expenditure because, of course, those who will be retiring at the age of 60 will be making room on the labour market for younger people, people between the ages of 40 and 60, young people coming out of universities and arriving on the labour market now and who really have difficulty in finding a job. People between 40 and 60 regularly have that problem, and when they do not have a job, they have no other choice but to go on unemployment insurance and they are paid unemployment insurance benefits ranging between $100 and $180 a week depending on the salary or the stamps that were paid.

That is why, Mr. Speaker, I say that on one hand it is a payment, if you want, that would be made to those people when we ask the government to give that pension at 60 but, on the other hand, it is a saving and I do think that in a country as vast and as beautiful as Canada when the economic climate is doing well, the social climate of course feels the effect—and I am not the first one to say that.

Mr. Speaker, there is another point I would also like to deal with. With respect to the motion by the hon. member for Winnipeg North Centre (Mr. Knowles) in anticipation of the bill that will come later, I noticed earlier a release issued by the Minister of National Health and Welfare which says that all people living alone applying for the annual guaranteed income supplement must have an income below $3,528 for a single person and $5,904 for married couples. Mr. Speaker, today with an income of $3,528 for a person living alone you must figure out the cost of living and think about the various government programs, including the Canada Mortgage and Housing Corporation which is putting out residential construction programs for retired people with a rent between $225 and $250 a month. If you figure that out, at $225 a month, that makes about $2,700 to $2,800 a year for rent alone. That is one item. Then you must add service costs. And what about food costs considering the increase in the cost of living and all the increases this government is letting go by and that consumers and Canadians have to pay now? Therefore, Mr. Speaker, we should certainly increase this minimum or this maximum of $3,528 for single people and the ceiling of $5,904 for married couples. When a businessman or someone else applies for the guaranteed income supplement, it is unthinkable that they be told that if they have an income of $3,528 they are not entitled to the guaranteed income supplement. I think that this is unfair and unacceptable for Canadians and shows once again the irresponsible attitude taken at the present time by this government towards Canadian men and women.

• (1650)

Mr. Speaker, I listened earlier to my colleague, the hon. member for Papineau (Mr. Ouellet), when he spoke of the neglectful attitude of this government as concerns interest rates, the oil price increase, lost business and contracts abroad, the rising unemployment rate, and so on. When the price of oil goes up $1 a barrel, the cost of living index jumps by 5 per cent. Senior citizens and retired people are of course also affected by higher interest rates. They must suffer the consequences of oil price increases. They must suffer the consequences of the borrowing of this government which adds to the debt of each individual Canadian.

Mr. Speaker, this bill, Bill C-6, should be amended. For my part, I plan to attend the committee meetings and suggest amendments so that I may represent effectively the people of Saint-Hyacinthe riding. Once again, I am glad to support the motion of the hon. member for Winnipeg North Centre, but I do not agree with him that basic pensions should be raised to $350 a month for every Canadian man and woman. Mr. Speaker, I believe that this would be going too far. However, it remains that there is a group of Canadians who really need this increase. Others have other sources of income. Of course, every Canadian man or woman is now entitled to the basic pension. Moreover, Mr. Speaker, I was happy to hear the hon. member for Winnipeg North Centre say earlier that he was not speaking for himself because even though he did not tell us his age, we can see that he does not need any guaranteed income supplement. I am thinking of young people like yourself, Mr. Speaker, like myself and like my colleague for

Mercier (Mrs. Hervieux-Payette), who will be very happy when they reach the age of retirement to have a decent pension on which to live.

Mr. Speaker, as I was saying earlier, I visit friendship groups and golden age clubs in my riding almost every week and we meet women between 50 and 55 and maybe more often between 60 and 65; these women cannot consider going back on the labour market. It is unthinkable. It would be irresponsible and disrespectful to ask them to go back on the labour market. These people must be provided for in the bill so that they should be allowed a pension enabling them to live in this country to which they have given their work, their time, their life and their health.

Since they are not entitled to any benefits, Mr. Speaker, we must take action or initiate programs to provide for their needs. Mr. Speaker, that just about covers everything I had to say for now, and I hope the government will consider the motion of the member for Winnipeg North Centre and that the backbenchers will convince the Minister of National Health and Welfare that his bill does not go far enough. That is only a small part of the promises and the brain-washing the men and women of Canada were subjected to when they were told during the election campaign that a Progressive Conservative government advocated a pension or intended to amend the law so that every Canadian aged 60 would receive a pension.

They now realize that it is unthinkable since, as we saw today, the Minister of Finance (Mr. Crosbie) is asking for the authority to borrow an additional amount of $7 billion. Of course, Mr. Speaker, that situation can be blamed on the irresponsibility, the inefficiency of the people across the way. We need only think of all that was lost recently. The hon. member for Papineau mentioned it earlier. Whether it be the Foothills affair, the Candu affair negotiated with the government of Argentina, or even the problems born out of the promise to transfer our embassy from Tel Aviv to Jerusalem, we know for a fact that many Canadian companies are losing contracts in the Middle East; naturally, every time a Canadian industry loses a contract, it means that much less money in the pockets of the taxpayers.

[*English*]

Mr. Bruce Halliday (Oxford): Mr. Speaker, it is indeed a pleasure for me to participate in this debate initiated by the hon. member for Winnipeg North Centre (Mr. Knowles), even for a few moments. It is a special pleasure for me because he initiated it. Certain members of this House, both past and present, highly respect those whose memories will linger on long after we leave here, such as the late right hon. member for Prince Albert (Mr. Diefenbaker). But indeed in that same class in my opinion is the hon. member for Winnipeg North Centre. He will be remembered for two things. One is the contribution he has made to the procedural aspects of the House, and second, the great deal he has done for the disadvantaged of this country.

[Mr. Ostiguy.]

Some hon. Members: Hear, hear!

Mr. Halliday: That is not to say that the rest of us are not concerned. I am sure the hon. member will agree that we too have concerns for people in this country.

I want to remind the House that as recently as in the last month or so we have seen the government indicate concern for elderly people in the same way as the hon. member for Winnipeg North Centre has. We have initiated not only Bill C-6, which has been before us this week at the same time as this motion, but also we have word in the Speech from the Throne that the Prime Minister (Mr. Clark) intends to set up a special committee of the House to look into the problems of the disabled. The Prime Minister is indicating in these moves that we are concerned not with taking just an age limit and arbitrarily saying that at that given age we will help people, but rather we will identify people who really need help. That seems appropriate in this age of financial stress that Canada is under right now and so well indicated by the questions raised in the House over the last few days.

One area that particularly intrigues me about the arguments brought forward not only today by the hon. member for Winnipeg North Centre—I have heard them often before so I am almost tempted to say "methinks he doth protest too much"—relates to the means or income testing and the concept of universality that the hon. member has brought to our attention. I am not taking issue with those concepts particularly, except that I might suggest there is a little inconsistency in the motion before us today. In the last sentence the hon. member for Winnipeg North Centre suggests this:

> —and also to provide for the elimination of any means or income test from the Old Age Security Act—

The hon. member thinks he is eliminating income testing, but he has introduced into this motion a new form of income testing, namely, if one is working and earning any income, one does not benefit. I object to that because that is inconsistent. There is another inconsistency in that we have moved away from the concept of income testing. Indeed, all Canadians have pride in their country—

The Acting Speaker (Mr. Ethier): Order, please. The hour provided for the consideration of private members' business has now expired. It being five o'clock p.m. this House stands adjourned until Monday next at two o'clock p.m., pursuant to Standing Order 2(1).

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

HOUSE OF COMMONS

Monday, October 29, 1979

The House met at 2 p.m.

• (1405)

ROUTINE PROCEEDINGS

[*English*]

EXTERNAL AFFAIRS

OVERSEAS TRIPS BY MEMBERS OF PARLIAMENT—MOTION UNDER S.O. 43

Mr. Mark MacGuigan (Windsor-Walkerville): Mr. Speaker, in view of the free trip and the hospitality accepted by the hon. member for Parry Sound-Muskoka (Mr. Darling) from the government of Libya, in view of the international reputation of that country as a haven for international terrorism, and in view of the reported approval of this trip both by the office of the Secretary of State for External Affairs (Miss MacDonald) and the office of the Prime Minister (Mr. Clark), I move, seconded by the hon. member for London West (Mr. Buchanan):

That this House request the Prime Minister to make a statement as to the criteria on the basis of which he approves such free trips for members of Parliament.

Mr. Speaker: Introduction of such a motion for debate at this time can be done only with unanimous consent. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

AGRICULTURE

REQUEST MINISTER OF AGRICULTURE BE INCLUDED IN INNER CABINET—MOTION UNDER S.O. 43

Mr. Denis Ethier (Glengarry-Prescott-Russell): Mr. Speaker, I rise, under the provisions of Standing Order 43, on a matter of urgent and pressing necessity.

In view of the fact that we in the Liberal party consider agriculture as one of the most, if not the most important industry in Canada, and in view of the fact that the future of many segments of this industry is presently threatened by the cavalier and relaxed attitude of the Minister of Industry, Trade and Commerce in his negotiations with other countries concerning import quotas, I seek leave of the House to move, seconded by the hon. member for Vaudreuil (Mr. Herbert):

That the right hon. Prime Minister consider restructuring his inner cabinet so as to include the Minister of Agriculture, so that in further discussions concerning the inner cabinet there be a voice representing the hardworking producers of this country.

Mr. Speaker: Introduction of such a motion for debate at this time can be done only with unanimous consent? Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

NUCLEAR DEVICES

REQUEST CANADA CALL ON U.S.S.R. TO STOP ALL NUCLEAR TESTING—MOTION UNDER S.O. 43

Mr. Simon de Jong (Regina East): Mr. Speaker, under the provisions of Standing Order 43, I wish to rise today on a matter of urgent and pressing necessity.

Over the weekend we learned that the Soviet Union has detonated a nuclear device. This is the sixteenth such nuclear test this year. These tests all add further radiation to our environment and jeopardize the health of all citizens of our planet. I move, seconded by the hon. member for Saskatoon East (Mr. Ogle):

That this House calls on the government of the U.S.S.R. to stop all nuclear testing.

Mr. Speaker: Introduction of such a motion for debate at this time can be done, pursuant to Standing Order 43, only with the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

[*Translation*]

RESEARCH AND DEVELOPMENT

REQUEST FOR INCREASED GRANTS FOR ENGINEERING, HEALTH AND NATURAL SCIENCES IN UNIVERSITIES—MOTION UNDER S.O. 43

Mr. Eudore Allard (Rimouski): Mr. Speaker, under the provisions of Standing Order 43 I ask for the unanimous consent of the House to move a motion dealing with an important matter of pressing and urgent necessity.

S.O. 43

In view of the fact that the government stated in the throne speech that it intends to give greater importance to development and research; in view of the fact also that the chancellors of Canadian universities pointed out in their memorandum dated October 5 last the failure of Canada to attain these aims as far as research and development were concerned, I move, seconded by the hon. member for Abitibi (Mr. Caouette):

That the House urge the government to grant high priority to university research by providing financial assistance for pure and applied research in engineering, health and natural sciences in our universities.

Mr. Speaker: The House has heard the motion of the hon. member. The introduction of such a motion for debate pursuant to Standing Order 43 can be done at this time only with unanimous consent. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

[*English*]

AIRPORTS

IMPROVEMENTS TO MOUNT HOPE AIRPORT, HAMILTON—MOTION UNDER S.O. 43

Mr. Ed Lumley (Stormont-Dundas): Mr. Speaker, under a matter of urgent and pressing necessity, I move, seconded by the hon. member for Hamilton East (Mr. Munro):

That the government implement as soon as possible the commitments made by its predecessor with regard to the Mount Hope airport, in Hamilton, to not only proceed immediately with the over $1 million improvements to existing roads, parking area, runway 11-29, etc., but also with the new parallel runway, additional taxiways, a new passenger terminal and co-operation from Air Canada to bring airline services into the Hamilton airport, in view of the improvement program.

Mr. Speaker: Such a motion can be introduced at this time only with the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

● (1410)

[*Translation*]

THE CANADIAN ECONOMY

REQUEST FOR RESIGNATION OF CERTAIN MINISTERS RESPONSIBLE FOR ECONOMIC STABILITY—MOTION UNDER S.O. 43

Mr. Dennis Dawson (Louis-Hébert): Mr. Speaker, I rise under the provisions of Standing Order 43 and ask for the unanimous consent of the House to move a motion relating to a matter of urgent and pressing necessity.

[Mr. Allard.]

In light of the fact that we are celebrating today the fiftieth anniversary of the 1929 crash and given the fact that several things in the last few weeks have indicated that the danger of another crash still exists, that the steps taken by the present government do not help to stabilize the Canadian economy at all and that in spite of all their rescue manoeuvres, the ship is sinking, I move:

That the House severely blame the present government and request that it take certain steps to improve the situation, namely, to ask the Minister of Finance, the President of the Treasury Board, the Minister of Regional Economic Expansion and others to resign.

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

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

[*English*]

FINANCE, TRADE AND ECONOMIC AFFAIRS

BROADCASTING OF COMMITTEE MEETINGS—MOTION UNDER S.O. 43

Mr. Bill Clarke (Vancouver Quadra): Mr. Speaker, I, too, rise under the provisions of Standing Order 43 on a matter of urgent and pressing necessity.

In view of the fact that the current hearings on interest rates before the Standing Committee on Finance, Trade and Economic Affairs have drawn such interest from the media and the public, and in view of the fact that the steering committee of that committee has approved such an action, I move, seconded by the hon. member for Windsor West (Mr. Gray):

That the Standing Committee on Finance, Trade and Economic Affairs, if it deems advisable, be authorized by this House to arrange, with the broadcasting media, for coverage of its meetings on Tuesday, October 30, 1979, and Friday, November 2, 1979, at which the Minister of Finance is scheduled to appear in connection with the committee's review of interest rate policy, and that any such broadcasting be done on principles similar to those under which the proceedings of the House are broadcast.

Some hon. Members: Hear, hear!

Mr. Speaker: The House has heard the terms of the motion. It can only be introduced and dealt with at this time with the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

An hon. Member: No.

OLD AGE SECURITY

CALL FOR EQUIVALENT OF SPOUSE'S ALLOWANCE—MOTION UNDER S.O. 43

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, under the provisions of Standing Order 43, and seconded by the hon. member for Vancouver East (Mrs. Mitchell), I move:

That this House urges the government to introduce, without delay, an amendment to the Old Age Security Act to end the discrimination therein against persons of single status between the ages of 60 and 65 by providing for the equivalent of the spouse's allowance to be available to all persons between the ages of 60 and 65, regardless of marital status, provided they are out of the labour market.

Some hon. Members: Hear, hear!

Mr. Speaker: In accordance with Standing Order 43, such a motion can be presented at this time only with the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

[*Translation*]

FISHERIES

REQUEST COASTAL FISHERMEN RECEIVE GRANTS FOR BOAT-BUILDING—MOTION UNDER S.O. 43

Mr. Rémi Bujold (Bonaventure-Îles-de-la-Madeleine): Mr. Speaker, pursuant to Standing Order 43 I seek the unanimous consent of the House to move a motion on a matter of urgent and pressing necessity.

In view of the fact that in the Speech from the Throne the government has undertaken to study the expansion of the fishing industry in Canada, that the new Minister of Fisheries and Oceans (Mr. McGrath) has failed to award grants to build boats 75 feet long or less, and that coastal fishermen have an urgent need for funds to replace their boats to take advantage of the new 200-mile offshore fishing zone, I move, seconded by the hon. member for Gaspé (Mr. Cyr):

That the President of the Treasury Board transfer forthwith funds to the Department of Fisheries and Oceans to make it possible for our fishermen to obtain grants to carry out and complete the construction of their boats in time for the new fishing season next spring.

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

Some hon. Members: Agreed.

Some hon. Members: No.

ORAL QUESTION PERIOD

[*English*]

THE CANADIAN ECONOMY

INCREASES IN INTEREST RATES—ALTERNATIVES TO FOLLOWING U.S. INCREASES

Right Hon. P. E. Trudeau (Leader of the Opposition): Mr. Speaker, I have a question for the Prime Minister based on his admonition in the Throne Speech debate concerning people, notably myself, who were expressing concern about the future of the economy. He said, and I quote:

—I believe this is a time for Canadians to raise their expectations, not to lower them.

● (1415)

Within two weeks of that—last Thursday—the Prime Minister talked of very tough decisions that he had to take. In three answers on October 25, he used the word "tough" four times. Apparently what he is advocating now is tough decisions that his government has to make, but perhaps even tougher on Canadians than they are on his government.

My question is this: Since, in the view of the government, we have to follow American interest rates up to 11, 12, 13, 14 per cent, at what rate do we begin to look at alternatives? I just remind the Prime Minister that at his press conference on Friday he said:

—given the situation that we face in the economy now, we literally have no alternative except alternatives that will make the situation worse in time to come.

At what point will the government look at these alternatives, rather than following the American interest rate up to 13, 14 per cent and God knows how high?

Right Hon. Joe Clark (Prime Minister): Mr. Speaker, we are looking at alternatives now. As I have indicated several times in this House, I hope that members of all parties—and, indeed, members of the public—will take advantage of the fact there is now a standing committee inquiry into interest rate policies, to put forward alternative policies they think might be more effective than those which have been proposed by the governor of the Bank of Canada and supported by this government.

Mr. Trudeau: The Prime Minister is inviting the public to put alternatives in front of a standing committee. I remind the Prime Minister that on February 13 last, when making a speech precisely on the high interest rates—which I believe then were around 10 per cent—he proposed a number of alternatives. These are recorded at page 3174 of this year's *Hansard*. I will not read the proposals, but they had to do with currency swaps, borrowing from the IMF, revaluation of Canada's gold reserves, a reduction in the rate of monetary expansion, and raising the chartered bank secondary reserve ratio. He had a whole series of alternatives he was proposing then.

This is the question he asked our minister after proposing these alternatives, and which I now ask the Prime Minister:

When he rises in his place today, will he explain to the people of Canada and to Parliament why these alternatives I have listed are not acceptable, whether they are being considered and, if so, whether there is any intention to follow any of them? Can the Prime Minister tell us which of these alternatives that were so brilliantly set out last February he is looking at now.

Mr. Lawrence: What was the answer we got then?

Mr. Clark: Mr. Speaker, I appreciate the Leader of the Opposition's retrospective description of my proposals at that time as brilliant. I will have to refresh my memory. I believe those remarks were made in relation to policy having to do with the value of the Canadian dollar. I can review the record.

The fact is that we are, and have been, reviewing various alternatives since we were elected as a government. Our judgment, which confirms the view of the governor of the Bank of Canada, is that the most appropriate policy for the Government of Canada to follow, now, is to follow the advice put forward by the governor of the Bank of Canada. He stated his reasons for giving that advice. The Minister of Finance will be stating again his reasons for following that advice.

We continue to welcome any suggestions that might come from anywhere in the country, including the official opposition, as to policies that will work, that should be considered and that might be preferable alternatives.

Mr. Trudeau: The Prime Minister says that he is now following these policies. I recall quite distinctly that when we were following those policies, it was seen as a sign of abject servility to the United States.

In what sense does it take more courage now to apply those policies, when we have already gone up to 14 per cent? They might have been appropriate at 7 or 8 per cent, but surely at some point one begins to look at new policies. Since the Prime Minister listed a whole ream of them, I would like to know which ones the government is looking at, and why they have been discarded.

• (1420)

Mr. Clark: I am pleased the Leader of the Opposition can remember when his party was following those policies, because his finance critic is doing his best to forget.

The right hon. gentleman has made a very valuable suggestion. It may be we have not examined each one of the proposals I put forward in February as closely as we should. We have reviewed certain of those policies. I will go back and read my speech again and see whether there are any suggestions we should be looking at more assiduously than has been the case.

I repeat, we feel it highly important that, in the circumstances this country faces today, we need to call on all Canadians with proposals for a better approach than the one that has been criticized by the Leader of the Opposition. If they can come up with a better proposal than the one we are following, we will consider it. But having looked at the alternatives, our judgment is—and this is also the judgment of the governor of the Bank of Canada—that the policies recommended by the governor, even though they are tough, even though they are not popular, are the best policies available.

Hon. Herb Gray (Windsor West): Why is the Prime Minister trying to get the Canadian people to forget that when he was speaking as Leader of the Progressive Conservative Party, he said a Progressive Conservative government would bring interest rates down? What is wrong with that policy today? It was all right when he spoke on March 2. Why is he abandoning it today?

Mr. Clark: The goal of our policy is to bring interest rates down. That will not be done if we duck tough decisions today. We are facing tough decisions today dealing with interest rates as a means of creating the kind of stability and strength in the economy which will allow us honestly and with some security to bring interest rates down in the future.

Some hon. Members: Hear, hear!

Mr. Gray: It was reported today that officials of the U.S. Federal Reserve Board have disclosed that another $800 million error has been discovered in the monetary supply of that country, in addition to the $3 billion mistake discovered last week. Representative Henry Reuss, chairman of the House of Representatives Banking Committee has called the miscalculation of the money supply "a monumental goof equivalent to a monetary Three-Mile Island."

How can the government continue to justify supporting a policy of following American interest rates so closely, to what are record levels in Canada, when the soundness of the basis of the American policy has been called into question by U.S. experts? Why does the government not act now to prevent our economy from becoming another Three-Mile Island?

Hon. John C. Crosbie (Minister of Finance): The hon. gentleman is a slow learner. Last year, in 1978, his government approved interest rate increases of 3.25 per cent. This year, to date, we have had to approve increases of the same amount, for several reasons. Among them is that interest rates in the United States have increased this year, and despite the mistake in the calculation of the money supply in the United States the fact remains that interest rates went up in the United States, they were higher in the United States than in Canada, and that even today the prime rate in the United States has gone to 15.25 per cent: Citibank increased their rate on Friday to 15.25 per cent, higher than the prime rate in Canada.

So whether or not a mistake was made in the calculation of the money supply in the United States is irrelevant. The fact is that their interest rates are higher than ours, so to protect our dollar and to stop the surge of inflation which would affect us here in Canada if we did not do so, we had to raise our rates too. The hon. member for St. Moritz understands that—

Some hon. Members: Oh, oh!

Mr. Crosbie: —from Saint-Maurice; the former minister of finance. I suggest that the hon. member for Windsor West consult with his colleague; he will explain the situation to him.

• (1425)

FIGHT AGAINST INFLATION—EFFECT ON STANDARD OF LIVING

Mr. Bob Rae (Broadview-Greenwood): Mr. Speaker, reluctant as I am to interrupt the internecine conflict between tight money's first team and tight money's second team, I would like to address a question to the Prime Minister.

Mr. Volcker, who is chairman of the Federal Reserve Board in the United States, has said that the standard of living of the average American has to decline if inflation is to be fought in the United States. I wonder if the Prime Minister is going to come clean with the Canadian people and make a statement as to what is going to happen to the standard of living of the average Canadian, and what he is going to do about it in his fight against inflation.

Right Hon. Joe Clark (Prime Minister): Mr. Speaker, what we are interested in doing in our fight against inflation is taking steps now which will ensure that in the long term the standard of living of Canadians across the country is one which is as high as possible and as reliable as possible. The hon. member knows, and I am sure he is concerned about, the particularly difficult conditions which are imposed, particularly on low income Canadians, by present circumstances. Those circumstances also worry this government very much, and they are circumstances with which we hope to deal in a budget.

Mr. Chrétien: When, next year?

Mr. Rae: We now have inflation running at 9.6 per cent, and we have projections—but the government is not prepared to tell us exactly what it is going to do—that the price of energy will be going up substantially in order to face certain problems.

How much unemployment, and how much of a reduction in the standard of living over the short term—because we live over the short term, not over the long term—is this government prepared to tolerate in its so-called trench warfare against inflation?

Mr. Clark: Mr. Speaker, as little as possible.

Mr. Rae: Mr. Speaker, governor Bouey said that a rise in interest rates discourages borrowing and spending, and that slower economic growth is the price we all have to pay in the fight against inflation. Instead of talking about biting bullets and making tough decisions, and instead of talking like Superman and acting like Clark Kent, I think it is time the government gave us some figures and an understanding as to what the cost of the government's policy will be both in the energy field and in the interest rate field, and as to how the government intends to distribute these costs to the Canadian consumer—because it is the little guy who is getting screwed by the government's policy.

Mr. Clark: Mr. Speaker, I am not sure there was a question there.

Mr. Rae: You wouldn't know it if you saw it.

Mr. Speaker: I have equal doubts as to whether there was not an infringement of some parliamentary language, but it depends on the interpretation the hon. member wants to put on that term. I hope that, in an abundance of caution, if he has an interpretation of it which is parliamentary, to be on the safe side he would simply avoid using it in the future. In that way there would not be any problem.

HIGH INTEREST RATES—RENEGOTIATION OF MORTGAGES CAUSED THEREBY

Mr. Lloyd Axworthy (Winnipeg-Fort Garry): Mr. Speaker, I have a question for the Minister of Finance. By this time, the Minister of Finance must be aware that as a consequence of the high interest rate policy of his government, thousands of Canadian families are facing the horrendous prospect of renegotiating their mortgages at a time when rates have gone up anywhere from 30 per cent to 50 per cent. To put it in other terms, where mortgage rates have gone up, carrying costs have risen as much as $1,500 a year.

Under those circumstances, and now that the Prime Minister has agreed it is time to review policies, is the Minister of Finance also prepared to agree that it is time he took some action to relieve those hardships? In particular, is he prepared to give directives to banks and lending institutions that they provide short-term loans for people caught in those circumstances?

More importantly, is he prepared to provide some short-term, emergency assistance or low-rate mortgages to enable people to carry over until those great halcyon days when interests rates may go down?

Hon. John C. Crosbie (Minister of Finance): Mr. Speaker, we are very conscious of the fact that when interest rates go up, someone suffers. Therefore, we are hoping that the interest rate increase will be as short term as possible.

I am also aware that we are introducing into the House a mortgage interest and property tax credit plan which, if this House passes it before Christmas, will better enable 3,800,000 home owners in Canada to bear the increased costs of mortgage interest, the increased costs of looking after a home, increases in property taxes, or whatever. They will be in a considerably better position to do that if we pass this legislation as quickly as possible. I point out to the hon. member that 76 per cent of Canadians support the mortgage proposal, as shown by a Gallup poll reported in the *Toronto Star* on October 20. So I move that we help that 76 per cent as quickly as possible.

• (1430)

Mr. Axworthy: I wish to ask the minister a supplementary question, but first may I point out that he has not introduced

the bill for which we have been waiting and, second, any benefits that have come from that mortgage taxing plan have been eliminated.

Is this the new kind of Tory economics, when you say that $300 benefits are comparable to $1,500 losses on your mortgage? How do you figure out those economics, Mr. Speaker? I should like to know from the minister whether, first, he is prepared to introduce, within that plan, something to help those who are faced with the short-term hardship of renegotiating their mortgages; and, second, is he prepared to ask his colleagues to shelve all plans to transfer the mortgages back to the private sector, which will only result in higher interest rates and will not allow CMHC to do something about direct lending to people? When is this government going to establish a decent housing policy—

Mr. Speaker: Order, please.

Mr. Axworthy: —and when is it going to start helping people?

Mr. Crosbie: Mr. Speaker, I want to speak calmly, because the hon. member is obviously suffering from incipient hysteria.

Some hon. Members: Hear, hear!

Mr. Crosbie: The situation is that, despite increased mortgage interest rates, they do not affect all mortgage holders in Canada. The mortgage rates of many of them need not be renegotiated for anywhere from one to five years as yet. Those people who are affected by what we hope are temporary higher mortgage interest rates, just as they are in the mighty United States of America, will be assisted considerably by the members of the House if we pass the mortgage interest and property tax credit scheme promptly before Christmas so they will get the tax relief they need this year.

ALLEGED CHANGE IN GOVERNMENT POLICY TO CURB INFLATION—REASON FOR LONG RECESS

Mr. Ed Lumley (Stormont-Dundas): Mr. Speaker, my question is for the right hon. Prime Minister. Since the credibility of this government has been grossly undermined by the reversals in policy since the last election, and since the Prime Minister and the Minister of Finance have repeatedly stated that they were not aware of the state of the Canadian economy until they had fully assumed office, would the Prime Minister be specific and tell the House exactly what economic factors have caused him to continue his flip-flop policy?

Would the Prime Minister also advise the House why he waited five months to recall Parliament, when his Minister of Finance had stated that he cannot bring forth his own budget until the budget from the last Parliament has been enacted?

Right Hon. Joe Clark (Prime Minister): Mr. Speaker, I am not sure which one of those questions the hon. member wants answered.

An hon. Member: Try any one.

[Mr. Axworthy.]

Mr. Clark: He was obviously trying anything he could. We felt it important to give the ministers of the new government time to learn the complexities that they were going to be facing as a new government.

An hon. Member: On the job training.

Mr. Clark: On the job training; that is quite right. That is what our system involves. We believed that it was going to be essential for the new government to take the time to learn the complexities of departmental matters on which they would be questioned here in the House of Commons. That is why we took that time over the summer to prepare ourselves, to ensure that the new government was in a position to introduce new measures that we hoped the House of Commons would deal with as quickly as possible.

Naturally, we are left with the embarrassment of some of the measures from the old government still hanging over Parliament. We hope that those can be dealt with as quickly as possible so that we can get on with passing the tax credit measure, get on with passing the freedom of information bill, and get on with passing some of the other legislation that this government prepared over the summer for introduction.

Mr. Lumley: The Prime Minister has very carefully avoided answering the first part of my question with respect to what are the economic factors that he has seen since assuming office that he did not see before.

I would remind him that even during the pre-election period, when the Prime Minister was making promises which would not only add to the over-all budgetary deficit but would be inflationary, he was also saying that there was going to be a budgetary deficit far in excess of what was actually incurred by this government.

Mr. Clark: I do apologize, Mr. Speaker. There was such a distance betwen the start of the question and its end that I overlooked the first question. We did not know the exact nature of the extent of the Government of Canada's obligations until we had an opportunity to become the government and look at information which was not then available to us. There was information in relation to the obligations, the extent and nature of activities of certain Crown corporations which was not known to the government until we had an opportunity to look at information which was not available publicly.

There was a range of other questions which, because the former government did not believe in openness of information—which we believe in—had not been available to Parliament and to the public at that time. It became available to us when we became the government. That changed our view as to the nature of the economic problems with which we are dealing, and that is part of the reason why we have taken the decision on the particular question of interest rates to support the position put forward by the governor of the Bank of Canada.

RATE OF GROWTH OF THE ECONOMY

Hon. Jean Chrétien (Saint-Maurice): Mr. Speaker, in light of the admission by the Prime Minister that he did not know what he was talking about during the campaign—

Some hon. Members: Oh, oh!

Mr. Chrétien: —I would like to ask the Prime Minister when he will tell the public that he will not achieve the goals he promised the public during the campaign, that growth in the economy would reach an average of 5.5 per cent in four years.

[*Translation*]

Right Hon. Joe Clark (Prime Minister): Mr. Speaker, what I did say is that it was not possible for us to have the same degree of information before as after the election because the previous government did not have the same attitude concerning the publication of information as the present government. As to the economic objectives of the Government of Canada, a statement on this subject will be made by the Minister of Finance in his first budget.

Mr. Chrétien: I have a supplementary, Mr. Speaker. Considering the present difficulties of the government, does the right hon. Prime Minister intend to ask the Minister of Finance to delay his budget until he can give all the information on the economy in relation to the increase in oil prices?

Mr. Clark: Mr. Speaker, we hope we shall be able to secure an agreement on matters relating to oil prices as soon as possible. We are in the middle of negotiations and discussions with the provinces. It will be much easier for us to plan a budget with such an agreement, and I hope it will be possible. However, if there is no such agreement, there will be a budget before Christmas.

* * *

[*English*]

THE ENVIRONMENT

OIL DRILLING IN BEAUFORT SEA—HARMFUL EFFECT ON ENVIRONMENT

Mr. Peter Ittinuar (Nunatsiaq): Mr. Speaker, given the failure last week of the Minister of Indian Affairs and Northern Development to answer my question, would the Prime Minister please answer it?

Given the fact that the recommendations of on-site experts in the Arctic, who were engineers of the Department of Indian Affairs and Northern Development there, have been ignored and that the Department of the Environment guidelines which recommend that all drilling be stopped in the Beaufort Sea by October 5 have been ignored, and that insiders in the whole industry have stated publicly that the Dome Petroleum drilling program is operating on the very edge of the risk factor, will the Prime Minister explain why it is that Dome Petroleum was allowed to continue its production testing in the Beaufort against all advice and common sense; and what action does the minister plan to take to ensure that a disaster such as the Mexican oil spill does not happen in Canada?

Some hon. Members: Hear, hear!

Right Hon. Joe Clark (Prime Minister): Mr. Speaker, I thank the hon. member for his question, although I think he was a little ungenerous in the description of the answer given by the Minister of Indian Affairs and Northern Development. The hon. member put a question which had to do with some problems relating to administrative procedures within the Department of Indian Affairs and Northern Development, as I recall it. That was answered by the minister and I cannot elaborate on that answer.

In relation to the question concerning the Beaufort Sea, I had heard reports of the same allegation to which the hon. member made reference. We are looking into that. I can tell the hon. member and the House that drilling in the Beaufort Sea has ceased as of October 3.

Mr. Ittinuar: My supplementary question is again directed to the Prime Minister. Will the Prime Minister, then, set up a regulatory body including officials from the Department of the Environment, the Department of Indian Affairs and Northern Development, and others, to oversee offshore drilling in the Arctic; and will this body ensure that future decisions concerning offshore drilling are based on technical expertise rather than political pressure?

Mr. Clark: Mr. Speaker, that apparatus is now in place, and certainly the standard that will be followed by this government is that those decisions will be based upon technical expertise and not upon political pressure.

REASON GOVERNMENT ALLOWED DRILLING TO CONTINUE

Hon. Warren Allmand (Notre-Dame-de-Grâce): I have a supplementary question for the Prime Minister, Mr. Speaker. I have read very carefully the answer given by the Minister of Indian Affairs and Northern Development to the hon. member for Nunatsiaq last week, on October 26, and I find that at no time did he give the basis for the decision in Ottawa which overruled the technical experts in the north to whom he referred.

Can he tell the House on what basis the people in Ottawa overruled the technical experts in the north in allowing production tests to continue? He talks about information and says he will give more information to this House. So far he has not answered the question. He did not answer the question on Friday, and we are still left in the dark as to why the technical experts were overruled.

• (1440)

Right Hon. Joe Clark (Prime Minister): Mr. Speaker, the former minister is asking me a technical question. I do not

have any answer to that technical question today. I will get it and I will provide it to the House.

Mr. Allmand: Why did you not say that in the first place?

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[*Translation*]

OFFICIAL LANGUAGES

REQUEST FOR REPORT ON FEDERAL-PROVINCIAL MEETINGS CONCERNING SPENDING OF FEDERAL FUNDS

Mr. Jean-Robert Gauthier (Ottawa-Vanier): Mr. Speaker, I should like to put a question to the Secretary of State. It deals with federal-provincial agreements on the teaching of the official languages and the financial commitments the federal government negotiates every five years to renew those programs. Hon. members will recall that the last agreement expired March 31 last.

Can the minister tell the House whether he has met the provincial representatives and whether negotiations are making good progress? Can he also tell us whether his government will see to it that the provinces are accountable to the Canadian public for those expenditures, the way the money is spent, the criteria that apply and the rules of the game, generally, so that all Canadians and, in particular, those who live in minority surroundings, know where those amounts of money go, what they are used for and how they are spent?

[*English*]

Hon. David MacDonald (Secretary of State and Minister of Communications): Mr. Speaker, as the hon. member knows—and he has taken considerable interest in this particular program—there has been a hiatus of some time with respect to negotiations on the next five-year agreement.

I am pleased to report that as a result of meetings a week ago today with provincial ministers of education—this was mentioned in the communiqué published after the meeting—we have arrived at an important new understanding in the development of federal-provincial relations and support to second language and minority language education. Negotiations will now be resumed with respect to the next agreement, and I hope those negotiations will start very shortly.

Mr. Gauthier (Ottawa-Vanier): Mr. Speaker, the issue I raised concerned the funds paid to the provinces by the federal government in support of teaching in both official languages, and dealt mainly with the present lack of accountability of the provinces to the Canadian public, the lack of specific objectives and the necessary criteria which should be put in place so that we know exactly how these funds are spent.

Is the minister telling the House that he will hold firm to these criteria of accountability, the criteria and objectives being clearly put out to the provinces, or is he telling us that he is backing down on these things? This is what I want to know.

Mr. MacDonald (Egmont): Mr. Speaker, the hon. member has raised important questions, particularly about the matter of accountability which had been an outstanding issue of dissent among the previous government and the provinces. I think it was creating a rather unproductive relationship in terms of negotiating the next agreement.

What we did discuss a week ago today, and what we are continuing to work on, however, are the important principles and objectives with respect to the program. Initially, there was some very strong agreement on having a package of principles and objectives to which there is unanimous support provincially and federally. Beyond that we hope we can set up a program of support which will ensure the objectives that I think would satisfy all members of the House when they meet in achieving the kind of opportunities for second language and minority language education the program was originally constructed to achieve.

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PUBLIC WORKS

CHARGE-BACK PROGRAM FOR SPACE OCCUPIED BY DEPARTMENTS—GOVERNMENT POLICY

Mr. R. E. McKinley (Huron-Bruce): Mr. Speaker, my question is for the Minister of Public Works. During the last Parliament we advocated a revenue dependency policy for the Department of Public Works. This would be a charge-back policy to the departments of government for the space they occupy, and would be a built-in incentive for cost savings and would ensure the efficient use of government space.

Can the minister advise us if he is heading toward such a policy, what progress is being made, or if it has been forgotten?

Hon. Erik Nielsen (Minister of Public Works): No, Mr. Speaker, certainly it has not been forgotten. Since that recommendation was made, a pilot project has been under way in the Pacific region. The project is very much alive and we should be in a position to bring it forward for current consideration very soon.

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COMBINES INVESTIGATION ACT

PRICING POLICIES AND COMPETITION PRACTICES OF OIL COMPANIES—GOVERNMENT INVESTIGATION

Hon. J.-J. Blais (Nipissing): Mr. Speaker, my question is for the Prime Minister. It is public knowledge that an investigation has been commenced relating to pricing policies and competition practices amongst Canadian oil corporations. Also, it has been admitted by the Attorney General of Canada that he is considering the results of that investigation, undoubtedly in order to contemplate a potential or possible prosecution.

In view of what I have just recited, has the right hon. Prime Minister advised the Minister of Energy, Mines and Resources, who is an interested minister in this investigation, to stay away from the Attorney General of Canada while that gentleman is considering his responsibilities under the statute?

Mr. Hnatyshyn: He did not have to tell me.

Right Hon. Joe Clark (Prime Minister): Mr. Speaker, I have given no advice to the Minister of Energy, Mines and Resources with regard to that matter.

Mr. Blais: Mr. Speaker, in an article in the *Toronto Star* of Saturday there was a very revealing description of the power of the oil lobby on Parliament Hill. That article indicated that not only is the new national director of the Conservative party a former member of the company known as Imperial Oil but, indeed, two of the assistants of the Minister of Energy, Mines and Resources are former employees of Imperial Oil.

In view of the Prime Minister's evident condoning of meetings between interested ministers and the Attorney General prior to that minister exercising his responsibility under the Combines Investigation Act, and in view of the evident proximity between the Minister of Energy, Mines and Resources and the industry, I ask the hon. gentleman whether he would not now review his position and give express directions to the Minister of Energy, Mines and Resources to stay away from the Attorney General of Canada.

Mr. Baker (Nepean-Carleton): You are an embarrassment to Parliament.

Mr. Clark: Mr. Speaker, I will not try to deal with the allegations which the hon. member could not find it within himself to make directly. Certainly, I will take a look at the matter or have a conversation with the Attorney General of Canada to see if there is any instruction which he thinks would be helpful for me to give to any minister. If the hon. member has any accusations he wants to put, I hope he will make them in a direct fashion, if he is capable of directness.

* * *

THE CANADIAN ECONOMY

GOVERNMENT LIABILITIES AS RESULT OF CROWN CORPORATIONS

Hon. Robert K. Andras (Thunder Bay-Nipigon): Mr. Speaker, by way of a supplementary to the Prime Minister, I would like to pursue the line of questioning of my colleague, the hon. member for Stormont-Dundas. I would ask the Prime Minister to clarify one answer. I take it he did not deny that statements were by his colleagues, prior to and during the election, that the domestic deficit was higher than it actually turned out; he is not arguing that point. But in his answer there was an allusion to something about a problem he had identified since assuming office, a hitherto unknown problem, with regard to Crown corporations affecting the deficit. I would be grateful if the Prime Minister could elaborate a little on that answer, because I find it very confusing.

Right Hon. Joe Clark (Prime Minister): Mr. Speaker, I was referring to the liabilities which can lie against the Government of Canada as a result of some of the obligations that appear to lie directly against certain Crown corporations.

An hon. Member: Like Via Rail.

Mr. Andras: Mr. Speaker, is the Prime Minister honestly telling the House that that line of investigation, followed as we can assume by the introduction of Bill C-13 to adjust the Public Accounts, will actually have any effect on the cash requirements of this government in terms of the domestic deficit? Is he really saying that?

Mr. Clark: What I am saying, Mr. Speaker, is that some of the information which became available to us after we took office, including information having to do with the potential obligation of the Government of Canada as a guarantor in relation to certain Crown corporations, changed our view as to the extent of freedom that we had as a government.

There was a long list of other surprises to us. I will try to consult with some of my colleagues, and if the hon. member would like us to present a more lurid list of them, I am sure we can arrange that.

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ENERGY

SUBSIDIZATION OF PRICES IN NORTHERN CONSTITUENCIES—GOVERNMENT POSITION

Mr. Arnold Peters (Timiskaming): Mr. Speaker, I would like to ask a question of the Minister of Energy, Mines and Resources. In view of the fact gasoline prices and home heating fuel prices in northern constituencies are the highest in the country, would the government consider bringing in a program of subsidization of oil and oil products in Canada's northern areas to alleviate the current injustices and discrimination against all northern residents?

Some hon. Members: Hear, hear!

Hon. Ray Hnatyshyn (Minister of Energy, Mines and Resources): Mr. Speaker, my colleague, the Minister of Public Works, indicates that he gave that question to the hon. member to ask. But on a serious note, clearly we are, indeed, very much concerned with respect to the implications of any price increases in heating oil, gasoline and general petroleum products. These matters are under consideration. I would be glad to take the representations made by the hon. member into consideration in terms of our total energy package.

● (1450)

Mr. Peters: Mr. Speaker, I would like to thank the Minister of Public Works, since he has not been able himself to ask that question of the Minister of Energy, Mines and Resources.

My supplementary question is to the Minister of Finance. Since the cost of living figures show that northern areas in Canada have an inflation rate almost double that of southern areas of the country, would the Minister of Finance consider, in his forthcoming budget, bringing in a program of subsidizing essential goods and services, such as stove oil, gasoline, milk and bread, to overcome the particularly hard impact of inflation in Canada's northern areas, including the Yukon?

Hon. John C. Crosbie (Minister of Finance): Mr. Speaker, we are certainly very sympathetic to the problems of northern residents, and I am particularly conscious of their situation because of Labrador, in my own province, which is such an area. I would certainly consider the hon. member's representation to see what might be done.

I would point out to the House that at the present time power rates in the Yukon and the Northwest Territories, I believe, are subsidized by the Government of Canada because of the fact that their electricity comes from a very expensive source. It is generated by diesel power and the like. The hon. member has made a good point, and if we can do anything to help I will certainly look for a way.

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PENITENTIARIES

REPORTED RIOT AT KENT INSTITUTION—GOVERNMENT ACTION

Mr. Benno Friesen (Surrey-White Rock-North Delta): Mr. Speaker, my question is to the Solicitor General. Can the Solicitor General confirm or deny reports that there was a riot at the Kent institution last night and tell us, if there were damages, to what extent and whether or not an investigation is going on?

Hon. Allan Lawrence (Solicitor General and Minister of Consumer and Corporate Affairs): Mr. Speaker, I can give the information that there was a prisoner in B block who at about 4 a.m. Ottawa time started a fire in his cell. The fire was put out. The inmate was returned to his cell some time later, at which time all the inmates in B block began smashing up the interior of their cells. This eventually spread to A block and C block. That is the extent of my information at the moment, except that I can indicate that everything is under lock and key, and that they are all confined to their cells.

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[*Translation*]

LOTO CANADA

DISBANDING OF CORPORATION

Mr. Irénée Pelletier (Sherbrooke): Mr. Speaker, can the Minister of State for Fitness and Amateur Sport tell the House whether or not it is true that some of the provinces have returned their contracts to the federal government concerning the agreement on dismantling Loto Canada with, in some cases, very important alterations?

[*English*]

Hon. Steven E. Paproski (Minister of State for Fitness and Amateur Sport and Multiculturalism): No, Mr. Speaker.

[*Translation*]

INQUIRY WHETHER AGREEMENT SIGNED WITH PROVINCES—ALLOCATION OF FUNDS TO CULTURAL ORGANIZATIONS

Mr. Irénée Pelletier (Sherbrooke): Mr. Speaker, on a supplementary. Can the minister tell the House whether or not it is true that, contrary to the statements he made in the last few months, we still do not have, and that barely a few weeks before the last draw, a signed agreement with the provinces on this matter?

[*English*]

Hon. Steven E. Paproski (Minister of State for Fitness and Amateur Sport and Multiculturalism): Mr. Speaker, all the provincial ministers have signed the agreement. I see no difficulty in the agreement, and I will be glad to table it at the first of the year.

Mr. David Berger (Laurier): Mr. Speaker, my question is also directed to the Minister of Fitness and Amateur Sport. Could the minister tell us whether part of the agreement entailed retaining the use of the name Loto Canada, or whether there is some reference to Canada in the continued agreement on the lottery?

Mr. Paproski: No, Mr. Speaker.

Mr. Jim Fleming (York West): Mr. Speaker, I gather that the Minister for Fitness and Amateur Sport is saying that they do have an agreement and that Quebec has not sent back its contract asking for changes within it to the name Canada. If that is the case, I want to ask the Secretary of State if, considering the representations made last Friday, Arts Day, by the Canadian Conference on the Arts that $12 million minimum would be forthcoming from Loto Canada funds, he can assure the House that that will be the case, and those funds will be to supplement budgetary commitments already made for federal cultural institutions, as that group asked, rather than to supplant planned budgeting already in place?

Hon. David MacDonald (Secretary of State and Minister of Communications): Mr. Speaker, I think the hon. member knows, as do many hon. members, that when the announcement was originally made by the former government with respect to the use of these funds, it was very clearly enunciated that these funds would not be taking the place of funds normally made available through the general public revenues but would, in effect, achieve further accomplishments both in the artistic field as well as in the sports field. That is very much the intention of this government.

Mr. Fleming: Mr. Speaker, implicit in the minister's answer—and I thank him for it—is that those funds will go in other directions at the federal level. Considering the minister's statement of last November, that indeed the federal cultural institutions were starving for funding, and considering reports that the inquiry mentioned in the Speech from the Throne will not even begin until late spring—and it is almost a year since he made the "starving" statement—can he assure the House that there will be additional moneys forthcoming very soon in the future for federal cultural institutions?

Mr. MacDonald (Egmont): Mr. Speaker, of late I have had a number of meetings already with representatives of the cultural institutions as well as with provincial ministers. There is very great concern, I believe, at both the federal level and the provincial level that adequate funds be made available for the very important work of these agencies. What we are trying to do is look at an expanded basis for financial support and not rely solely on one means of support which, unfortunately, to date has been very much the case.

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TRANSPORT

EXTENSION OF RAIL SERVICE OVER NORTHERN CNR LINE

Hon. John M. Reid (Kenora-Rainy River): Mr. Speaker, my question is for the Minister of Transport. It concerns his recent decision, which I welcomed, to extend train service over the northern CNR line from three days to six days. I also want to thank the government for their courtesy in making available the $2 million to $3 million to allow the service to continue.

There has been some concern expressed that we would be going from seven days of service to six days. Can the minister tell the House if there is a possibility that when the CTC and VIA Rail begin to re-examine the route structure with the possibility of bringing in a regional service that would be more akin to the requirements of the region, the seven-day service should be one of those items discussed by the CTC and VIA Rail?

Hon. Don Mazankowski (Minister of Transport): Mr. Speaker, indeed, that was one of the options which was considered during the course of the deliberations on this very important subject. Of course, that would have meant postponement of the implementation of the final plan and would have entailed several disruptive factors, such as the schedules. More than 20,000 reservations had been booked, and train crews had been booked. It was virtually impossible to go along with the extension of the existing service. That was done in full consultation with Mr. Roberts of VIA Rail.

We did proceed with the implementation of a six-day week service for a six-month period. It is an interim service during which time the CTC will hold public hearings and VIA Rail will consult with various officials within the communities in an attempt to develop the best regional service to meet the needs of the northern Ontario residents who are affected.

ADMINISTRATION OF JUSTICE

REQUEST THAT CASE OF STEVEN TRUSCOTT BE RESTUDIED

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, in view of the fact that the Minister of Justice is not in this House, I shall put my question to the Prime Minister. It may be that the question should be put to the Prime Minister, in any case.

In view of the mounting evidence that the crime of which Steven Truscott was convicted may well have been committed by someone else, and in view of mounting evidence that all aspects of this case have not been thoroughly investigated, will the federal government make a thorough study of the case to see what can yet be done to exonorate this young man, so that he will not have to live his entire life as one who is out on parole?

Right Hon. Joe Clark (Prime Minister): Mr. Speaker, I will certainly consult with the Minister of Justice to determine whether there are any steps which could be taken by the Government of Canada and which should be taken in light of the information that has become, or is becoming, available. If there are steps, and if there is information, we will certainly act on that information and take those steps.

● (1500)

Mr. Knowles: Mr. Speaker, I thank the Prime Minister for that response. Will he permit me simply to remind him that the federal government did become a party to this case in 1966 when an inquiry was ordered, and also that at the present time Steven Truscott is under the authority of the National Parole Board. In other words, there are federal angles to the case.

* * *

[*Translation*]

NATIONAL UNITY

PARTICIPATION OF FEDERAL CIVIL SERVANTS IN QUEBEC REFERENDUM CAMPAIGN—GOVERNMENT POSITION

Mr. Gaston Isabelle (Hull): Mr. Speaker, I have a question for the right hon. Prime Minister. It stems from a recent press conference during which he made some rather disquieting remarks when questioned on federal civil servants taking an active part in the separatist referendum in Quebec, as when he submitted in particular that federal civil servants were free to do whatever they wanted after office hours, to the extent that this was legal. Was he giving a free hand to those who are already involved in the "yes" campaign so that they may intensify their activities, and was he by the same token asking the others to get involved in that campaign, which is contrary to section 32 of the Public Service Employment Act?

Right Hon. Joe Clark (Prime Minister): Mr. Speaker, the hon. member has already suggested in this House that some federal civil servants were giving active support to the separa-

tists, the PQ and the referendum. We have already asked the hon. member to give the names of the persons involved, if he has precise knowledge of them. I can also state that the previous government he supported introduced legislation, Bill C-60, if I am right—in which there was a specific provision, if I remember correctly, under which the section he referred to would not have applied to federal civil servants.

Mr. Isabelle: Mr. Speaker, I have a supplementary. The Prime Minister rightly stated there was no law introduced to that effect, but that is not the point. We are now caught with section 32 of the Public Service Employment Act, under which it is not a nine to five but a 24-hour a day provision precluding any political activity. Does the Prime Minister intend to ask for a legal opinion on whether political activity also includes the referendum campaign?

Mr. Clark: Mr. Speaker, I believe the Public Service Commission has already requested such an opinion from the Department of Justice. I believe, and I can check on that, that the act affects support to a party and it is not clear as far as federal civil servants are affected in the case of a referendum. Strictly speaking there are no parties, but a group in support of the "yes" answer and a group in support of the "no" answer. But I can ask the chairman of the Public Service Commission and give a more precise answer to the hon. member. As far as I am concerned, I can repeat the request by my ministers for a list of the names of civil servants who are now working against the interests of the Canadian government.

ROUTINE PROCEEDINGS

[*English*]

EXTERNAL AFFAIRS

ISRAEL—TABLING OF INTERIM REPORT ON LOCATION OF CANADIAN EMBASSY

Right Hon. Joe Clark (Prime Minister): Mr. Speaker, I would ask the permission of the House to lay upon the table a copy of an interim report in both official languages from the hon. Robert L. Stanfield, special representative of the Government of Canada and ambassador at large.

[*Translation*]

ISRAEL—LOCATION OF CANADIAN EMBASSY

Right Hon. Joe Clark (Prime Minister): Mr. Speaker, I tabled a preliminary report to government by the hon. Robert L. Stanfield, special government representative and ambassador at large on the subject of the location of the Canadian Embassy in Israel.

[Mr. Clark.]

[*English*]

As part of his mandate, Mr. Stanfield was asked for a recommendation on the implementation of our policy on Jerusalem in a way that would be compatible with the efforts that are being made to achieve a comprehensive peace settlement in the Middle East.

As a result of extensive consultations, Mr. Stanfield has concluded that a change in the location of the Canadian embassy in Israel could be seen as pre-judging negotiations among parties in the Middle East and might, in fact, work against progress to a just and lasting peace settlement.

The purpose of this government is to encourage that peace. Consequently, the government accepts the recommendation that no action be taken on the location of the Canadian embassy until the status of Jerusalem is clarified within a comprehensive agreement between Israel and its Arab neighbours.

We look forward, sir, to receiving Mr. Stanfield's final report so that the government might consider other matters involving our relations with the Middle East.

Some hon. Members: Hear, hear!

Right Hon. P. E. Trudeau (Leader of the Opposition): Mr. Speaker, what we seem to have now is the latest instalment in the series of withdrawals and flip-flops which were alluded to by the hon. member for Stormont-Dundas (Mr. Lumley) today. I do not suppose he knew he would be getting this recent instalment today. I must say, however, it is no surprise to the country and to Parliament that this had to come.

This is a very laconic and brief statement and I commend the Prime Minister (Mr. Clark) for making it now, as soon as he received Mr. Stanfield's interim report. When you are going to reverse your position I suppose the best thing is to do it quickly and quietly and sit down, as the Prime Minister has done.

It would have been interesting for Parliament to know why this policy, which is judged to be misguided now, was really adopted in the first place. Did the Prime Minister really think he was helping the cause of peace in the Middle East? We recall that last January when he was visiting that area he said it would be a misguided policy. By the month of April he had changed his mind. Did he change his mind really because he thought he was helping the cause of peace? Did he think he was improving relations with the Middle East? Did he think he was making the job easier for the Canadian peacekeepers in that area? If so, why did he change his mind now? After all, Mr. Stanfield's mission was, in the Prime Minister's own words, "To find recommendations on the way to implement" that policy. We find that now Mr. Stanfield is recommending, not ways to implement it, but clearly a withdrawal from that policy.

The question Canadians must ask the government is: was this really a considered policy by the government? What did it cost? I do not mean only in terms of economic loss, which the Minister of State for International Trade (Mr. Wilson) has

told us about, not only millions lost in real contracts but perhaps billions lost in terms of expectations. What did it cost in terms of Canada's credibility in the world?

Some hon. Members: Hear, hear!

Mr. Trudeau: Did it really call for an extensive tour by the right hon. member's former leader of all these various countries to find out that the policy was wrong, that it was misguided? He had been told that not only by members on this side and other parties, he had been told that by his own department. Why did he not change his mind sooner, Mr. Speaker, if there was going to be this loss of credibility, loss of face and this loss of financial considerations?

More important, and what the House would like to know, is what was the price paid to try and save the right hon. Prime Minister's face and that of his party? What price did Mr. Stanfield pay? I think we are beginning to see that there was a heavy price to pay, not only for Canada, once again in prestige and economic terms, but a price which was paid by this government in terms of reversing its policy on the move from Tel Aviv to Jerusalem. This is a policy which the government of Israel was justified in believing was made in sincerity, with an intent to carry it out and with the consequent weakening of our relations with a friendly foreign country. Not only, therefore, had Mr. Stanfield the price to pay of saying that he would get his Prime Minister to change that policy, but he also had to pay a much higher cost than that, Mr. Speaker.

• (1510)

I think we had the evidence on Thursday, when we were debating the anti-boycott legislation in this House, that Mr. Stanfield obviously gave another commitment on behalf of the government. The Liberal member for York Centre (Mr. Kaplan) presented a bill which was talked out. This was a bill bringing in anti-boycott legislation, a bill which the House will remember was not passed last spring because the government side, which was then in opposition, refused to give unanimous consent to proceed in one day. We were told on Thursday by the hon. member for Burlington (Mr. Kempling), a spokesman for the Conservative government, as reported in *Hansard* at page 613, that:

—it is our intention to talk this bill out today because we believe the report to be presented by Mr. Stanfield will have an impact—

I suggest that that is the second price paid, Mr. Speaker; not only a withdrawal of the policy of moving the embassy and the consequent embarrassment and disappointment of our friends in Israel, but also the second price, a more serious one, of talking out anti-boycott legislation which could have been passed had that government not deliberately decided to talk it out in the name of some future pie in the sky in the New Year, we are told. But, Mr. Speaker, if the right hon. Prime Minister is sincere in saying that they want to do something in the New Year, nothing would have prevented their coming in with some different kind of legislation. I am sure the House would have given unanimous consent if the hon. Prime Minister would have wanted to improve that legislation, but at least we would have something now. So that is the second serious cost of this prime ministerial blunder.

I see you are impatient, Mr. Speaker, because the right hon. Prime Minister did not have much to say, but I think the House has a lot to say on this.

Some hon. Members: Hear, hear!

Mr. Trudeau: I think the most serious price of all paid by the Hon. Robert Stanfield is the apparent commitment he gave, and the carrying out of that commitment, to meet the PLO. There was no hint from the government that they were going to recognize the PLO. The government, in an answer to the hon. member for Saint-Denis (Mr. Prud'homme), lamely tried to explain that it was not really a recognition of the PLO by the government because somehow Mr. Stanfield was an ambassador extraordinary; presumably he was not representing the government when he talked to the PLO, but presumably he was when he was talking to the other countries. This new theory of international law has never really been explained by the Prime Minister. But I think from the point of view of Israel and the people in Canada who are sympathetic to Israel, the *de facto* recognition of the PLO by this government as a price paid by the Hon. Robert Stanfield to cover up the right hon. Prime Minister's blunder is a very serious price indeed, I think one which will have lasting effect on the relations of Canada with the Middle East.

Some hon. Members: Hear, hear!

Mr. Trudeau: I can only conclude that this series of reversals is a further indication of the government's incompetence in the matter of foreign affairs. Since there was a reversal between January and April and now another reversal between April and October, I wonder if the information I have received from a high official in one of these Arab countries is not correct when he reported the Hon. Robert Stanfield as having said to some of these governments, "Don't worry, we will change the policy but also we will change the Prime Minister pretty soon".

Some hon. Members: Hear, hear!

Mr. Edward Broadbent (Oshawa): Mr. Speaker, the question of the possibility of moving the Canadian embassy to Jerusalem has to have been one of the most serious decisions—and I will come to that in a minute—and possibly one of the most serious reversals that this government has been involved in since May 22.

Our position as a party has been very clear on this issue. Not only do we see the very legitimate and real interests of the people of Israel and the historical claims of Jews to the city of Jerusalem; we have also recognized the very profound historical, religious and current political claims of the Arab countries. It is by no means a one-sided case that can be made about the fate of Jerusalem. Therefore, we took the position in the election campaign that it was an irresponsible action. In the context of jeopardizing very serious peace negotiations it was possible for the Government of Canada, or for a candidate

at that time for the prime ministership of Canada, to suggest that we would move our embassy unilaterally when the Camp David agreement between the two most important nations directly affected, Egypt and Isreal, had specifically said that the future of Jersualem was something to be resolved later on between the Israelis and the Arabs. We think it was a promise made irresponsibly in the campaign and repeated irresponsibly after the election.

It seems to me that we cannot simply pass these things off with the acknowledgment that an error has been made. I think responsible politics presumes that if you do not have enough information or knowledge about a position, then you do not announce a decision. That is that.

Some hon. Members: Hear, hear!

Mr. Broadbent: It seems to me that the Progressive Conservative leader, now Prime Minister (Mr. Clark), made an irresponsible commitment involving a lot of emotional responses from a good many people of Canada, namely the Jewish community, and for understandable reasons. A good number of them thought this was a positive move. For equivalent reasons a good number of Arab Canadians had contrary views, and certainly the Arab states expressed that view as well.

I want to stress that a good deal of attention has been paid in Canada to the economic reaction. I want to underscore that the Arabs have a religious, political and historical claim that is as profound as the Jews, and it has to be recognized as legitimate. I want to say it was an irresponsible decision to make it an election campaign promise and it was even more irresponsible to carry it out in the days immediately following the campaign.

Having said that, I will come to the Prime Minister's position because I am not yet perfectly clear about it. The Leader of the Opposition (Mr. Trudeau) may be, but if one reads the Prime Minister's statement it certainly needs some clarification for me.

Mr. Stanfield in his report is unequivocal on the point. He made the recommendation that: "It is my view the question"—please note the words—"of the relocation of the embassy must await the resolution of Jerusalem's status as part of a just and lasting comprehensive peace settlement". He said that after pointing out that the Arabs have "vital religious and political interests", as well as the Israelis.

Mr. Stanfield's position is clear. It seems to me to be the kind of position that every thinking Canadian who did not have profound, expert knowledge but elementary knowledge in the spring would have taken.

I turn to the Prime Minister's statement today, and that is what causes me concern. Unlike Mr. Stanfield, who says that the resolution of the question of the relocation has to be left to the future to be determined ultimately by a settlement reached by the states involved there, the Prime Minister used very different words in his statement. He said that "consequently the government accepts the recommendation that no action" be taken on the location of the Canadian embassy, etc. Maybe the Prime Minister will clarify this in the time we have to pose questions and receive answers. Why did he not say no decision will be reached now, no decision to move or not to move, until after the future is resolved? The implication at least is that the Prime Minister is holding to his old commitment that at some point a move will take place. If he had chosen the words of Mr. Stanfield, any possible ambiguity would have been removed.

• (1520)

Mr. Stanfield made it clear that the whole question of a move, even at some time in the future, has to be made in the context of a settlement reached by the states in the Middle East. I want to stress that my party is in full agreement with that position. It is in full agreement with Mr. Stanfield's position on this.

In conclusion, while it is clear that the future position about our embassy in the state of Israel, namely its location, has to be left until the future of Jerusalem is in fact determined by the states in the area, I wish to underscore the rights of the Jewish community in Canada to put as much pressure as any other group on the Government of Canada for what they believe in. That is very important.

I want to take this opportunity to dissociate my party from the Leader of the Opposition (Mr. Trudeau), who said vis-a-vis the Jewish community that they have "opened the way to growing anti-Semitism"—and that is from the Leader of the Opposition in the House of Commons—because of the pressure they are putting on the Government of Canada. I want to say the Jews of Canada have the same right as anyone else to push as forcefully as they wish, as forcefully as any Canadian citizen, for any policy they want, whether the Government of Canada ultimately agrees with it. To suggest the contrary is to indulge, or seem to indulge, in the course of action to which the Leader of the Opposition was objecting. I hope he reconsiders his words.

Mr. Trudeau: Mr. Speaker, I understand that under the rules we may now ask questions. I must take great exception to the statement by the leader of the New Democratic Party. It is a question of privilege on which I will ask Your Honour's guidance as to when it should be raised. However, I want to say now that he was presumably quoting from some press report which was not quoted accurately. It was not even given in an interview, but at a background briefing; in short, an interview in which I was asked about the actions of Mr. Moshe Dayan.

It is just as unfair for the leader of the New Democratic Party to take it out on me now when he knows I do not have a right under the rules to answer for perhaps a press release issued by some other members of the Canadian community. If the leader of the NDP had a point to make which is not on this particular policy, he should have chosen another way to make it.

My question to the Prime Minister is simply this. I indicated at the beginning of my remarks that Mr. Stanfield had a mandate to say how we could implement the government's

policy. We hear now that implementation is not proceeding. The question I have for the Prime Minister is: has the policy been changed or is it merely the implementation of it which has been delayed?

Mr. Clark: Mr. Speaker, it is not our intention now to move the Canadian embassy in Israel to Jerusalem.

Mr. Trudeau: Mr. Speaker, I think the word "now" is very, very crucial. I take it, and the Prime Minister can answer me, that the policy has not been changed, that they still want to move the embassy from Tel Aviv to Jerusalem, but they will not do it now. These are the words he used; I ask the Prime Minister to clarify them.

Mr. Clark: Excuse me, Mr. Speaker, what I should have said is "it is not now our policy". We do not intend to move the embassy from Tel Aviv to Jerusalem. If there is a just and lasting peace settlement that settles and clarifies the question of Jerusalem, that may allow us to reopen the question. Until there is such a clarification within the context of a just and lasting peace settlement, the Canadian embassy will stay in Tel Aviv.

* * *

CONSTITUENCY RECORDS ACT

PRESERVATION AND SURRENDER OF CONSTITUENCY RECORDS

Mr. Paul Dick (Lanark-Renfrew-Carleton) moved for leave to introduce Bill C-486, respecting the preservation and surrender of constituency records.

Some hon. Members: Explain.

Mr. Dick: Mr. Speaker, this is a bill which appeared before and was once debated. It deals with the passing from one member to his or her successor any information, especially original documents which might be received from constituents.

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

* * *

FEDERAL BUSINESS DEVELOPMENT BANK ACT

AMENDMENT RESPECTING ASSISTANCE FOR CANADIAN CITIZENS

Mr. Paul Dick (Lanark-Renfrew-Carleton) moved for leave to introduce Bill C-487, to amend the Federal Business Development Bank Act (corporate objects).

Some hon. Members: Explain.

Mr. Dick: Mr. Speaker, this bill is drafted so that any funds which the Federal Business Development Bank might loan to clients would be restricted to clients who are Canadian citizens, landed immigrants or companies beneficially owned by Canadian citizens or landed immigrants.

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

* * *

CANADIAN HUMAN RIGHTS ACT

AMENDMENT TO PREVENT DISCRIMINATION AGAINST PERSONS SUFFERING FROM CONTROLLED ILLNESS

Mr. Paul Dick (Lanark-Renfrew-Carleton) moved for leave to introduce Bill C-488, to amend the Canadian Human Rights Act (controlled illness).

Some hon. Members: Explain.

Mr. Dick: Mr. Speaker, I perceive there may be a weakness in the Canadian Human Rights Act in that it does not properly define people with certain handicaps. This is to define more clearly certain handicapped people as those with a disease which can be controlled by drugs in order that they will not be discriminated against.

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

* * *

CANADA ELECTIONS ACT

AMENDMENT RESPECTING APPOINTMENT OF POLL OFFICERS

Mr. Paul Dick (Lanark-Renfrew-Carleton) moved for leave to introduce Bill C-489, to amend the Canada Elections Act (partisan poll officers).

Some hon. Members: Explain.

Mr. Dick: Mr. Speaker, this bill is designed to overcome a very obvious inequity in the Canada Elections Act and to bring it more in tune with modern times, such as legislation in Ontario, Quebec and other provinces where the polling clerk and DRO are required to be from two different political parties.

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

* * *

HOUSE OF COMMONS ACT AND CANADA ELECTIONS ACT

AMENDMENTS TO RESTRICT PERIOD WITHIN WHICH BY-ELECTIONS MUST BE HELD

Mr. Paul Dick (Lanark-Renfrew-Carleton) moved for leave to introduce Bill C-490, to amend the House of Commons Act and the Canada Elections Act (by-elections).

Some hon. Members: Explain.

Mr. Dick: Mr. Speaker, this is a very important bill which I hope will one day pass. It restricts the time the government would have for calling a byelection. It should be noted that Canada has the slowest procedure for calling a byelection of any country in the democratic world. This would restrict the time in which this must come about.

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

* * *

● (1530)

CRIMINAL CODE

AMENDMENT PROHIBITING PUBLICATION OF IDENTITY OF ACCUSED PERSONS

Mr. Paul Dick (Lanark-Renfrew-Carleton) moved for leave to introduce Bill C-491, to amend the Criminal Code (reporting names of accused).

He said: This is a bill introduced almost in the sense of a devil's advocate but on what I consider to be a very important topic, one which ought to be considered, and that is that the name of an accused should not be allowed to appear in the press until the accused is convicted.

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

* * *

[*Translation*]

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. David Kilgour (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, the following question will be answered today: No. 66.

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

[*Text*]

DOMINION COAL BOARD

Question No. 66—**Mr. Orlikow:**

1. Who (a) is the president (b) are the vice-presidents of the Dominion Coal Board?

2. What is the annual salary in each case?

Hon. Ray Hnatyshyn (Minister of Energy, Mines and Resources): The Department of Energy, Mines and Resources reports as follows: 1. The Dominion Coal Board was dissolved by the Dominion Coal Board Dissolution Act which was proclaimed in force on May 1, 1970. Subsequently, some of the staff, duties and responsibilities of the Dominion Coal Board were transferred to the Department of Energy, Mines and Resources.

2. Not applicable.

[Mr. Dick.]

[*English*]

Mr. Speaker: Shall the remaining questions be allowed to stand?

Some hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

WAYS AND MEANS

INCOME TAX ACT

Hon. John C. Crosbie (Minister of Finance) moved that a ways and means motion to amend the Income Tax Act, laid upon the table Thursday, October 26, be concurred in.

Motion agreed to.

* * *

INCOME TAX ACT

AMENDMENT TO PROVIDE TAX CREDIT IN RESPECT OF MORTGAGE INTEREST AND PROPERTY TAX

Hon. John C. Crosbie (Minister of Finance) moved that Bill C-20, to amend the Income Tax Act to provide a tax credit in respect of mortgage interest and homeowner property tax, be read a first time.

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

* * *

BORROWING AUTHORITY ACT, 1979-80

SUPPLEMENTARY BORROWING AUTHORITY FOR 1979-80

The House resumed, from Friday, October 26, consideration of the motion of Mr. Crosbie that Bill C-10, to provide supplementary borrowing authority for the fiscal year 1979-80, be read the second time and referred to the Standing Committe on Finance, Trade and Economic Affairs.

Mr. Speaker: The hon. member for Timiskaming.

Mr. Knowles: Hear, hear!

Mr. Arnold Peters (Timiskaming): Mr. Speaker, that spontaneous outburst by my colleague from Winnipeg North Centre (Mr. Knowles) reminds me of a 90 years old gentleman visiting here from Britain a few days ago who was shocked when he heard everybody clapping; he wondered what had happened to the Canadian Parliament and its following of the tradition of the British house where nobody is ever heard to clap.

The reason I participate in this debate is that along with a lot of other Canadians I am concerned by the fact that we are going outside the country once again to borrow very large sums of money, in this case about $7 billion, knowing full well that if we did not have a trade balance that carried a deficit of about $8 billion we would probably not have to borrow that money.

In the second place, like anyone who has to go to Household Finance we are going to find as a people that the interest rate is likely to be disastrous, that we will have to pay at least the prime interest rate, probably more, and that part of the reason we are paying it is because the Americans cannot add. It is really extraordinary that the governor of the Bank of Canada should appear before the finance committee and tell us we have to raise our prime rate because the Americans raised theirs, only for the public to find that the Americans raised their interest rate because they had made a mistake in their calculation of the money supply in their country.

So, Mr. Speaker, if I go to Household Finance for money to buy a television set, I have to suffer because of the inability of some people in America to do arithmetic. It seems idiotic that I should have to pay for a mistake the Americans made. We talk about Canadian identity. Surely our financial structure has not got much if we depend on another country to do the proper calculations and come up with the appropriate interest rate I should pay on money I borrow to buy a television, a car, or whatever else I might buy in my own country. I believe most Canadians, like myself, disagree with the proposition that we must become continental in setting the price of our money, interest rates, the price of oil, of cars, and of almost every other commodity we use just because the American set it.

The government is now proposing to borrow this money knowing full well we are not following the philosophy of the Minister of Finance (Mr. Crosbie) urging privatization, because privatization, he believes, is the best way of doing things. This philosophy goes out of the window. There is no competition among the banks. We do not find one bank charging one price and another bank charging another. Once a decision is made by the Bank of Canada, all the banks raise their interest rates to the same rate because they all borrow from the same source. All these banks are making a good profit and some of them could probably afford to drop by half a per cent the amount they charge on their loans for houses, farms and so on with a little push from us. That would be possible and they still would be able to make a profit. But they have no intention of doing so. They decide, as a great monopoly, that everybody has to pay the same, no matter what bank they go to.

It is not without interest that some of the staff of the House of Commons have recently decided that they will no longer deal with ordinary banks. Many of the staff in this building have decided to put their money into the Province of Ontario Savings Office. I have never heard of it before myself, but it has a small branch on Sparks Street. The reason they give for doing so is that though there are no frills, no big buildings, there are no extra charges, they get the interest on their money and if they want to write cheques against the whole of the amount in their account it does not cost them extra. I do not know whether the Province of Ontario Savings Office is making a huge profit or not, but even that does not constitute real competition.

The other day we got into a discussion with the Minister of State for Small Businesses and Industry (Mr. Huntington). It was an interesting discussion and I may have missed some of it, but I am not sure why he made an interjection. He did so after I had stated that according to the advertisements put out by the pulp and paper companies we should not burn down the forests of Ontario, because in Ontario out of every dollar that changes hands in the province, 27 cents comes directly or indirectly from the forest industry.

Apparently the minister disagreed with that statement. According to him, the major factor in the Canadian economy was the manufacturing sector. Well, Mr. Speaker, he has only been minister for a very short time and he probably does not know much about the situation yet. I listened to him debating on television with the former minister of industry, trade and commerce and I think he ought to take a few lessons before he starts lecturing anyone else.

● (1540)

I was surprised to find that the primary industry is not the big producer in Canada I thought it was, but neither is the manufacturing industry. According to Statistics Canada, the manufacturing industry dropped from 26 per cent in 1970 to 19 per cent now in terms of our gross national product. Its production is going down, not the other way, and this is very much reflected in the deficit we have in our estimated balance of payments for this year, which will be about $8 billion. That figure may increase before the end of the year.

Surprisingly enough, the largest sector in this country is the third sector, the service industry. More transactions take place in that industry, and it is in that industry that the largest percentage of the gross national product is involved. Its production is considerably greater than that of the manufacturing industry of this nation, and it is also much greater than that of the primary industry.

If we want to eliminate our $8 billion estimated balance of payments deficit—and I am sure the minister would like to do that—there is a way of doing it. In this country today we are producing about 1.5 million ounces of gold. That gold was produced by the same mines at about $35 an ounce not too long ago, and the government was subsidizing $15, $20 and up to about $55 an ounce. On the average the country lost about $15 on the gold it was subsidizing, but it is interesting to note that at the end of the emergency gold mines assistance program Canada held enough gold and the increase in the price of gold was sufficient that we were able in one swoop and with a very small amount of gold to write off the total deficit of emergency gold mines assistance. The amounts over 15 years were considered sufficient to keep the mining industry in operation.

Not long ago the Ontario government, the federal government and the municipalities involved participated in the Kirkland Lake area in a magnetometer survey, an electronic survey involving ground evaluation and magnetometer and electromagnetic surveys. As a result the maps for that area now show that there is considerably more wealth in the ground in the Kirkland Lake area than has been mined.

If the Minister of Finance was to decide to mine gold again, he would have to mine only 20 million ounces a year to eliminate the balance of payments deficit. Gold is being mined today in the mines which are already in operation. According to estimates the cost of production is about $115 an ounce. That gold is now selling for something over $400 Canadian. If we were to take 20 million ounces plus the cost of production, we could wipe out the total trade deficit we have, the whole balance of payments deficit, for the next year. This is possible. The government would have to make the decision that it would be its development and that it would mine the gold for the specific purpose of getting rid of the balance of payments. It would mean that we would not be out borrowing in the market. We would not be out looking for loans in the countries of the world, including the United States and Europe. We would be able to balance our payments through the simple operation of mining gold.

When we talked about the gold bullion coin, immediately the people in the Department of Finance tore out their hair because of all the work they had done on the Bretton Woods Agreement. I understand that we are going to discuss the Bretton Woods Agreement shortly. The Bretton Woods Agreement was drawn up after the war to get rid of the gold standard. It resulted eventually in the establishment of the International Monetary Fund. It was decided that the base of international currency was to be the American dollar. A new unit of borrowing was established. That meant that United States banks lent so much money around the world that if those loans were called, there would be bankruptcies. It is interesting to know that the federal reserve in the United States is smaller than the loan to one country, Turkey. Turkey owes American banks $13 billion. The federal reserve fund is only $9 billion. If the banks were to call that particular loan, obviously the federal reserve fund would be bankrupt. That would mean that the banks in the United States would start to fall because the only thing propping them up is the federal reserve insurance.

That will not happen because the secretary of state and the secretary of defence in the United States will not allow that to happen. If Turkey was put into bankruptcy, Turkey would no longer be in the NATO camp. Therefore, there obviously will not be any effort to collect that loan. In fact, the American people will eventually pay off the loan for defence purposes. The International Monetary Fund did not work. It was set up by people like the minister in charge of small business. They really did not understand the whole problem or its ramifications. They really believed that people would be able to trade on script forever. That meant that the United States was able to print money like it was going out of style, to the point where Nixon, when he was president of the United States, had to declare that there would no longer be a reclaiming of American dollars for gold. When he said that the reclaiming of those bills for gold could no longer be done, that meant that those dollars would never be back in the United States and would in effect be floating around in Europe to be used for whatever purpose the Europeans desired.

It is very interesting to note that those Eurodollars which probably carried an actual value of six cents or seven cents on the dollar were used not long ago by the Reichbank in Germany to buy all the gold that the United States put on the market. The Reichbank bought the total amount, and it would not have mattered what the price was. The bank could have paid $500 or $600 an ounce, it really did not make any difference, because the gold was worth something. The paper was hardly worth the cost to print it.

The Minister of Finance is obviously not going to consider the mining of gold. He is not going to recognize the interest in gold because in financial circles it is considered to be a disaster to look at a base in gold today. However, he really should look at how some countries have balanced their payments. We sell our wheat to Russia. Until very recently Russia has paid us with gold, and we bought that gold at $35 an ounce when gold was selling on the open market at considerably higher prices. Now Russia is asking a number of countries to bid on supplying their currencies against gold on the international market. That will mean that Russia will be selling its gold for acceptable currency with which Russia can buy commodities from other countries, such as our wheat, and give us in return the currencies of other countries.

The reason the Russians have not played around with transferring roubles to Canada and establishing the value of the rouble was very simple. They did not want to debase their own currency. They did not want to put their currency against that of any country in the world. For years they have mined gold and used it as their method of external exchange and foreign trade. They have not played around with the rouble on international money markets. This means, of course, that whatever the value of the rouble, it is not devalued by putting it against any other currency in the world. South Africa has mined gold at great cost, I am sure. I am sure that they have mined gold at a considerably higher price than the $35 they were getting two years ago for that commodity. They mined it simply because they could go to the international marketplace and buy the goods, services and all their needs in such a way as to balance their trade with the gold they produced.

● (1550)

I am sure that we in this country are in a position to produce very easily the 20 million ounces of gold which we would need to balance our payments so that we do not end up with a deficit and have to borrow money. Any sensible government would take means to protect its economy. For instance, one could stop the flow of money out of the country. It was very interesting to read in a U.S. paper that the Americans are very concerned about the control which Canadians have on their

money supply. Most people do not realize that we send out more money than we bring into this country. We own many of the financial institutions in the United States through our control of insurance companies. We are the best savers in the world. When we are at the height of prosperity we still prepare for a depression. When people save, they save themselves into a depression. Much of this is done by sending our money out of the country through insurance companies and depositing it in another country at its face value, to be used by that country, such as the United States. We allow Americans to use the inflationary period to reap the benefits of that money, and we are still covered for the face value of the insurance policy which we bought when our dollar was worth $1 rather than the 40 cents or 50 cents it is now worth.

We are probably not going to mine gold, but I would like the minister to look at this question because I am sure he has some new ideas. I am sure he is well aware of the fact that the mining industry is perturbed by the fact that gold is not being mined. One of the reasons they cannot mine gold is that an immense outlay of capital is necessary for any mining company to go into operation today, not so much for underground mining because in many cases the mines are there, the reserves are known and so are the values. Samples have been taken and diamond drilling has been done. All possible ways have been explored to ascertain the value of that mine. In fact, all these things have been done in general years ago. But one of the expenses will be the building of a mill, and to make that kind of expenditure, it is necessary for the government to step in.

I am glad to see the Minister responsible for DREE (Mr. MacKay) here. Perhaps the minister will have to give some consideration to providing a long range financing structure for the establishment of mills. I see in this country the establishment of a big mill in a mining community, the establishment of a custom mill, and the government would be the only entity which the mining community would trust because it is generally believed by the mining community that all mining companies cheat. I worked in the gold mining industry for 15 years as an underground miner and I also agree that generally mining companies cheat and are dishonest. They have nothing to recommend them. Of course, that can be corrected. They do not trust each other, and certainly I did not trust them when I was a miner. I struck against them many times. I did not believe their financial statements because I figured they were loaded against me as a worker. Workers still believe that.

The gold mining industry as had a bad reputation. However, over the last 15 or 20 years they have been closely supervised by the government. Because their books have been looked at by the government, because all emergency gold mining assistance was paid only after the mine showed the government its books, I am sure the situation which I knew 25 years ago has changed. I think that now those mines can be trusted, but I believe they are doubtful as to whether they can trust each other. The same is true of cobalt. They send their assays to a mill owned by the provincial government, and they send their ores there which are tested. The mining company which sends its ores there knows full well it will get exactly what they sent; there is no question about the honesty of that particular mill. But there have always been questions about some of the other custom mills.

However, in my opinion, the government cannot guarantee the price of gold. To do that, it would have to go back to the gold standard; it would have to establish the gold standard for Canada, and people are not yet ready for that. Most individuals in the world who are well off today have gone back to the gold standard. They have decided it is better to buy the Kruger Rand, the Maple Leaf coin or the old English guinea because governments back those coins so far as their quality and weight are concerned and they are better deals than the American dollar, treasury notes, mortgages, debentures, or other such things.

For that reason, the price of gold has risen to unreasonably high levels. I suggest that if this government enters into the mining industry and finds a way to start operating gold mines, it would be able to buy offshore oil without the price escalating one iota. Probably the total reason for the inflationary rise in our dollar is the escalation of the price of gold, and that is probably close to the inflationary factor in the world today. The government might find that they would get the same amount of oil for one ounce of gold today as they did ten years ago when the price of oil was considerably lower, and so was the price of gold. It might even be able to buy more oil than it did then. But it seems to me that we should not let those people in the Department of Finance who have studied under Keynes, who believe sincerely in the Bretton Woods Agreement and who were involved in the setting up of the International Monetary Fund, dominate our thinking on what you and I would like as a hedge against inflation. Rather than going out and borrowing $7 billion at 14 per cent tomorrow, we could use a small amount of that money for developing a gold mining industry in conjunction with the government so that we as Canadians could use that gold to make the lot of future generations in Canada much easier as a result of the elimination of much of our foreign debt.

The Acting Speaker (Mr. Scott, Victoria-Haliburton): Order, please. I must inform the House that if the minister speaks at this time, he will close the debate.

Hon. John C. Crosbie (Minister of Finance): Mr. Speaker, no more speeches. Having waited so long for the end of this debate, I will not speak for very long, but I think I have to reply to some of the points that were made.

Let me come back first to the principle of this bill to authorize the government to borrow $7 billion up to the end of this financial year. One of the features of this bill is that if $7 billion is not borrowed by the government by March 31, 1980, the borrowing authority will die and we will have to come back to the House to ask for further authority to borrow funds.

Why do we have to borrow $7 billion? We have to borrow that amount because the previous government—I know hon. members opposite do not like to hear the previous government mentioned, are ashamed to hear it mentioned—brought down a budget last year. In that budget there is a deficit. What is

the deficit? Well, the deficit in the budget brought in by the hon. member for Saint-Maurice (Mr. Chrétien) last November 16 was $11,300 million.

• (1600)

If one spends $11,300 million more than one has, one has to get the $11,300 million from somewhere. Where does one get it from? One gets it from people who lend money. How does one get people to lend money? You ask the House to give the authority to borrow the necessary funds. Why are we not asking the House for authority to borrow $11,300 million? It is because we did not need the authority to borrow $11,300 million. Due to the authorities given by this House in previous years, it was tucked away here and tucked away there, in this pocket here or that little cubbyhole there. It was borrowing authority that had never been cancelled by the House. So we discovered that we only needed to borrow or to ask the House to give us authority to borrow $7 billion, because the government had previous authority from other sources to borrow the rest. So we are only asking the House to give us the authority to borrow what appears to be absolutely necessary, although we could have come in, as our Liberal predecessors did last year, and asked the House to authorize $10 biilion.

It was hon. members opposite who are now members of the official opposition that asked this House in the income tax legislation earlier in 1979 to authorize them to borrow $10 billion. So we are coming in and asking the House for the authority to borrow $3 billion less than the official opposition requested when it was the government. Lo and behold, members of the official opposition are on their feet condemning us; it is a shocking thing we have done, to ask this House to let us borrow $7 billion. It is dastardly; it is absolutely astounding that we have the audacity to do this!

If we do not do it, where will we get the money to spend in accordance with the estimates that they prepared for the House? Are we going to manufacture it out of thin air?

Mr. Peters: From gold mining.

Mr. Crosbie: Where are we going to get it? Do we ask members to surrender the gold from their teeth? I hear the hon. gentleman talking about gold mining. We had to ask the House to authorize this $7 billion borrowing, because we are carrying out the budget left to us by the hon. gentlemen opposite.

I was shocked and amazed. I will not describe it with an adjective because I want to get on with everybody in the House, particularly in view of the fact that they take so long when they are discussing a bill. I will not describe how unusual that behaviour is. We are talked at for four days because we asked for $7 billion to do the job that hon. gentlemen opposite wanted $10 billion authority to do. Certainly it is most peculiar. One would almost think that they are playing partisan politics.

An hon. Member: Never, never.

[Mr. Crosbie.]

Mr. Crosbie: I would never suspect them of doing that. Let us look at some of the things that were said by hon. gentlemen opposite. It reminded me of the old admonition that the criminal always returns to the scene of his crime. That is just what hon. gentlemen did; they returned to the scene of their crimes. They are chastising us because we asked for $7 billion of borrowing authority. They had the—what can one call it? They had the unmitigated gall—

An hon. Member: That is putting it mildly.

Mr. Crosbie: Yes, that is putting it mildly. They had the unmitigated gall to say that we should not ask for this borrowing authority before the budget. They came here some 12 months ago to ask for some borrowing authority before they brought down a budget and before they presented any estimates to the House. The House had no estimates before it. We are asking for a borrowing authority. Not only is there a budget of last November, a year ago, but the estimates have been before the House since before the House was dissolved, if I remember correctly. So all the estimates are before the House, and the supplementary estimates.

Everyone knows how we plan to spend the money, there is no confusion about that.Yet it is suggested by hon. gentlemen opposite, such as the new finance critic—where was he when he was needed? Where was he when he should have been minister of finance? Where was he when he should have been putting his new views before the people of Canada? Where was he for the last four or five years? He was relegated to another role. Certainly he was not in cabinet, and now he is being trotted out. He is being trotted out because the hon. member for Saint-Maurice is afraid to get up in the House and ask a financial question. He dare not ask one, knowing how silly he will sound if he does. The hon. member for Windsor West (Mr. Gray) was the one who said that we should not get borrowing authority because we do not have a budget yet.

I suppose there is not much point in getting into the debate on interest rates at this stage, although a lot of members opposite raised it. We will have other occasions. As a matter of fact, I have been attacked in the House because it was alleged that I did not want to go before the House of Commons Standing Committee on Finance, Trade and Economic Affairs.

An hon. Member: When did you want to go?

Mr. Crosbie: It was wrongly alleged that I did not want to go there until after Governor Bouey had been there. I did not want to go there until Governor Bouey had been there because Governor Bouey wanted to go before I was there. He wanted to do as had always been done in the past, to appear first and the minister would appear after. But I am more than willing to go. I am going to be there tomorrow morning.

We had a motion here today to allow the whole matter to be televised. These ferocious lions opposite have been attacking me because I will not go before the House of Commons finance committee, implying that I am afraid to answer their questions. We want the television cameras there so that the people of Canada can see what is being said and asked there.

We requested that and moved a motion today. The hon. member for Vancouver Quadra (Mr. Clarke) moved the motion. The member who accused me in the House of refusing to go before the committee, a member from Montreal, the hon. member for Vaudreuil (Mr. Herbert), said no and would not allow the motion to be approved.

I am neither afraid to go before the committee nor afraid to go before the committee televised. But apparently the hon. gentlemen in the official opposition do not want that. They do not want the people of Canada to see the clarity of my answers, the way in which I handle their questions, and the way in which I will point out to them what they said a few months ago, a few weeks ago, a year ago, two years ago, and what the hon. member for Saint-Maurice said and did not say. I could stand up in this House any day of the week and just copy the answers of the former minister of finance.

An hon. Member: You have done that.

Mr. Crosbie: No, I have not needed to do that. I have been able to dream up the same reasons myself! I say that I hope hon. gentlemen tomorrow will allow us to have television cameras in this committee.

One of the hon. ladies from Vancouver talked about the *Titanic*. I guess it is like the *Titanic*. We have a crew over here that is pumping her out. The *Titanic* was on her way down, if we want to compare the Canadian economy to the *Titanic*, and the captain and the crew over here are pumping her out as fast as we can. When we are able to bring in our fiscal policy to complement the monetary policy, then we will get Canada on the way again. We are not expecting that governor Bouey and his monetary policy can do this job. It cannot be done with monetary policy alone. It has to be done with a combination of monetary policy and fiscal policy.

Two great things which are so hurting the economy of this country and causing the huge budgetary deficit which we must start eliminating in a healthy manner are overspending and too much tax reduction, leading to a great deficit. That must be cut back if there is going to be a chance to get ahead with the huge deficit in the balance of payments in our international account. That has got to be dealt with. These things take time. What is the good of hon. gentlemen getting up in the House and saying that we should not pay interest, that we should not pay dividends to outside investors, that we should stop doing this? So what? If we stop doing this right now, if from tomorrow onward we pay no extra interest or no extra dividends to outside investors, we would still have to pay those who have already invested and lent us money. We would still have this problem. It would still be a problem for another two, three, four or five years. We were a long time getting to this position, and we are going to be a pretty long time getting out of it. It is not something anyone can cure overnight.

The hon. gentlemen from the NDP say that we should stop this, that we should stop foreign investment and that we should stop borrowing more money abroad. What are we supposed to do? Are we supposed to wave a magic wand so that we can suddenly stop paying out these billions of dollars which Canadians and governments in Canada owe to foreign investors and foreign lenders? We cannot do that. This is a problem that nobody has a magic wand to cure. Since 1945 this country has been allowing itself to become more and more economically dependent on the United States of America. It is not something that started on June 5 when we became the government; that is a situation which has been building up and building up for the last 30 or 40 years. Now 70 per cent of our exports go to the United States and 70 per cent of our imports come from the United States. We have a lot of our industry owned by the Americans and outside investors. We borrow huge sums outside Canada. So that is not something we can reverse overnight. That is not something we will reverse this year. That is not something that can be reversed this year and next year together. It will not be reversed the year after or the year after that either. It is something which we start with now, and if we are successful we may have a good chance at starting a reversal and bringing the current account deficit down over the next four or five years.

• (1610)

That is our message to the Canadian public. We cannot undo all this damage overnight, no one can. There is no magic wand. That is the course we will start on. Because if we do not start somewhere we will never get there. If one does not start on the road, one will never get to the end of it. I will not go into any more detail now, it is not the proper time. We will have lots of time to debate that matter in the coming budget debate.

I was chastised because I was a bit lighthearted when I debated the introduction of this bill. While debating in this House, I try to enjoy the debate, to poke some fun at the other side and so on. A number of sourpusses opposite got up and attacked me as though there was something unhealthy or wrong with trying to enjoy oneself when debating a measure in this House and trying to show one's sense of humour. God knows, I have little to laugh about. If I cannot get up and attempt a jest or two in this House, I will be in pretty bad shape. It will be pretty gloomy.

As the hon. gentleman from British Columbia pointed out the other day, I was not looking happy, and I explained the reason why. I went through this before, starting back in 1972. I did not smile for three years while I was minister of finance in Newfoundland. Now I am trying a different approach and I am being attacked in the House for taking this matter all too lightly. If the Canadian Minister of Finance must go around looking like the hunchback of Notre Dame, I will do it to avoid being attacked. You have seen my last smile or chuckle in this House, Mr. Speaker.

The hon. member for Saint-Maurice got up the other day and said there was nothing funny about this matter. He said that the situation was not funny. The hon. member should certainly know that the situation is not funny because he left me this unfunny situation. If I am to listen to his advice, I will have to be lugubrious. One must be very lugubrious if one is to

be Minister of Finance in this House. From now on "lugubriousness" is the order of the day.

What else is there? Did anybody else say anything of any note? The hon. member for Saint-Maurice said that the countries that have oil do not charge the full price for their oil. He gave the example of Venezuala. That may be true. I have not checked out Venezuela, but I know that the United Kingdom has lots of oil in their North Sea, and that if anybody visits the United Kingdom they will find out what they charge for oil and gasoline. The western industrialized countries that have their own indigenous supplies of oil are paying the full international price. That will come to us over the next three or four years, also under our carefully worked out policy, which will be expanded on in every detail once the final flourishing touches are put to it after the first ministers have met.

We will tackle the pricing of oil because it was never attacked by our predecessors. We know that until that problem is tackled and resolved there will not be any major improvement in our economic activity. It cannot be done until we have dealt fairly with Alberta and with this country and put before the people of Canada, and had accepted by them, a policy that will lead us in three to four years' time—always keeping in mind U.S. prices—to the full value of our oil and gas products. We are going to tackle that problem. We are not going to evade it. We do not want to do that, because the Canadian public do not want cosmetic improvements, they want action.

I want a budget, Mr. Speaker. I have been waiting since June 5 to have a chance to bring a budget into this House. I plead with hon. members opposite to help me in doing that by passing, for example, this legislation, after reasonable discussion and debate, and the bills remaining from the last budget of the previous minister of finance, so that we have the decks clear and can get on with discussing it.

If that can be done within a reasonable period of time, I am hoping to bring a budget into this House before the end of November. My budget will outline what we think the fiscal and monetary answers are to the problems of this country. I do not want people to think that the solutions will not cause some hurt. There is no painless way to overcome inflation or these other economic problems we face in Canada. We only hope that the process will be as short as possible. We will have a budget as soon as this honourable House permits us to have a budget and to get on with it.

The hon. member for Winnipeg North (Mr. Orlikow) said he had no objection to deficit financing. That is a well known fact and I will not even comment on it. We know that the hon. members in the NDP have no objection to deficit financing. It is the only kind of financing they understand.

After having been criticized by hon. members opposite for not going to the House of Commons finance committee and after their having said how eager they were to have Governor Bouey and myself come to the committee, the other afternoon, in the middle of this debate, an hon. member moved that the debate adjourn. He interrupted Governor Bouey in his testimony before the finance committee, and interfered with all the questioners because we were brought back to the House. As a result, an hour to an hour and a half's time was lost in questioning Governor Bouey. That shows that perhaps it was not strict impartiality with which they were approaching this matter.

The hon. member from Saskatchewan who is sometimes called "Nasty Nystrom" or "Nosy Nystrom"—I have forgotten the name of his riding—said that I had had a conversion on the road to Damascus. Apparently I am allowed to move there. The hon. member said he did not want the government to borrow $7 billion and he accused me of being a right-winger. I say that the hon. member is a "left-footer". He wanted to know why we should need to borrow $7 billion.

I would like to know what the NDP would like us to cut out of our budget to offset this $7 billion in spending. Should we cut out the social security cheques? Should we do away with the child tax credit? Should we do away with payments to veterans? Is that what the hon. gentlemen of that party want us to cut to make up the $7 billion? We are borrowing this money to carry out these programs. The hon. member did not say exactly why we do not need this $7 billion, and he would not tell me what to cut out of the expenditures.

The hon. member for Gander-Twillingate (Mr. Baker), who is not here today, talked about the arterial road water supply system in the riding of St. John's West. I plead guilty to giving my constituents good service. I can promise them that if they keep returning me to this chamber, as long as I have a breath left in my body I will certainly do the best I can for my constituents in St. John's West, just as the hon. member is doing for his constituents in the riding of Gander-Twillingate. But just because the hon. member is not doing as well as I am, there is no need for him to point a finger in scorn at me. The only advice that I can give to the people in his riding is that they get rid of a member who cannot get them as much as the member for St. John's West can, and try and do better. I have to admit that it took seven to eight years before those expenditures were made on this arterial road, the metropolitan water supply system and the like. I can also say to the member for Gander-Twillingate that if he needs a hand to find his way around the new government, give me a call. The hon. member is a good friend of mine, and I can remember when we were together in previous times. He ran for our party in the provincial election in 1971.

Mr. Peters: Which party?

Mr. Crosbie: He ran for the Conservative party. It was after my conversion. The hon. member for Gander-Twillingate converted to the PC's, he reconverted to the Liberals and God knows where he is now. He is reconstituted somewhere. It would do the hon. gentlemen opposite some good to get converted. I suggest they come over here and see what it is like and get off that left foot.

I think that I have pretty well touched on everything, Mr. Speaker. There was a lot of talk about loan sharks and the like but I will let that subject go until another time. The member for Sault Ste. Marie (Mr. Symes) asked "Who cares?" Obvi-

ously the one who cares is me. I am asking the House to provide the $7 billion because we care. Next year we hope to approach the House for less. That will be part of our approach to the economic problems of Canada.

The hon. member for Timiskaming (Mr. Peters) said this afternoon that we are paying high interest rates because there was a mistake in the money supply figures in the United States of America. That is absolute, unadulterated twaddle. There was a mistake made in the United States in the money supply figures, but that does not mean that they would not have raised their interest rates in any event. The Citibank raised its interest rate to 15.25 per cent last Friday, just after that mistake had been discovered. If the Americans would drop their interest rates this week, we would be able to consider where we are and hopefully drop ours. But just because they made a mistake in adding up the total of their money supply several weeks ago, has nothing to do with what interest rates are here today in Canada.

● (1620)

Nobody in the opposition asked a question today about whether the seven economists quoted in *The Globe and Mail* on October 29 were correct when they said that Canada may be able to escape double digit inflation. We did not hear any questions like that. Nobody on the other side asked whether these economists were right when they warned against overemphasizing energy prices in considering inflation. When we listen to hon. gentlemen opposite we might think that if energy prices go up, the cost of living is going to go out of sight. These seven economists—and there will be a hundred more to join them—say we should not overemphasize the importance of energy prices in considering inflation. *The Globe and Mail* article reports these economists as giving the following warning:

—in the consumer price index itself, energy prices have a direct weight of only 6.2 per cent, equal to the weight assigned to sales of tobacco and alcohol.

Let us get this in prespective. Hon. members on the other side of the House should not get hysterical. Let us keep this in perspective. I refer particularly to those members who were once in the government. They were there for 16 years so they should have learned something. The article continues:

Various other items have a far greater importance, such as food (21.5 per cent), housing (34.1), clothing (10.1) and transportation (15.8).

The economists point out that when we talk about increases in energy prices we should keep it all in perspective and that other matters are far more important in causing the cost of living to go up.

Mr. Speaker, 76 per cent support our mortgage proposal. I did not make that up; that is the result of the Gallup poll. It is the mortgage and property tax credit plan that hon. gentlemen opposite have been scoffing at for the last three or four days, particularly the hon. member from Manitoba. As I say, 76 per cent support the mortgage proposal—76 per cent, Mr. Speaker. I hope hon. gentlemen are going to help us get it through the House, Mr. Speaker, so that we can have it all in effect by Christmas.

The Bank of America predicts that Canada's economy will show moderate acceleration in 1980 after three years of more modest growth. They approve what we are doing in Canada. A report in the *Toronto Star* of October 19 refers to the Bank of America's opinion that this government has taken the following action:

—announced plans to encourage the development of a free-market economy and to reduce the role of the public sector.

This has resulted in spending cuts, a reduction of government transfers, and lower taxes, all of which bode well for the long-term prospects of the Canadian economy.

That is the view of the mighty Bank of America, Mr. Speaker. The bank also expressed the view that spending should accelerate in Canada next year, bolstered by continuing profit growth. The Bank of America has more faith in Canada than hon. gentlemen opposite. I could go on and on, Mr. Speaker, but I just have a small selection here. The October 26 edition of *The Globe and Mail* had an editorial in support of the attempts we are making to get this economy back on the track.

I have here an article by a rare bird, a Liberal, who gave his views frankly and honestly. I believe Mr. David Greenspan is a Liberal. He ran for them, so he must be a Liberal. I do not know whether he would run for them now. He is a Toronto lawyer and author of the report of the federal-provincial land prices study done for the government. He gives the mortgage tax credit plan full support, saying that a mortgage plan will help tenants acquire new homes and owners to carry existing houses. I would ask hon. gentlemen to read this, particularly those in the official opposition. This is their expert whom they appointed to head a royal commission, the federal provincial land prices study, and who supports this plan fully. In this article he wrote:

A mortgage relief scheme would help not only one large group of tenants to acquire new housing, but also homeowners to carry their homes. They are struggling with the triple whammy of high interest rates, high house prices and high mortgage amounts (made possible by low downpayment requirements).

He went on to deal with some of the objections that have been made to the scheme. He wrote:

Mortgage-relief schemes will continue to be attacked, by bureaucrats, economists and upper-middle-class trendies.

That is the group we have been hearing from across the House—the "upper middle class trendies" with their shot cuffs and whatnot, their lace cuffs. They are against this mortgage tax credit scheme of ours. When we come to that bill I will deal with this article more fully. I just want to point it out to hon. gentlemen now in the hope they will change and be more helpful at that time.

I think that is all I should say at this time, Mr. Speaker. I will note the points worth noting made by hon. gentlemen opposite. This will not take too long. Quite seriously, Mr. Speaker, I will try to keep my ears open to hear what they are suggesting that is worthy of an attempt to carry out. I shall be glad to have any advice from them privately any time they want to give it. I hope that by working together—we will not always agree—and with hearty debate, this House of Com-

mons will be able to do something for the people of Canada that will be of some value as long as it lasts.

Some hon. Members: Hear, hear!

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

* * *

INCOME TAX ACT

MEASURE TO AMEND

Hon. John C. Crosbie (Minister of Finance) moved that Bill C-17, an Act to amend the statute law relating to income tax and to amend the Canada Pension Plan, be read the second time and referred to Committee of the Whole.

Mr. Knowles: It must be the same speech!

Mr. Crosbie: No, Mr. Speaker, this is strictly attending to business in my new morose, lugubrious style.

This is a piece of legislation, which I will be moving should have second reading and be referred to the Committee of the Whole House, over which I do not want to take too long but just give some of the main measures contained in the legislation. Essentially the bill contains the income tax measures of the last budget of our predecessor administration. It was introduced in the budget of November 16, 1978. After reviewing these measures last summer, I announced on July 26 that I would be reintroducing most of the tax measures proposed by our predecessor. This was a statement made to attempt to eliminate uncertainty for taxpayers who were already conducting their affairs on the basis of that budget.

As you know, Mr. Speaker, it is the practice, once a budget is brought down in the House, that most of the changes are instituted and go into effect from the night the budget is brought down. Of course, many of the measures in the November 16 budget were of that nature.

The major measures in this bill include the following: first, the 3 per cent employment expense deduction will be increased once the measure is passed from $250 to $500, commencing with the 1979 taxation year. That is an improvement for individual taxpayers.

Second, the income tax credit and research and development tax credit will be enriched and extended. The credits will be extended indefinitely beyond the present July 1, 1980 termination date. The present rates of the investment tax credit of 5 per cent, 7.5 per cent and 10 per cent will be increased to 7 per cent, 10 per cent and 20 per cent respectively. The highest rates of credit would apply in the Atlantic provinces and the Gaspé region of Quebec, the middle rates will apply in the rest of Quebec—excluding the Montreal-Hull corridor—northern Ontario, Manitoba, Saskatchewan, northern Alberta, northern British Columbia and the Yukon and Northwest Territories. The 7 per cent investment tax credit will be extended to transportation equipment. That is defined to include commercial aircraft, railway and shipping assets, intercity buses and long haul trucks.

The basic tax credit of 5 per cent of current and capital expenditures on R and D will be raised to 10 per cent for most regions and to 20 per cent for the Atlantic provinces and the Gaspé region. The tax credit will be increased to 25 per cent for R and D expenditures by a Canadian controlled private corporation which qualifies for the low small business tax rates. So that is the investment tax credit in R and D.

The third major item is that the drilling fund incentive allowing a 100 per cent write-off for Canadian exploration expenses incurred by individuals and non-resource corporations will be extended to December 31, 1981.

The fourth measure is a very important item. Financial institutions—and that includes, Mr. Speaker, banks, life insurance companies and trust companies, among others—will become taxable on their earnings from term preferred shares and income debentures issued after November 16, 1978. That became a very serious problem, Mr. Speaker, and when we get into Committee of the Whole no doubt hon. members will want information on what use was made of those kinds of instruments in the months and years leading up to the budget of November 16. We will see that truly astounding amounts of financing were being done by the use of so-called after tax instruments, term preferred shares and income debentures. That had a very significant effect on the taxable income of banks and other companies that were using them. We are continuing with that provision which makes it impossible for this kind of financing to be used, except for its original purpose, after November 16 of last fall.

• (1630)

The bill also contains a number of other important measures. These include tax relief for the RRSP funds, passing on death to dependent children when there is no spouse—that is to assist dependent children; the ability to deduct immediately interest and property taxes on land awaiting development; to permit the deductibility of underwriting expenses; changes in the valuation of inventories to prevent a deduction for both depreciation and capital cost allowance; changes in the tax treatment of payments on termination of employment; and the taxation of income from deferred annuities.

One area where there is a fairly major change from what was originally contemplated in the legislation of the last administration has to do with the question of taxation of small business.

In addition to that change, which I will come to in a minute, there are a number of other changes of a technical nature which are to remove ambiguities or improve clarity. Most of them are as a result of representations made by taxpayers since the budget of last November, but some include measures themselves that were in the budget. For example, under this bill, interest-free housing loans may be made to both the husband and his spouse, and if the combined loans are within the existing $50,000 limit, there will not be a benefit for income tax purposes. In other words, you will not be taxed;

you will not be treated as though you had a benefit. Previously the loan could not be divided between husband and wife, but this bill will permit that.

Also, the measures regarding deferred life annuities will now have effect only for contracts entered into after November 16, 1978, rather than after the end of 1977.

As I indicated a few moments ago, and as I indicated in my press release of October 23, we have conducted a further review of the measures contained in the Liberal administration's bill relating to the small business deduction. Under the proposals introduced in the budget of the hon. member for Saint-Maurice (Mr. Chrétien), aside from income from property, the benefits of the special corporate tax rate on small business would have been denied to three categories of business income. First, you could not get the benefit of the small business tax rate of 25 per cent under the last budget provisions if your company's income was from property in the form of interest, or interest just from property, not active business. That is one area that was affected. Under the proposed legislation companies not permitted to get the small business tax rate of 25 per cent went back up to the normal tax rate of anywhere between 46 per cent and 50 per cent.

In addition to companies that receive their income simply from ownership or leasing of property, the benefits of the special corporate tax rate on small business would have been denied to three categories; that is to say, professional income of lawyers, doctors, chartered accountants, income from certain personal services as well as income from the provision of certain management and other administrative services. For a small business that came within one of these defined categories, the tax rate was changed from 25 per cent to the tax rate that applies to corporations generally, which would range in amount, I think, from 46 per cent to 51 per cent, depending upon the province in which you are situated.

As hon. ladies and gentlemen of the House will know, the small business deduction is available for Canadian-controlled private corporations that carry on an active business. They get a rate of 25 per cent. For a manufacturing or processing business it is 20 per cent. Those reduced rates apply to $150,000 of eligible income annually until the corporation's accumulated income exceeds $750,000. Income in excess of that amount is taxed at the full rate.

The reason for making a change in this area in the first place I will try to explain now. The small business deduction represents forgone federal tax revenue of about $1 billion annually. It costs the Government of Canada approximately $1 billion annually to give the small business tax rate. Our existing tax system recognizes a partial or total integration of corporate and personal taxes. That is achieved through the dividend tax credit. Under that, a shareholder is required to gross-up any dividend he receives, and he is allowed a tax credit in the amount of the gross-up. Until 1977 the dividend gross-up was 33⅓ per cent. There was full integration between personal and corporate income achieved for corporate income which had been subject to the corporate tax of 25 per cent. If the corporate tax exceeded 25 per cent, then there is only partial integration; there was some double taxation.

In 1977 the dividend tax credit was increased from 33⅓ per cent to 50 per cent. The result of that was that the tax credit on dividends exceeds the amount of corporate tax paid, wherever the corporate tax is less than 33⅓ per cent. In other words, there was overintegration in that kind of situation. After 1977 when the dividend tax credit was increased to 50 per cent, if there was a situation where the corporation paid a tax rate of less than 33⅓ per cent, there was overintegration compared to the personal tax system. So it was much to the benefit of a person to incorporate for his personal services if he could do so. By doing this he would save taxes, and in addition he would have a tax deferral.

This was a device that came to be much used by the categories of people I have mentioned, and by people just getting income from property. It did not fit into the original reason for giving the small business tax rate, which was to encourage entrepreneurs, risk-takers and small business to go into processing and manufacturing and the service industries where more risks had to be taken than the usual professional takes. I will not go into all the reasons at this stage.

There came to be two significant tax attractions in trying to incorporate. One, there was a tax deferral as long as the income was left in the corporation. Second, even when the income was distributed through a dividend, you were still getting a tax benefit.

The method chosen by the Liberal administration to try to correct this with certain groups of people was to target them, and to say that they would have to pay the full corporation tax rate, not the 25 per cent rate. There were a lot of people very much upset by that. This applied specifically to incorporated employees, namely taxpayers who usually provide services in master-servant relationships. They might be executives, athletes or salesmen on commission. These were people incorporating and using the lower rate although the real form of their activity had not changed. There were incorporated professions, such as doctors, lawyers and other professions who could incorporate and did so wherever the provincial laws or professional ethics allowed them to do so and get the lower rate. There were a lot of incorporated service companies, corporations in most cases, established by the wife of a professional who would provide management and administrative services to his particular profession and siphon off the professional income which would then qualify for the lower tax rate.

There were a tremendous number of objections to the proposals made by the last administration and there were a great many representations made to me by members of our government caucus to take a different approach. Members of the caucus wanted this loophole plugged, but wanted it done in a more fair and equitable manner for the people involved.

There were also several alternatives which the Liberal administration could have chosen. There were three ways of approaching this problem. We have chosen a different alternative. With regard to these categories of business activity, we are going to establish a third tax rate to apply to the incorpo-

rated employee, the incorporated professions and the incorporated service company. The tax rate will be 33⅓ per cent. They will not be put back in the tax bracket of anywhere from 46 to 50 per cent. They will not have the advantage of the 25 per cent small business tax rate. They will have a new rate of 33⅓ per cent as a recognition of their special position.

● (1640)

The result will be this. Because the corporation will pay 33⅓ per cent when they pay their dividends out, and the dividend tax credit was in effect since 1977, the amount of tax for which they are receiving credit will approximate the amount of tax paid by the corporation. Therefore, there is no immediate tax advantage to paying dividends to themselves in that way. In addition, those new rules are going to be in the statute and not in the regulations.

There is still an advantage to persons in this category, because as long as they leave the income that the corporation is making in the corporation, they will be deferring tax. It will only be subject to the 33⅓ per cent new small business rate. As long as they are income tax payers who earn a taxable income in excess of $15,000, they will get a tax advantage by leaving the income in the corporation. In other words, if the person who has such a corporation is a taxpayer earning in excess of $15,000 in taxable income a year, it is an advantage to him to leave the income in the corporation for the purpose of the corporation rather than take it out. There is still an advantage in tax deferral for such a person.

This is the method we are suggesting to solve the problem of the small business tax rate. The changed provisions will be found in the legislation before us. These changes would apply to taxation years that commence after 1979 for corporations that were in existence on October 23, 1979, and to all taxation years for corporations formed after that date.

All Canadian business income other than investment income in those three categories of corporations affected by this change will be subject to a 33⅓ per cent small business tax rate and also given time to rearrange their affairs so they can receive the benefit of this small business tax rate on eligible active business income. Some of them may not be able to arrange their affairs before the end of the year. When that is the case, the Minister of National Revenue (Mr. Baker) has indicated he is prepared to allow them to reorganize in light of these amendments so that they can change their fiscal year end in 1980.

There are a lot of other provisions in these income tax amendments before hon. members. After second reading and when this bill goes to Committee of the Whole, we will deal with it clause by clause. I do not want to be too long today. I want to conclude by saying that the one major change we have made to this legislation is a definite improvement. We hope hon. members opposite will agree with us.

The proposed legislation has had a very long delay. It was introduced in the budget almost a year ago. This has created a lot of confusion and uncertainty in the minds of taxpayers. It is to be regretted that these measures were not put before Parliament and given priority to ensure their passage before the House dissolved last March.

I wish to remind the House that taxpayers who filled 1978 returns on the basis of measures in this bill have not yet had their returns processed. There are thousands of taxpayers who filled their 1978 returns based on the changes contained in this bill. The Department of National Revenue cannot process these returns until this bill is passed, until they know whether this House is going to make the changes announced a year ago and pass them into law. For that reason, it would be well for us to pass this bill as soon as reasonably possible. I believe the taxpayers certainly have had their patience pushed to the limit in having to wait this long. Hopefully it will not happen again. I remind hon. members that it is necessary for us to try and clear this out of the way before a new budget.

I hope we can count on the support of members in the official opposition whose legislation in large part this is, with the exception of one major change that I have outlined and which I hope they will also be able to support. I also hope that my confreres in the New Democratic Party will see fit to do this as well. If they have any objections, they should make these known and make their points; but I hope they will let this bill through in a reasonable period of time so that we can get on with the next budget.

Hon. Herb Gray (Windsor West): Mr. Speaker, the purpose of this bill obviously is to pass into formal law the proposals in the budget of November, 1978 presented by the last Liberal government. It is not necessary for me to outline the measures in that budget because the Minister of Finance (Mr. Crosbie) has done so. He has done so with approval. He has put forward with approval all the measures in the last budget, except perhaps one which he has changed somewhat. However, basically he has retained the essential objective of that measure as well.

As the minister pointed out, the measures in this budget as a practical matter have been in effect since the date of the budget even though the legislation had not been passed at the time the House was dissolved for the last election. As we know, generally budget measures are considered to be in effect from the time the budget speech is read, unless the speech specifies otherwise. The idea behind this is that a government is supposed to command enough support in Parliament to ensure the budget proposals are passed into law, even though the legislation for that purpose is not passed until some months after the date of the budget speech. However, a change in government creates some uncertainty. That is an understatement when it comes to this new Conservative government. In any case, uncertainty was created as to whether this new government would proceed with the measures in the last budget.

The Minister of Finance stated at his press conference last July that he would remove this uncertainty. He announced at that time that the new Conservative government intended to enact into law almost without change the measures proposed in the last Liberal budget. It is now almost half a year after this new Conservative government took office. The Minister of Finance, as his initial solution to the problems and needs of

this country, is asking this House to enact into law the budget of the previous Liberal government.

What better confirmation could there be of the value of these measures? What better endorsement could there be of these measures than the actions today of this new Conservative government? What a contrast with the scorn heaped on these measures during the budget debate last November by the hon. member for York-Simcoe, now the President of the Treasury Board (Mr. Stevens), when he was official spokesman on financial matters in the official opposition. He concluded his speech by saying: "In short, in great contrast to the budget last night, we would bring in a budget, given the opportunity, which would restore for Canadians the visions they see for Canada." Here they have done so by presenting to this House with approval and endorsement the budget of the preceding Liberal government.

In allowing the budget measures of the previous Liberal government, and in fact allowing Liberal economic policies generally, to continue in place for the five months since they took office is, as I have said, a confirmation and endorsement of those measures. This is not a case where a new government has taken office at the end or almost at the end of a fiscal year and where a budget statement had been made prior to that year's beginning with measures taking effect immediately on the date of the presentation of that speech. If that had been the case, the government would have had no practical alternative but to ask Parliament to pass into law the budgetary measures which had been in effect, to all intents and purposes, for that whole preceding period. But that is not the case here. The new Conservative government took office after only about two months had elapsed in the current fiscal year. It has had the opportunity and the authority to change the framework set by the last budget had it wished to do so. Instead, the budget has been allowed to remain unchanged for almost half a year.

● (1650)

This is one confirmation that at the time the government changed Canada's economy was in better shape than it had been for some time due to the kinds of policies to be found in the budget presented to us today by the Minister of Finance with a request for its speedy approval. That this was the situation and that it continued for several months after the election has been confirmed as well by the cost of living figures which were trending lower at the time the government changed than for some time previously. The unemployment rate was also trending lower at that time than had been the case.

Letting the budget continue virtually unchanged for almost half a year also shows that, contrary to what the Prime Minister (Mr. Clark) is saying, there was no new information of substance which would justify statements that the incoming administration had found the economy to be in worse shape than had been expected before taking office and as a result of which it was not possible for them to carry out their pledge to reduce interest rates, or to implement other promises of immediate action with respect to the economy, made during or immediately before the election campaign.

Had there really been such evidence it would have been the obligation of the new government to call Parliament together immediately after the election and to put forward measures to deal with the serious situation they would have claimed to have found. After all, Margaret Thatcher and the British Conservatives were able to call the U.K. parliament into action only one week after their election; she was able to present a budget to that new parliament only four weeks after it had begun its sitting. But this did not happen when the new Conservative government came to power here. It did not take this step. Obviously this showed that not only was the economy in better shape than the Conservatives had claimed, but that they had no real idea what to do once elected to office.

Let us bear in mind, Mr. Speaker, that there have been some important changes in the economic situation since the presentation of the last budget in November, 1978. There has been the substantial OPEC oil price increase, confirmation of an economic downturn in the United States, and the beginnings of a serious economic downturn in our own country. This means important changes in the assumptions on which the previous budget was based. It means there is a need for the new government not simply to implement the budget which had not been passed at the time of the last election, but also to add to the useful basis it provided for the economy by presenting a new budget. So far it was failed to do so. A new budget has been needed to take into account the changed circumstances I have mentioned.

The new Conservative government may feel it does not have a lot of room to manoeuvre, but it certainly had some room. There is room for specific measures to help our economy become more productive and efficient, for example. In spite of the inactivity of the past five months and the appearance of inability to act that the new government has given, there was no need for it to be immobilized.

We should remember that it takes six months for budget measures to work their way through the economy. By the time the Conservatives get around to presenting their budget and by the time any useful measures in it take effect, it may be too late for them to have any beneficial effect, bearing in mind the harm the inaction and neglect of members opposite has already begun to do to Canada.

The new Conservative government has wasted the past five months. All they have done is allow interest rates to be raised to record levels even though, before the election, they said they would bring interest rates down. When he was leader of the opposition before the election, the Prime Minister did not say that a Conservative government would lower interest rates only after allowing them first of all to go to record levels. He did not say it would lower interest rates only if it found the economy to be in a certain position. That pledge was made without qualification or equivocation. The Conservatives now say they have information showing the state of the economy to be worse than they had thought, but they have been unable to present such information even though they were urged to do so

during today's question period. If there is such information, I challenge them to present it. But they cannot do so.

In fact, the Minister of Finance has undermined and contradicted the Prime Minister on this essential excuse they offer for their inactivity and for failing to carry out election promises on key issues, such as the lowering of interest rates. For instance, last Friday he made a special point of telling us how a leading economist, John Grant, had been quoted as stating that the Canadian economy was the strongest in the world. And today he took great pleasure in telling us that the Bank of America was saying nice things about the good state of the Canadian economy. Where does this leave the Prime Minister and his argument that there is some horrendous information about the shape of the Canadian economy which is in the possession of the government and which prevents them carrying out their election promises?

The Minister of Finance proved to us on Friday and again today, by his own words and the authorities he was citing, that that is just a lot of nonsense. All that the inactivity which has followed the election proves is that the Conservatives did not know what they were talking about before and during the election. It shows they did not have a clear idea of Canada's needs and what to do about them. They still do not and they have failed to show they have any capacity to carry out their responsibilities and serve the needs and interests of the people of Canada.

The Prime Minister admitted this today during question period. He explained why the government has done nothing at all in five months. He said he and his ministers needed some on-the-job training. What is wrong with that, he asked. I say there is plenty wrong with that. Before and during the election he said, in effect, that he had an experienced team of people ready and willing to take over the government of Canada immediately after the election and to give it new direction without delay. Instead, when his party was called upon to form the government nothing happened for five months except for the raising of interest rates and the spending of a period of on-the-job training for himself and his ministers at the expense of the Canadian taxpayers and the Canadian economy. Because of the need for this on-the-job training, the Conservative government has wasted the last five months. This is also shown by the emptiness of the Speech from the Throne with regard to such matters as the economy and energy.

The Minister of Finance cannot present a budget because he does not know what the price of energy is to be. Yet the government which pledged itself to institute a new atmosphere of federal-provincial co-operation is just standing back and letting its Conservative friends in Ontario and Alberta squabble among themselves, to the detriment of the whole of this country.

[Mr. Gray.]

• (1700)

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

Mr. Deputy Speaker: Order, please. I regret to interrupt the hon. member but it is my duty, pursuant to Standing Order 40, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Nipissing (Mr. Blais)—Consumer and Corporate Affairs—Dissemination of information gathered on possible prosecutions; the hon. member for Eglinton-Lawrence (Mr. de Corneille)—External Affairs—Meeting of Hon. Robert Stanfield with PLO; the hon. member for Regina East (Mr. de Jong)—Hazardous Products—Remedial action by CHIP to protect homeowners from hazardous insulation materials.

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

PRIVATE MEMBERS' MOTIONS

[*English*]

MUNICIPAL AFFAIRS

SUGGESTED TAX PAYMENT TO OFFSET WITHDRAWAL OF GOVERNMENT SERVICES

Mr. Leonard Hopkins (Renfrew-Nipissing-Pembroke) moved:

That when the government sells an asset such as a radar station or other public complex, in the opinion of this House, the government should consider the advisability of requiring the department concerned to pay at least one additional year of property tax to a small municipality in order to help offset the sudden economic demands that are placed on the community which arise out of this transfer, sale arrangements and maintenance related thereto.

He said: Mr. Speaker, from time to time federal and provincial government facilities are built in very small municipalities. Sometimes these are built in sparsely populated areas for very good reasons, but they have a tremendous effect on those small communities. If one of them were to close down in a large city or major populated area, the effect would not be very great because there would always be something to take its place. However, when a military base, prison complex, radar station or any other agency of government of any size which is located in a small rural township, village or small town, closes down, there certainly are bad social and economic consequences.

First, the government moves in and purchases land. Preparation of the land for construction takes place after the design work has been done, and immediately the lifestyle of the local community starts to change because of construction jobs. Great hopes are raised for the future. New people come into

the municipality and mix with the old. This changes lifestyles with regard to education, skills and trades, and it affects every facet of everyday life, right down to the grocery store in the local village or town.

The government puts in new community services. It puts in, for example, water lines, sewer lines, sewage disposal plants, storm drains, filtration plants, schools, recreational facilities, housing and the major project for which the facility is meant. This alone creates a boom in the area. The nature of the land is very important, whether it be rock, sand or soil. The adjustment later on from a government institution or facility to a municipal institution or facility may be even more difficult because of the nature of the services. Today, with greater requirements imposed by departments of environment on sewage disposal, for example, it makes a great deal of difference whether the location is in the Canadian Shield, on good, solid clay ground or, indeed, on sand.

The federal government carries the financial load for keeping up all services and administration—budgeted through the Parliament of Canada—with all its financial and human resources, and those human resources also include expertise in various trades, right down to engineering services for the operation of the total complex. These are not the kinds of services small municipalities have at their disposal, nor indeed can they afford them.

Everything goes along well for a number of years, but if there is a situation in which the facility becomes outdated because it is no longer required or for some other reason, rumours start floating around that the total facility is going to close down, and a state of depression sets in on the over-all community and surrounding communities.

Elected people and other community leaders lobby to keep the facility open a little longer. They may gain one, two or three years' extension, but eventually the crunch comes. The government announcement about closure by a certain date brings about a series of events leading to a final disposal of the total site. First of all, if any federal department can use the establishment and wants it, then it does not go up for sale but simply begins the neat and tidy transfer from one department to another, with big government still footing the bills. If no federal department wants it, it is offered to the province for any of its departments which might be interested. Third, if no department of the provincial government wants it, then it is offered for sale to the municipality or to a group of municipalities such as those represented by a county council, in the case of Ontario. It is in the best interests of the local government, whether it is going to buy it or not, to put forward some ideas as to how it wants the facility used afterwards.

If the local government wants the facility to stay intact, it should request this, and this should go into the agreement with whoever buys the facility thereafter. There may be a real problem if it is not stated clearly how the transfer should be handled or what is wanted for the future of the facility in the municipality. I suppose we could say we are talking about a community here in the sense that the facility is really superimposed on the community by a senior level of government.

It is important to have the desires of the community written into the agreement of sale. That is a must. If provincial or municipal governments do not want the facility, it then goes up for sale to the highest valid bidder who is willing to follow the guidelines laid down and who can meet the financial commitment of the down payment or deposit with the bid. The bidder must also demonstrate that he is financially capable of paying for the site in the long run.

From this point on the over-all community feels that it has a new lease on life, but in fact what has happened is that it is going through another major change in human environment. Adjustments will be necessary because the municipality is going from big government-supported facilities to dealing with an entirely different organization, and the facility is used for entirely different purposes.

● (1710)

We are beginning to realize how easy it was for a senior level of government to maintain and operate this new section of the community that is suddenly superimposed on the local municipality. Subdivision plans have to be drawn up, but a municipality may not want to take over the subdivision because they may not be able to afford to take over the services of the community, such as the water lines, sewers, filtration and sewer plants, and so on. All of us who are familiar with municipal politics are certainly aware of the cost of these facilities today. You might have a small municipality refusing to accept this responsibility, and certainly they cannot be blamed for that. Other ratepayers may accuse them of being irresponsible if they took that responsibility without having the wherewithal to pay for it. Furthermore, if the new owners do not live up to the agreements with the municipality and with other people, then the municipality is left holding the liability. The whole procedure can end up in messy lawsuits and in a feeling of instability and frustration.

I have discussed this matter at some length with many people at both levels of government. I find that no one has come to grips with the problem, but I think that as time goes on it will be more and more important that we do so. My recommendation in this motion today is that the municipality concerned should receive a grant in lieu of taxes at least equal to one year's taxes.

Second, there is a need for some instrument or instruments to take over to ease the burden on the municipality and help them on the road to a stable community and to become established by way of long-term rather than short-term solutions. The federal and provincial governments should provide personnel with expertise to advise and assist the municipality through the difficult period of change, because the smaller communities are not equipped, as I said before, with this type of professional and technical experience. Public instruments should come into play immediately whereby federal and provincial governments can come to an agreement of a type that will require the province, with federal assistance, to provide the expensive services for a period of, say, three to five years or until such time as an adjustment is made and the new commu-

nity has evolved out of the old. With plans such as these, to thrust large institutions into the lap of small communities is simply like trying to float the *Queen Mary* in the Madawaska River, because small communities are in no way capable of raising that kind of money or setting up that kind of institution.

Another problem is that the Canada Mortgage and Housing Corporation, as it is now called, and provincial governments do not give grants to communities where the water and sewage services are already established. There are only programs through CMHC and the provincial governments for such facilities to be started, and this creates a real block. If the development of a community is rapid, then you do not run into the same problems, but it is not rapid in sparsely populated areas.

I raise this issue because I feel that senior levels of government must come to grips with this serious situation that is created, and when they build an institution they do in fact create the problem in the beginning. They bring in all kinds of infrastructure, and then end up walking away from it and leaving all kinds of problems or repercussions behind. There are relatively few such cases but they do occur from time to time. It would not cost the two senior levels of government very much over a period of readjustment because, in checking the property sections of the Department of Public Works and Crown Assets, I learned that there are not many cases, but they do come up from time, and when they do they are serious.

I hope that my main motion and my other suggestions will meet with the approval of members of the House. I know that when we put forward motions in the House, it is not common practice for a private member's motion to be adopted; but I want to say to my colleagues on both sides of the House that I air this problem because I think it is one that could be common to all of us in all parts of Canada. It is very important, if we are going to think nationally in this Parliament, that we get away from the idea of dumping things on small communities and walking away. It is not fair for any federal government, I do not care what party label it might carry, to do this, and I think this is a matter which could well be discussed at some federal-provincial meeting. It would not take a great deal of discussion, it would not take a great deal of money, and it is a solution which would take a great deal of pain out of municipal politics and in sparsely populated regions of Canada. I thank you, Mr. Speaker, and I thank members of the House for their attention.

Mr. Alex Jupp (Mississauga North): Mr. Speaker, I want to express my appreciation for the very reasoned argument that the hon. member for Renfrew-Nipissing-Pembroke (Mr. Hopkins) has presented to this House. I appreciate his concern because I have also spent some time in municipal government and appreciate the problems that actions of senior government can create for municipalities.

However, I should like to respond to the hon. member's motion at two different levels. First, I wish to address specifically the essence of the motion he has presented to the House and, second, to address in a more general sense the more serious implication which the motion raises within my mind.

First, the motion implies that a municipality will suffer if the federal government sells real property within the municipality. I would say that that is not necessarily so. In fact, the opposite would be the case. The resolution gives no examples of the kind of "sudden economic demands" which would be placed on the community. But from the tax standpoint, it is hard to see where there would be a problem.

First, we should bear in mind that when the government sells real property, normally it becomes taxable as of the date of sale. The new owner becomes a regular taxpayer, and the municipality does not lose any tax revenue. Indeed, local government could well gain if the property is being sold to be transformed into some new commercial or industrial activity. We should bear in mind that federal grants in lieu of municipal taxes do not extend to cover business occupancy taxes levied by the municipality when the building is used by business. The new owner could well be adding to the building occupancy revenues of the local government when it is taken over by a private industrial concern.

We should not assume, as I think this resolution does, that the sale of government property inevitably creates economic demands on the local government. Indeed, the situation could be quite the reverse if the new buyer used the property for productive purposes. So, on this score, the resolution does not place much confidence in the ability of private enterprise or the private sector to generate new economic activity in Canada.

It is possible that in a particular situation the sale of some federal government property might create some demand on local government. But that does not mean we should assume such expenses will arise in every case and therefore we should provide a quite arbitrary cash transfer to local government of an additional year's federal payments in lieu of real estate taxes.

● (1720)

The resolution does not mention what could be an even greater problem for the municipality. That is the case where the government does not sell the property but rather closes down the activity being carried on previous to the government having to change the status of the property. Such things inevitably happen from time to time, but I do not think any hon. member of the House would try to argue in principle that particular activities of the federal government should never be closed down but should go on forever. When this happens in some municipality—that is, the closing of a federal enterprise or institution—surely it is preferable to try to sell the property for private business activity rather than simply close up the federal installation and see the federal employees move away from the community.

We cannot consider this issue in isolation without taking account of over-all financial relationships among different levels of government. In fact, this resolution argues for a special kind of federal aid to municipalities, something which

no other local taxpayer is required to do. If aid is required, why should it be provided through a program of grants in lieu of taxes? This is not a relief program. It has a completely different purpose. The real purpose of the program is to pay grants to municipalities equal to the real property taxes that would be payable if federal property were taxable property. If a private property owner sells property, his liability for taxes stops as of the date of the sale. Therefore he pays taxes up to that date only. Why should the federal government be different? Therein lies the point of my concern.

The attitude of some members opposite is implied in this motion, that there is a basic difference between whether the federal government or any government owns a piece of property or whether it is privately owned. No one would seriously suggest that if a private company owned a piece of property, and if circumstances were such that it had to close that property up, there should be some kind of a law or provision where it would have to pay to the municipality taxes beyond the date of the transfer or sale. Yet that is what is implied in this motion, that there is a basic difference between the federal government and private enterprise, and that the federal government should be expected to do that which we would never expect a private company to do.

It is the provinces, not the federal government, which have created the financial situation municipalities find themselves in today. They have limited the taxing powers of local governments almost entirely to property taxes. They have used the broader range of provincial taxes to finance transfer payments to local governments. Indeed, a whole range of municipal activities is closely circumscribed by provincial laws and regulations. Therefore, if some special financial aid is required by municipalities, should it not be more a concern for provincial governments? This is particularly so when one considers the size of the federal deficit against the relatively strong position of Canada's provincial treasuries.

This is the second over-all point of my concern. This is the aspect of the motion which disturbs me most. On reading between the lines I see that somewhere or other there is a public trough, and if we can only get some money from the federal treasury, it does not really count; it is not really money in the normal sense. When I hear some of the proposals of members opposite during emergency debates and question period, sometimes I become astounded. It would be very interesting to Canadian taxpayers if every time an hon. member proposed an expenditure of an additional sum of money to the Government of Canada, somewhere over the head of that hon. member there was a little calculator, and the calculator would shine in neon lights the cost of that provision across the country.

An hon. Member: It sure would have killed you guys in the last election.

Mr. Jupp: I think not, and I think the hon. member will find that out when we bring in our budget.

Certainly one of the major issues in the election was government spending. If what the hon. member across the way is saying is true, then I suspect we would find that it would not be this party that is the Government of Canada but it would be the socialist party that would be the government. On May 22, Canadians very clearly communicated that one of the things they wanted less of was excessive government spending and excessive waste in government which led to a deficit of $11 billion. I think of the hypocrisy which I have heard over the past several days when members opposite have prolonged debate on the borrowing bill, outlining their concerns over a bill to borrow $7 billion. We have a deficit in this country of $11 billion. That works out to the sum of $21,000 per minute. Every minute we proceed along the way in Canada today, we go another $21,000 into debt. Even in the ten minutes or so which I intend to speak in this debate, our country will be a further $210,000 in debt.

Mr. Knowles: You had better sit down!

Mr. Jupp: The only reason that I prolong it is that I realize other hon. members opposite will take up time and it will cost the country a good deal more to fulfil the implications of what they would have to say than what I would have to say.

Some hon. Members: Hear, hear!

Mr. Jupp: As a nation we are confronted with three real choices when it comes to government spending: A drastic reduction in expenditures, including cuts in programs which none of us really wants to see; a major increase in revenues, largely through increased taxation; and finally, national bankruptcy. The mindless spending of the previous administration had the effect of fueling inflation, debasing our currency and robbing our citizens of their savings. It is the difficult task of this administration, the new government, to restore common sense to government spending notwithstanding the opportunistic posturing of some members opposite. Certainly this motion does nothing to alleviate the very serious problems of fiscal balance and responsibility.

Already the federal government has major responsibilities where property sales lead to unemployment. Of course, these relate to unemployment insurance, the cost of retraining unemployed people and finding new jobs for them. Every time an enterprise in a community must close down, whatever the reason, we expect the federal government to be a party to moving in, to providing unemployment insurance to those who are displaced, to working with manpower counsellors on necessary retraining programs, to finding new jobs for those who have been dislocated from their former employment. The federal government has a very major role to play. It discharges that major role, in terms of enterprises which must close down, without assuming the cost of enterprises from which they will have no additional revenues, but from which there will be a net debt for Canadians.

Nothing that I have said should in any way be meant to denigrate the importance of municipal government. Local government bears a major share of the responsibility for shaping the environment in which people live. It provides many vital public services, including elementary and secondary edu-

cation, environmental protection, local transportation, police and fire protection and recreational services.

As a former municipal councillor, I appreciate the great pressure under which municipal governments find themselves today. Their costs are all greatly affected by inflation because municipal services, such as those used to employ teachers, civic workers, road builders and repairers, policemen and firemen, are largely labour-intensive acitivities. Largely these costs are in the form of increased salaries and wages. The only way municipalities in Canada can raise these funds, other than through transfer payments, is through taxes on real property. Perhaps this is a real gripe of the municipalities of Canada.

• (1730)

While the senior governments, the federal government and provincial governments, are obvious benefactors of the inflationary process in that their revenues tend to increase with inflation or even in excess of inflation, municipalities are different. Municipalities levy their rates in absolute dollars having regard for the assessment of property. The only way that municipalities can increase their revenue is to increase the mill rate, and the taxpayers then receive a notice indicating precisely how much more they will be paying for their municipal services than they paid the year before. This procedure puts real pressure on the municipalities, and they recognize that fact.

We know that the municipalities are looking to the senior governments and that there is a difficult situation. But I believe that there is no way implied in this motion that this problem can be redressed. It is neither logical, practical, equitable, or administratively sound, and it is based on the notion that the federal government is basically the public trough. That may have been the philosophy of the previous government, but it is not the philosophy of this government.

Mr. Arnold Peters (Timiskaming): Mr. Speaker, we have just heard two different points of view, and I can see why they are different. The previous speaker comes from Mississauga, one of the fastest growing areas in the country. If a government facility such as Malton were to close down, that community would be able to put houses on the tarmac within a matter of two or three months. On the other hand the problems in northern Ontario, although Renfrew is not in northern Ontario, are different.

I know of the problems at Freemont where they have a little radar base, and I am aware that Landry Crossing was closed. Perhaps it has not closed entirely, but it has certainly slowed down. There were not more than seven dozen people in the area affected by the radar installation, but in areas where it was much more advisable for people to work for the government than it was to continue farming, the residents will certainly suffer. They probably cannot go back to farming, but there is nothing else. I know that this has happened in my region in the Ramore area and at Lowther, just west of Kapuskasing. It has happened in a number of areas.

[Mr. Jupp.]

Lowther was particularly important because the United States were in there as well as the Canadian service. As a result more money was brought into the area. Many of these small communities made a sacrifice in rising to the occasion. In many cases the communities purchased firetrucks which they could not afford. They had to put in a water system. In the case of Matheson, in order to accommodate the base at Ramore, it put in a number of trailer sites complete with pads, septic tanks, and a water system. As soon as the base closed, it was no longer of any value and now has become a liability. The lots cannot be sold, they are not usable, and they are probably still under debenture.

These communities made great efforts to meet the requirements of the government and they did it at great expense. The radar base mentioned by the hon. member was very small. Very few people were involved, but those who where made an immense effort to ensure that it was successful and that it worked. The government has a responsibility to these people. They cannot say, "we do not need it, we are closing it; goodbye".

When these bases were abandoned the municipalities were not interested in purchasing what was left behind. As a result, most of what was left behind was sold privately, or dismantled and taken away. The communities could not afford to buy anything because they did not have any money, and instead of creating a tax base the items left behind became a liability. For example, I recently viewed the airport at Ramore, which had been put in by the Americans while they were there. It had grown in and there were trees growing four and five feet high. The municipality had to go in and spend $1,000 to cut down the trees in the hope that some day the airport would again be useful and necessary to the area. There is also a building there which they have to protect. The municipality does not want to see this facility destroyed because they have hopes that something will replace the industry which has just left.

I have heard that the government intends to close the facility at Landry Crossing. I have noticed lights there when I drive by, so presumably it is not closed. The facility is a minimum security penitentiary set out in the area of Petawawa army base. I am sure that the people located around that area have had to make some concessions in order to attract the facility to their area, but when it disappears they will be asked to take it over and do something with it, otherwise the government will suffer a total loss. Communities such as Landry Crossing do not have a ready use for such facilities. In many cases the facilities have been torn down and taken away, leaving a vacuum in the area. As a result, many of the services offered by the community are a total loss, but they are left with paying the debenture.

The hon. member is simply asking in his motion that we cushion the withdrawal for a period of one year by paying the property tax. He mentioned in his speech that perhaps five years for withdrawal on a graduated basis would be better. The five-year term on a graduated basis is probably the better idea because the communities will need less as time goes on.

In many case these communities were asked to make contributions and to participate as municipalities in the government development. They did not want the government to build a fence around the facility because then nobody would associate with the facility, and as a result they were sucked into setting up such things as recreational facilities and the like. One facility which almost all communities provided was firefighting equipment. Now with the government gone they can no longer afford it. In many cases we are talking about a community with approximately 20 families, and in some cases less, but they were stuck with being big sister to a relatively larger facility having probably more employees than the community had citizens.

Now the government has gone. My hon. friend, the member for Mississauga North (Mr. Jupp), has said, "let them go. We are not giving them welfare". In the first place it was the government that wanted the bases, and if the communities had been hostile it would have had a heck of a time moving into those areas. The people of these communities could have made it very difficult. The reason the bases were chosen was because it was best that the bases be located in areas where the radar would be most efficient. Now the government is saying, "Don't worry about them; they do not need handouts, it is not the Conservative way". I suggest that the hon. member will find, after he has been here for a while, that there are other things besides philosophy. There are such things as geography, and what is good for Mississauga is not necessarily good for Sioux Lookout, Lowther and Freemont. The situation is not the same.

• (1740)

It would not be satisfactory in Toronto. I remember many years ago, when you went up Yonge Street and north of Toronto on a streetcar, by the time you got to where Highway 401 is now, you were picking up milk cans and chickens, and after that you went on to Thornhill and Aurora. Now it is very hard to find those communities at all—they are downtown, and every time you go there are another ten buildings. I suppose the hon. member does not have to worry about it. He has enough trouble keeping the water system and the sewers and the streets growing fast enough to keep up with the population.

That is not the problem in most communities in northern Ontario, Mr. Speaker. We are just trying to service the ones we were asked to build as a favour to somebody else. We were anticipating, as we always do, the ultimate—that they were going to be there forever and we thought we could probably help them out by providing these facilities. We are not asking very much in this motion when we ask that those areas that have been asked to make that kind of contribution now receive a contribution that would be very valuable to the wind-down of those communities.

In your own case, Mr. Speaker, you may represent an urban area where you would find this to be a Mickey Mouse concession. You would find it to be undesirable and regressive. In fact, it would tie up property for one or two years and you could not get the high taxes out of it that you now do, so you would have to find a substitute for what may have been a long-term contract with the federal government, producing a limited revenue. This could be the situation in northern Ontario, in many cases.

If this motion is accepted the cost will not be very much, but it will certainly benefit those very, very small communities that have made a contribution, as Canadians, to the defence of this country. This is particularly so in the case of radar bases. These were built in very small isolated communities where, to the best of their ability, the people provided the services for the military personnel resident there and participating in community life. We are only asking for a small contribution from the general purse to assist the communities in the one, two or five-year periods when they are winding up their business.

Some hon. Members: Hear, hear!

Mr. Keith Penner (Cochrane): Mr. Speaker, I am pleased to have seconded the motion of the hon. member for Renfrew-Nipissing-Pembroke (Mr. Hopkins). In my opinion, the motion addresses itself in a substantive way to a very real problem which exists from time to time in parts of this country. I think the response of the hon. member for Mississauga North (Mr. Jupp) was nothing more than a bookkeeper's response to a very serious human and social problem that, from time to time, exists in the isolated and less advantaged regions of this country.

In terms of this debate, I am much more in sympathy with the words of the hon. member for Timiskaming (Mr. Peters) who, with myself, shares with these communities the kind of agony and travail that they go through when there is a closure of one kind or another, be it a radar base, a small or large industry. We know, all too well, the sense of crisis that develops whenever this happens.

As my contribution to this debate, I think instead of speaking in generalities I should share with the House what could loosely be described as a case study. I lived through the closure of a radar base in a small, unorganized community in a constituency that I represented for more than ten years. It is no longer in my riding, because of the readjustment of the boundary lines. I am referring, of course, to the Canadian forces station at Armstrong, Ontario, a radar station. I know the hon. member for Timiskaming is fully conversant with the problems that existed as a result of that closure. The manner in which it was done can only be described as shameful.

It is true that there was a great deal of good will and a lot of fine intentions displayed by government departments at the time the community was going through this agony. But, sir, good will and fine intentions did not result in any positive action. A $1 million payroll was lost to this small community, and there was no time for adaptation to the change, for adjustment to the new situation. Civilian employees of the Department of National Defence who did not want to move or could not move, were left without jobs. Those who were prepared to move and had relatively inexpensive housing in Armstrong were asked to go to some other part of Canada.

They were not provided with a house for a house, so it was just beyond their economic capacity to accept.

In brief, the closing of that radar base was done in a manner which, I would suggest, was not at all an example of good corporate citizenship. It was a public sector enterprise. No one argues about the fact that technology had overtaken the radar base and closure had to come, but the manner in which it took place should have set a good example for private companies which, due to various circumstances and conditions, must sometimes close their operations. The Department of National Defence was sympathetic. The member of Parliament had a good hearing with senior officials in the Department of Defence, with the minister, and with the parliamentary secretary who now sits near me. I refer to the hon. member who moved this motion. The Department of National Defence was primarily concerned about its own costs and its own personnel as well as the civilians who were being affected. There was not much they could do, however, because what had to be done was beyond their authority and competence. The Department of Regional Economic Expansion was also involved in a very serious way, and was prepared to assist if a clear-cut proposal with accurate cost estimates was put forward. This did not happen. The department endeavoured to do what it could but, in the end, there was no action they could take.

Ontario Hydro, another agency of government, was willing to consider putting in a power line to replace the diesel power produced by the radar base that had provided electricity for the citizens. They could not do it on their own, however, They needed the pulp companies to throw in some money. They needed the Department of Indian Affairs and Northern Development to add something and, as well, they needed something from the CNR which was producing power of its own. There were varying degrees of interest, but none of the parties offered the money that was required.

The Crown Assets Disposal Corporation became involved in a rather interesting way. There was a snow plough and a fire truck that this little unorganized community needed, and which DND was prepared to transfer to Crown Assets, so that they somehow could come into the possession of the community. Crown Assets presented a formula which provided that the community could have these two pieces of equipment if it was prepared to pay market value for them. That sounded logical. My bookkeeping friend over there would ask, what is wrong with that? What was wrong with it was that the community of Armstrong was an unorganized municipality. It had no tax base, no revenue. It could not manufacture the money out of thin air. On their behalf I put a counter-offer forward. I thought we could raise at least 10 per cent of the market value if Crown Assets was prepared to accept that. They finally did.

Meanwhile, however, the Department of National Defence had second thoughts. They felt they could use this beat up, secondhand, worn out equipment somewhere else, and sent in a couple of military personnel to pick it up. In the middle of a busy afternoon, I received a phone call advising me that two military personnel had come to take away the snow plow and the fire truck. I was asked what I could do about it. There was only one thing that could be done, Mr. Speaker. There was only one road into the town, and with the co-operation of the Ontario Provincial Police a roadblock was set up. The equipment was not allowed to leave until I had the opportunity of speaking to a general or two. They said there had been some kind of misunderstanding, some sort of error, and that the equipment was to remain there. The Ontario Provincial Police took down the roadblock and then provided a police escort to the military personnel so that they could get out of town safely. These are some of the absurd situations and problems that were caused by this kind of a poorly thought out closure of a radar base.

There are many other problems I could cite in this case study, but let me tell the House about the response of an hon. Tory minister in the provincial government. He said that we should not be bothered with all of these problems related to unorganized communities. What we should do is bite the bullet, and let these communities die. Mind you, he did not go to a public meeting in Armstrong and make that statement. He made it in the safety of Queens Park in Toronto. To the best of my knowledge he has never gone to that community.

● (1750)

These small unorganized communities, as the hon. member for Timiskaming knows, do not die. They often have serious economic set backs. They go through a crisis when some job-creating industry or other public or private enterprise leaves, but they do not die. They just linger on and suffer, and the people are a little poorer and worse off for it. But one cannot, by any kind of government action, cause the death of these communities.

What do these communities need? They need a plan for future development. They need someone in these times of crises to help them out. Many government departments, agencies, and even the private sector should get involved. For example, a representative on behalf of one private company said, "We think we can help this community get over this difficulty that it is facing." But when a wood cutting operation was started up it was found that adequate accommodations were not available for the workers. It was not possible to attract new skilled labour into the town because facilities were few, if they existed at all.

My hon. friend has proposed that there be a modest program of assistance for these kinds of communities to help them over difficult times. We are not talking about some large, new social program added to our present structure. Of course not. We are all aware of deficits, and we are concerned about them at the various levels of government. But certain expenditures can be justified if there is a real human problem and social need in play, or if it has something to do with nation building or maintaining.

I suggest in addition to what my hon. friend has proposed to this House that there ought to be a co-ordinating committee of government and private enterprise to help communities in crisis overcome these difficulties. Many agencies of govern-

ment could be involved. The co-ordinating committee could apply itself with determination and expertise in helping "one industry-small town-unorganized communities" face the crisis of a closure. I would think that such a co-ordinating committee should be activated by an order in council. Having assessed the situation, one minister could be designated to press the button in cabinet which would get the committee functioning. It does not need to be a continuing committee or a big costly operation, but it could exist interdepartmentally and include people from the private sector so that when such a problem comes into existence, an order in council could be made to establish and give authority to a committee to help these communities.

I conclude by saying that what my friend, the hon. member for Renfrew-Nipissing-Pembroke, has proposed is an admirable motion. I am delighted to support it. It is a step in the right direction, and I hope it will have the approval of the House.

Mr. Deputy Speaker: Does the hon. member wish to ask a question?

Mr. Jupp: Mr. Speaker, I have a question of privilege. I am used to being insulted in the course of my political career, but no one has yet called me a bookkeeper. I would ask the hon. member to withdraw that remark. If one lets those kinds of comments go by in this House, the next thing that could happen is one might be called an economist. If one lets that go by then one could be called a lawyer and so on. I would like to have that comment withdrawn.

Mr. Penner: Mr. Speaker, I rise on the same point of privilege. Once again the hon. member has failed to listen to what another hon. member has said. Nobody called him a bookkeeper. I have no idea what he does or what he ought to be doing. I said in his contribution that he was presenting to this House a bookkeeper's approach, and that is a little bit different.

Mr. Joe Reid (Parliamentary Secretary to Postmaster General and Minister of the Environment): Mr. Speaker, I rise for the first time in this honourable and distinguished House.

Some hon. Members: Hear, hear!

Mr. Reid (St. Catharines): I find it a privilege to come here, but having served a goodly number of years in matters of local administration and having served on local government, I find it preferable to address myself to matters of debate of a specific nature.

Local government is an area of government where many of us here have served people of communities for many years in a variety of ways. I come here with the full intent, having once served the people of my community, of now addressing myself to the Canadian community, and addressing myself from wherever I sit or stand in what I consider the national interest.

I am somewhat inclined to sympathize with the proponents of this motion, but it is rather ironic it comes before us at a time when Bill C-3 is on the order paper. Bill C-3 is about to make major changes in the program of grants in lieu of taxes. I suggest to all members of this House that that bill will be of benefit to local municipalities. There is no doubt in my mind, Mr. Speaker, that the impact as presented by the proponents of the bill, does change one's lifestyle.

Those who have had to meet budgetary requirements within time periods know what changes come about when there is a change in the assessment rolls by reason of a discontinuance of a major activity, be it an industry, or an institution of governmental change. But that institution came to the municipality concerned, as has already been said, practically at the urging of the municipality. While it leaves an impact, there is no good reason why the federal government should be locked in and be subject to rules and regulations not applicable to other taxpayers or grantors in their particular areas.

May I be so bold as to suggest to the hon. member for Renfrew-Nipissing-Pembroke (Mr. Hopkins) that he might better be advised to address himself to Bill C-3 and the Municipal Grants Act when that bill is being discussed before the committee.

The existing program of grants to municipalities in lieu of property taxes is already a substantial item to this country of ours, amounting to about $148 million in the case of department-owned property, and an added $110 million from Crown corporations.

Under the new government bill, grants on departmental properties will be increased by $25 million by bringing into the grant program properties which are now excluded from the grant formula. This will benefit many municipalities across the country and it is a measure that I am sure will be supported by all members present.

This particular motion is unusual in that one of the parts of the country that will benefit most from this bill is the constituency of the hon. member for Renfrew-Nipissing-Pembroke. The federal government has a large defence base there, namely Canadian Forces Base Petawawa. At the present time, grants on this base apply to married quarters and land. Bill C-3 will remove this restriction and allow a larger tax base and for a larger grant in lieu thereof.

● (1800)

Mr. Deputy Speaker: Order, please. I regret to interrupt the hon. member—

Mr. Peters: On a point of order, Mr. Speaker, I know the hon. member for Niagara Falls—

Mr. Reid (St. Catharines): St. Catharines.

Mr. Peters: —excuse me, St. Catharines (Mr. Reid) is a new member. However, he is probably familiar with his party's decision not to kill these bills. Because he is a new member, maybe we can give him the benefit of not talking this bill out, by letting him resume his seat before we see the clock and calling it six o'clock.

Mr. Deputy Speaker: The only way we cannot now see the clock is by unanimous consent.

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Deputy Speaker: Is there unanimous consent that the House does not see the clock?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Deputy Speaker: There is not unanimous consent. Therefore, I have to conclude that the hour provided for the consideration of private members' business has now expired. I do now leave the chair until eight o'clock p.m.

At six o'clock the House took recess.

● (2000)

AFTER RECESS

The House resumed at 8 p.m.

GOVERNMENT ORDERS

[*English*]

INCOME TAX ACT

MEASURE TO AMEND

The House resumed consideration of the motion of Mr. Crosbie that Bill C-17, to amend the statute law relating to income tax and to amend the Canada Pension Plan, be read the second time and referred to Committee of the Whole.

Mr. Deputy Speaker: When the debate was interrupted at 5 p.m. the hon. member for Windsor West (Mr. Gray) had the floor.

Hon. Herb Gray (Windsor West): Mr. Speaker, I was talking about the fact that the Conservative Speech from the Throne was very empty when it came to policy on matters related to energy and the economy. I was saying that one reason the Minister of Finance (Mr. Crosbie) has not been able to bring down his own budget as yet is because he does not know what the price of energy will be. He has been hinting that a budget will be presented in November, but today the Prime Minister (Mr. Clark) seemed to suggest, during the question period, that he was hoping for a budget by the end of the year. This would mean further delay when what is needed is prompt action to strengthen the Canadian economy.

In the field of energy prices, the action the Minister of Finance appears to favour is one which, in my view, would harm the Canadian economy rather than help it. He seems to be promoting a rapid increase to world levels of energy prices in Canada, which would mean increases to $1.30 or $1.40 a gallon for gasoline, an increase of four dollars a barrel for petroleum. All this means an increase of at least 2 per cent in the Canadian cost of living which is already being pushed upward by the Conservative high interest rate policy.

I was informed just before the House resumed that even Premier Lougheed, who at one time was considered such a close friend and supporter of the Prime Minister and his party, has complained, in Vancouver, I believe, about this high interest policy saying, if I recall correctly, that it was a short-term expedient not in the interest of the Canadian economy. The rapid increase in energy prices to world levels apparently sought by the Conservatives would take away most, if not all, of the competitive advantage Canadian industry now possesses when it comes to selling goods both here and abroad because they are able to pay for what are, after all, Canada's own energy resources at prices lower than world prices.

The minister today tabled his mortgage tax credit plan. I think we have to recognize that his high interest rate policy, the Conservative high interest rate policy, will cancel out whatever benefit people might have expected from it. It is not the plan which he and the Conservatives promised before the election. A lot of people will get less than they had expected from the old plan. He has admitted, though, that the present tax credit plan is simpler and fairer to lower and middle income people than the one promised by his party before and during the election. We shall, of course, be discussing this matter in greater detail, hopefully within the next few weeks. As I have said, though, the Conservative plan promised not simply to help people keep pace with the high Conservative interest rates—which it will not succeed in doing, anyway. People got the impression before and during the election that the Conservative promise of deductibility of mortgage interest rates and property taxes would make them better off than they were at the time that promise was made. But the high interest rates cancel out the benefits completely.

In spite of what the Conservatives said about the budget measures presented to us today during the budget debate last fall, in presenting these measures again they are confirming their value, they are endorsing them, and they are admitting so far they have nothing better. We in the official opposition will therefore not extend debate unduly. We shall, however, insist that the Minister of Finance note and explain clearly what changes, if any, he is making in these measures as compared with what was in the original budget. Our main objective, though, is to have the Minister of Finance present his own budget because action further to what was outlined in the budget of last November can and should be taken in a new budget to help the Canadian economy to make industry more productive and efficient as part of an industrial strategy, as well as measures to help specific sectors of society, for example, small business, farmers, consumers, lower income groups. We in the official opposition will continue to press for measures of this kind.

Let the Minister of Finance bring down his own Conservative budget. When it comes, like everything else since the new government took office, there will be a lot less in it than the Conservatives promised the public and the public expected from them before and during the election.

• (2010)

An hon. Member: We will be responsible.

Mr. Gray: My hon. friend says that they will be responsible. If what has happened in the past five months is an example of Conservative reponsibility, heaven help the Canadian people and the Canadian economy!

Some hon. Members: Hear, hear!

Mr. Bob Rae (Broadview-Greenwood): Mr. Speaker, we come to this debate somewhat as we come to last year's breakfast, and I am afraid that so far the debate has been just about as edifying.

In his remarks introducing this budget bill the minister could provide no justification for its specifics. He did not give us any analysis of why the Liberal measures were regarded as the right ones to take, and he emphasized that the only change the Conservatives were going to be making to the Liberal budget of November, 1978, the last budget of the hon. member for Saint-Maurice (Mr. Chrétien), was that a loophole which had finally been closed by the Liberals was going to be reopened by the Conservatives, and that professionals will be able to continue to incorporate themselves and, by the magic of incorporation, thereby reduce their effective rate of taxation.

Then the hon. member for Windsor West (Mr. Gray) could find only words of praise for the budget, without analysing one single iota of its features, without analysing one single measure which it put forward, and telling us that the only problem was that the government had taken a long time to bring forward its measures. Then he went on to talk about energy.

What I want to do in this debate is to look at the bill and to ask the Canadian people to consider why it is that the first measures which are brought to this House by the Conservatives are measures which were put forward by the Liberals, and why measures which are completely and perfectly palatable to the Liberals are also acceptable to the Conservative party?

I think we should want to ask ourselves what we are doing to our tax system when we allow the kinds of changes and developments which are so favoured by the government. When I listen to the hon. member for Windsor West, I am reminded that just as there were two kinds of Tories before the election—there were red Tories and blue Tories—we now find that there are two kinds of Liberals.

Mr. Kempling: And two kinds of socialists, the pink ones and the yellow ones.

Mr. Rae: There are black Liberals and grey Liberals. The black Liberals are those who thought that what governor Bouey did was right up until May 22, and they have to agree that what he did was right after May 22. The black Liberals are those who are prepared to admit that they followed the same advice of governor Bouey up until May 22 and that they are prepared to carry the can and support governor Bouey after May 22. While I disagree and have disagreed with the hon. member for Saint-Maurice, the hon. member for Stormont-Dundas (Mr. Lumley) and the hon. member for Saint-Henri-Westmount (Mr. Johnston), I at least have some respect for their consistency. I at least know that they will not have worked with the governor of the Bank of Canada, accepted his policies and philosophy for many long years, and then turn around and stab him in the back.

However, the politics of some other Liberals whom I have described as grey Liberals are not so consistent. They are very selective in the Liberal tradition which they decide to present to the House as being the new, revised, reformed, revivified, and enlightened Liberal party that they would now have us believe is going to lead Canada to halcyon days.

The problem with the Liberal party is that it is not at the moment an opposition; it is a government in exile. It has not lost that sense that it has, deep in its members' hearts, that somehow on May 22 the Canadian people made a terrible mistake, that all they have to do is snap their fingers and wake up and this horrible nightmare will be over, and once again those who are fit to rule will be ruling over Canada.

Some hon. Members: Hear, hear!

Mr. Rae: That kind of arrogance is exactly what led to May 22 itself, and that same spirit of arrogance is what will guarantee that the Liberal party will quickly evaporate.

Mr. Axworthy: This is not arrogance; it is sanctimoniousness. You are sanctimonious when you have never had power, and you don't know what it is about.

Mr. Rae: I have obviously upset some of the sleeping giants in the Liberal party, and I am quite happy that I have wakened them.

An hon. Member: The black ones or the grey ones?

Mr. Rae: They will have to declare themselves as to whether they are black or grey.

I want to look at the measures put forward by the Conservative party and the Liberal party in an effort to solve our country's economic problems. Let me suggest that our country's economic problems are many. Our prospects and our chances for the future are also many. We in my party have been criticized for being too negative, for being too carping, for being constantly critical, and for not looking at the positive side of things.

Let me say that the pessimists in this House and in this country are not those social democrats who have a conviction that Canadians can do better, that Canadians deserve more and that we have tremendous capacity and strength in our country. The pessimists are those like the hon. member for

Saint-Maurice when he was minister of finance, and like the current Minister of Finance (Mr. Crosbie), or those people who say there is nothing we can do. What I have described is the weatherman theory of politics and economics; that really what we elect a government to do is to tell us to batten down the hatches and that there is nothing we can do about these natural hurricanes which are taking place throughout the economy.

I think there are two points which need to be made about our economic problems. The first is that they are structural and serious and that they cannot be solved overnight. The second point to make about our economic problems is that their solution must be fair and be seen to be fair by the Canadian people. In our tax policies, in our interest rate policies—in what are called our fiscal and monetary policies—the Canadian people from Newfoundland to British Columbia must have the sense that they are not being taken advantage of by the powerful and that there is in our tax system an element of fairness which pervades that system.

There is much talk these days about biting the bullet, about austerity, and about how to fight inflation, and I say to hon. members opposite in the Conservative party that all of us in this House and all of us in the country are prepared to fight inflation. The critical question which we continue to put to the government is; who will bear the cost?

The interest rate policy is a redistribution of wealth by another name. It has that effect. It has that impact. It is that unfair, and just as we criticize the interest rate policy because it is unfair, because it does nothing to solve our long-term problems, because it does not deal with the fairness problem and because it does not deal with the structural problems of our economy, so too these tax measures which have been left to us by the previous Liberal government do nothing to face these problems of fairness and structural change. That is why for the most part we are opposed to them, and that is why we have put forward suggestions as to how they should be changed. That is why we will be making what I hope the minister will agree are constructive comments having to do with the way these programs have been implemented.

● (2020)

We deal, first of all, with the investment tax credit and the research and development tax credit. There is a basic question which the previous Liberal government was asked several times and which, I suggest, we will be asking this government as well. That basic question is: what is the integrity of our tax system when it is so filled with loopholes, with special provisions, with exceptions, with advantages given to some groups and disadvantages to other groups so that it has no integrity? Indeed, it can be argued that it has even lost its capacity as a revenue collecting system; it is leaking like a sieve, and members opposite know it very well. That is at least three quarters of the reason why we have a deficit that is as large and as uncontrolled as the one we currently have.

When you look at the investment tax credits that have been given, when you look at the mining and drilling allowance that has been given, when you look at the artificially high rate at which certain industries are allowed to write off capital cost allowance, when you look at the other havens that have been created, you realize that not only do we have a system that is unfair, but we also have a system that is ineffective.

It is to these two points, the fairness and the effectiveness of our tax system, that I think members opposite might address some of their attention. I had hoped the Minister of Finance would have addressed some of his attention to them.

What has been the experience with the investment tax credit? Where are the studies to tell us whether these are the incentives which in fact rather than in theory lead to greater investment? Is this spending of public money—because every loss of revenue from a credit is as much a spending of public moneys as if the government wrote a cheque—having the effect that it should have? Is it encouraging regional development? The answer is, no. We have tried the tax credit route, it has been used before by past Liberal governments, and study after study over the last two years has told us that the regional tensions in our country are greater than ever before, that the disparity between the Atlantic provinces and Alberta, for example, is far greater than it was before.

I think we are entitled to ask ourselves: are these kinds of regional tax credits really the reason why businessmen decide to invest in a certain part of the country rather than in another? Do they simply go to companies that would have invested there anyway and, if so, why are we spending that much money? Is that an effective use of government money? I would have thought that those members opposite who pride themselves on cost effectiveness might want to ask themselves that very simple question, and I am glad to see that the Minister of Finance has agreed to bring forward a system of tax spending which will allow us at least to start on the road toward looking at the tax spending system in our country and at how it is attacking the integrity of our tax collecting system and of the revenue capacity of the federal government.

So the question we ask ourselves with respect to the investment tax credit and the research and development tax credit is quite a simple one. Is this adequate? Is this the way to redistribute investment in this country? If that is what the government wants to do, why not do it directly? Why not establish an investment fund? Why not have a national investment strategy? We have asked these questions before, and the Liberals were not able to give us an answer. If the Minister of Finance is serious in what he said earlier today that he wanted to start the country on the long road to national economic independence—this was implied in his remarks—I suggest to him that the way to do this is not by taking the route of giving a handout to every company which comes along and asks for one, or every company which uses the route of the tax credit which cannot be controlled or surveyed, but by using this means to direct investment in our country and to encourage the growth of regions as well as to discourage the amount of regional disparity which we have seen in our country.

There are three other measures to which I want to devote a little time. The first is the drilling allowance. The drilling

allowance is, without question, the biggest loophole in our tax system at present. It is a national disgrace because it means—last year we did not have the exact amount for it but we hope the government will give it to us—that the federal government is paying for virtually all frontier oil and gas exploration and is not getting a penny in return.

It means that, for example, Dome Petroleum has not paid a single cent of tax since it was founded some ten years ago. It means Shell Canada did not pay a single penny of tax last year. It means that while this government is screwing up its courage, to quote Shakespeare, to fight PetroCan which cost the public treasury somewhere between $300 million and $400 million, it is, at the same time, handing out money hand over fist to the oil companies, which is bad enough and stupid enough, without getting a penny of equity or of interest, or of guarantee of an interest in the long run for the Canadian taxpayer. This is the kind of "tough bargaining" which we can expect from the Liberals, but we hope for a better deal for the Canadian taxpayer from the Conservatives.

Not only that, it means also that the allowance and the loopholes go to those wealthy investors who are encouraged to shelter their money in a frontier drilling allowance. There are not many people in my riding who can afford even to know about or be aware of the meaning of a tax shelter like the frontier drilling allowance, but I think the meaning of these shelters should become crystal clear to the Canadian taxpayers. Not only are we subsidizing the takeover of our frontier resources by foreign multinational oil companies so that we are paying people to buy us out, it also means that we are paying wealthy Canadians to reap benefits from the exploration of resources. It means at the same time that while this is going on and while this unfairness is filtering through our tax system, the Conservative party has decided to pick on poor old PetroCan, the one foot in the door which the Canadian public has in the resource sector, in the oil exploration sector, and to give it back to the private sector as well.

Mr. Breau: Shame!

Mr. Rae: The hon. member for Gloucester (Mr. Breau) says it is shameful. I ask him to look at the drilling allowance system which has been set up in the country. I ask him to look at frontier allowance shelters and to go back to his constituents and tell them how fair they are. That is what the Liberal government stood for, and he knows perfectly well if he went back to his constituents and told them about it, they would shake their heads in disbelief. I think people are entitled to know about it.

The second point is one that was already mentioned by the Minister of Finance, and that is the change in the term "preferred shares". Both inside and outside this House many members of our party have made the point that, even after the loophole has been closed, our banks are paying virtually no tax. The Minister of Finance says that is not true, he does not agree with my theories. He said the NDP is the party of the twenty-first century. I would remind the minister that the twenty-first century is only 20 years away. I would rather be in the party of the twenty-first century than the party of the eighteenth century.

● (2030)

When one looks at what has happened to term preferred shares, one realizes that although the door has been closed, the horse has already bolted. Even as we are in the third quarter of 1979, the average rate of taxation of the banks is 10.7 per cent. I think Canadians are entitled to an explanation. I look forward to an explanation from the minister. I look forward to him telling us what he is going to do. The hon. member for Saint-Maurice closed the loophole long after it had the effect of allowing an extraordinary benefit not only to the banks but to those large companies which took advantage of the system. Because the arrangements have been made, because they were entered into, and because the system of term preferred shares lasts on an average between six years and eight years, we have a long way to go before we will collect the taxes which have not been collected as a result of this device.

I think we are entitled to indicate that the door has been closed and the horse is long gone, thanks to the negligence and ignorance of the Liberal government, thanks to its lack of concern for the integrity of the tax system, thanks to its lack of concern for the fairness of the tax system. The question which Canadian taxpayers will be asking members of the House of Commons is: what will be done about it now that the horse is gone?

Finally we come to the one feature of the budget on which the minister wanted to put his own particular stamp. He wanted to make it a Conservative measure as well as a Liberal one. I have only described some of the unfairness in the budget. In addition is the fact that it did not provide for the personal tax cut which obviously was needed back in 1978. The Minister of Finance went a little further, but it is interesting that the only major change the Tories chose to make was to give high income professionals a tax break. It was given to high income professionals, not to the man in the street.

An hon. Member: What about the woman in the street?

Mr. Rae: It was not given to the person in the street. It was given to lawyers, doctors, and dentists, who are in positions where they can incorporate themselves. By the magic of incorporation, they can reduce their effective tax rate to 25 per cent. It is this illusion of unfairness that at least the Liberals realized created abuse. A special tax rate for small business was not created to give a ripoff to professionals. It was not to allow them to avoid taxes. It was not so that they would not be treated like everyone else in the tax system. It was in order to give a benefit to those people who will be going out and hiring people to start a small business and get the economy moving. That is why there was this 25 per cent rate.

Presto, what has the minister done? He said that the way they were going to change this was to switch it from a 25 per cent rate to a 33 per cent rate. The minister has said that this has a neutral tax effect, but I think he is kidding the Canadian

public, and the figures will show it. The minister is kidding the Canadian public because it will not have a neutral tax effect.

The tax effect will be that professionals and members of their families, however they devise it and plan it through their tax planning arrangements for those family members who are engaged in so-called service arrangements with the doctors and so forth, will have far lower effective rates of taxation than if they were not able to take advantage of the incorporation loophole.

I think Canadians are entitled to know that the only thing the members of the Conservative caucus successfully pressured the Minister of Finance on was a tax cut for professionals, not a tax cut for all Canadians, not a means of helping lower and middle income people who are being shafted by high interest rates, not a means of helping pensioners who are struggling to make ends meet. The one group of Canadians whom this government decided to single out in its first act before Parliament by saying, "You people really need help", were the lawyers, doctors and dentists. They singled out high income professionals who are doing very well. Surely, in the name of goodness, they do not deserve the first break, the first act of charity and kindness to come out of the Conservative government.

I think Canadians expected something a little different and better than they received from the government. I will not engage in the kind of hypocritical criticism which we have heard from the government in exile, the Liberal party. Consistently we have opposed the unfairness of Liberal tax measures, the loopholes which have almost become synonymous with Liberal tax measures and the tremendous benefits to the multi-national oil companies which we have described. We say the same thing to the Conservative government, the tight money second team as I described them earlier.

We expected something different from the tight money second team than we have received so far. The people to whom they made promises during the election, those Canadians who remember that the Conservatives in their ridings promised a tax break, will be wondering why they did not receive the same tax breaks as lawyers, doctors and dentists. I do not think the government will have an answer for them. The government is responding to those same special interest groups, those same people who think giving a few more breaks to those who have will somehow stimulate the economy and that they will convince every other Canadian that what is happening is fair.

One message will come back and haunt the government. Not only does it have to deal with structural problems of the economy, it will not have Canadians behind it unless they are satisfied that everybody in society will be bearing the burden, and that not only doctors, lawyers and dentists will be receiving a little relief. It cannot deal with structural problems of the economy with a high interest rate and a laissez-faire government which leaves everything to multi-national companies. Canadians will have to be satisfied that pensioners, industrial workers, clerical workers, persons with a little education, and those persons who do not have enough get up and go to start a business, according to Conservative philosophy, will receive equal benefit. They deserve just as much a break and just as much fairness from the tax system as doctors, lawyers, dentists, chartered accountants, and insurance salesmen, who are so beloved by the Conservative party and the Conservative government.

The Liberal budget is worthy of the Liberal party. The black and grey Liberals can unite on this one. I am afraid it is worthy of what we have come to expect so far from the Conservative party which has ignored the great traditions of a national policy, but it is not something which is worthy of the House taken as a whole. We will be putting forward amendments during consideration of it in Committee of the Whole. We will be opposing these benefits because we think that they provide too great a share of the national wealth to a few Canadians. We will be asking that this government demonstrate two things: economic leadership, and compassion. A party which does not combine economic leadership and compassion will very soon find that it is out of favour with the Canadian people. I hope that those so-called "blue Tories" on the other side of the House remember what I have said because, if they do not, it will come back to haunt them.

• (2040)

Mr. Dan McKenzie (Parliamentary Secretary to Minister of National Defence and Minister of Veterans Affairs): Mr. Speaker, I am glad to be in the House tonight and to have this opportunity to enter into this debate. It is interesting to follow the comments of the financial critics for the Liberal party and for the NDP. The financial critic for the NDP was not here on May 23, 1978, but the whole day was spent debating a review of the tax structure for Canada. My party wanted to refer the matter to committee, but this was criticized by the Liberal party which, assisted by the NDP, talked this motion out. The two opposition parties were no more interested in reviewing the tax structure then than they are now.

It is a full-time job to keep up with the statements made by the New Democratic Party members, particularly their statements about what oil companies pay with regard to taxes. Of course, I have another statement which I will have to check out tomorrow, that being the statement by the NDP financial critic that Dome Petroleum does not pay taxes. That statement is probably just as false as all the other statements which they have made and which I will be reading into the record tonight.

There has also been discussion on the high interest rates. I will be going into some detail later in my speech as to why we have these terribly high interest rates. It has nothing to do with policies which my government has introduced, it is simply that we are forced to pay off the Liberal debt. I shall be going into these figures in a moment to remind the Liberal financial critic of the debt his government left this Canadian nation and how it trapped the Canadian people. One of the reasons why we must have these high interest rates is to attract money to pay off the Liberal debt. I will be going into the exact figures.

The financial critic of the NDP has made statements to the effect that all my party is interested in are professional people. That is not true. We have introduced legislation to deal with

veterans, pensions, spouse's allowance, and aid has been granted to the municipalities in lieu of taxes, to mention but a few. The Liberal party has continuously criticized our tax credit plan for homeowners. If it is so interested in homeowners, it could have implemented this policy in 1965 because that is when my party first proposed the idea. However, at that time all we got from the Liberal government were taxes on building products. It is no more interested in home owners than it is in flying to the moon.

The Liberal financial critic was held in high esteem in the last Parliament, after he was removed from cabinet. He was quite credible in the House, and the hon. member asked many pointed questions of the government at that time. But now that the hon. member is a critic he seems to have a convenient memory. I would like to remind the hon. member of a bill which his party introduced on January 27, 1978, to bring Canada's oil up to world prices. They have since reversed their stand on this policy, but there has been no explanation as to why. As yet, this government has not said anything about bringing our oil up to world prices because we have not reached a final decision as to what the price will be. The then minister of energy, mines and resources is reported as saying in *Hansard* at page 2313, January 27, 1978 with regard to his Bill C-19:

> The principal purpose of this bill is to enable the government to fulfil its commitment to provide international prices for the synthetic oil produced—

Then he goes on to say:

> Steps which have already been taken by the government include the following:
>
> 1. A commitment to move Canadian oil prices toward international levels in order to encourage conservation and resource development.

If that party has changed its mind and its policy, I would like it to give an explanation, and never mind its negative criticism about what the government is doing with regard to oil prices. Similar comments can be found throughout this debate which carried on until April 10, 1978, where the Liberal party said that it would bring Canadian oil prices up to world prices.

I would like to give the House and hon. members present some idea of what my government has inherited from the successive Liberal governments which can only be described as the most irresponsible group of individuals to have ever held public office in Canadian history. The expenditures in main estimates for the fiscal year 1979-80 are $52.6 billion; for 1980-81, $57.95 billion; for the fiscal year 1981-82, $63.85 billion, and for 1982-83 $69.9 billion. The party while it was in power absolutely trapped the Canadian people. The budget will rise by $20 billion in three years without the present government bringing in one single spending program. They have put in motion this uncontrolled spending, and that is the problem. We must try to reduce that $70 billion budget, and that is why we cannot give tax cuts to renters or the small businessmen. We would like to give more support to the veterans and other groups, but the veterans, renters, home owners and businessmen must pay off this huge expenditure.

At the end of March, 1971, the net public debt was $16.5 billion and was costing per capita $744 per year. Four years later it jumped to $19.275 billion. As of March 31, 1979, the net public debt was $51.5 billion. This has all been set in motion by the Liberal government, and the net public debt could reach $104.710 billion by 1983. That is what the Liberals have done for the Canadian people, but we do not hear their finance critic explaining how we are to get out of this mess. He simply offers negative criticism and a complete reversal of policy. It is the policies of the Liberal government which have caused the high interest rates, and I hope that we can overcome this situation. If we cannot attract money into this country we will not be able to pay off these debts.

Another topic of discussion tonight has been Petro-Canada. I would like to point out to this House and to the people of Canada that we must all take the statements made by the New Democratic Party with a large grain of salt. If a constituent is concerned about any statement made by a spokesman for the New Democratic Party, I suggest that he or she write a government member about that particular statement, whatever it may be.

I would like to go over some statements made during the Speech from the Throne debate by the Leader of the NDP on October 10. The hon. member made a number of misleading statements concerning Petro-Canada and the oil and gas industry in general. For the most part the numbers and the events which he cited are correct. It is his misinterpretation of those numbers and events which is cause for concern, and which should be attacked and dispelled. Their leader stated:

> The tax rate for the oil industry declined from 35 per cent to 21 per cent.

He—

> —is referring to the effective income tax rate of a company relative to book profit. In order to encourage the discovery of new petroleum reserves, the government has implemented in the last decade a series of tax incentives, through depletion allowances and fast write-offs, which have the effect of reducing the taxable income. While there has been an increase in exploration activity since the introduction of various tax incentives, there appears to be some concern that these tax incentives are overly generous, causing speculation in the business community that there may be revisions in the next budget.

The Leader of the New Democratic Party has also stated:

> Shell did not pay one cent in taxes.
>
> This was true in 1978 in the case of current income taxes, as a result of increased exploration and depletion expenses. It is not true in the case of other forms of taxation.

● (2050)

In 1978 Shell paid other taxes of $138 million and production royalties of $205 million for a total of $343 million—an amount more than double the corporation's profit of $151 million. The statement made by the Leader of the NDP to the effect that Shell did not pay one cent in taxes, is completely false. If these oil companies are gouging the public, we on this side have no reservations about conducting an inquiry into their activities. There have been some recent investigations into that matter and the results are being examined by the Minister of Justice.

The Leader of the NDP went on to say:

> More than $2 billion of Canada's money has been given to Shell and its partners in the Athabasca Oil Sands.

His choice of words is extremely misleading as he seems to imply direct cash contributions to the oil sands project. If he is referring to the effect, over time, of accelerated capital cost allowances, depletion allowances and other tax incentives, then we probably are dealing with a matter of interpretation, assuming the accuracy of the $2 billion figure. A series of special tax and pricing concessions are being negotiated between the Shell-led consortium and the federal and Alberta governments. This series of concessions are necessary in the oil sands industry where the cost of producing a barrel of oil is in the $16 to $20 range versus around $5 for new and old conventional oil.

The NDP leader also stated:

Petro-Canada is currently involved in 80 per cent of the drillings off the coast of Labrador.

To state Petro-Canada's involvement in terms of drillings is to overstate its contribution. Out of $224 million that was forecast to be expended in the area this summer, Petro-Canada's financial involvement was forecast to be only about $50 million. Further, while Petro-Canada is involved in 9 or 10 out of 12 or 13 wells being drilled this season, it has been the catalyst or leader of none. It is a very weak national oil company, Mr. Speaker. We want to strengthen it and we will strengthen it.

Then he stated:

Canadians as far east as Thunder Bay can go to a Canadian-owned petroleum station.

And as far west as Quebec, Mr. Speaker. Irving oil, a major retailer in eastern Canada, is Canadian owned.

The NDP leader also stated:

—that $500 million has been taken and turned into $3.5 billion for the people of Canada.

This is extremely misleading, as it implies that Petro-Canada has generated $3 billion in earnings. In fact, Petro-Canada's growth is a result of $900 million of government investment and about $2.5 billion in debt. In other words, Petro-Canada has cost, not earned Canadian taxpayers, $3 billion. That is what the two opposition parties support, a weak, bankrupt company that can do nothing for us. That is why we want to strengthen it.

An hon. Member: Owned by the foreign banks.

Mr. McKenzie: That is right. Due to the false and misleading statements made by the Leader of the New Democratic Party, and, of course, the Liberal opposition, considerable concern has been caused to a number of residents in my constituency. I have had to draft a letter to explain the true facts to them. It reads as follows:

There has been widespread concern expressed by a number of Canadians over the future of PetroCan. But there has also been widespread misunderstanding on all sides concerning the Conservative government's proposals in this regard. Much of the misunderstanding has been fostered by those groups who do not understand the poor condition of PetroCan in its present form, or the government's proposals.

[Mr. McKenzie.]

May I begin by saying it is not the intention of this government to privatize or sell PetroCan to foreign interests. Nor is it our intention—in any sense—to weaken the Crown corporation.

Rather, the government intends to strengthen Canada's role in the oil industry. In order to achieve this—a goal which every Canadian wants—PetroCan must first be reorganized. In its present condition, the Crown corporation is a weak company in a very healthy industry. Despite the propaganda campaign being waged by the NDP and Liberal parties, PetroCan, in its present form, is not protecting Canada's interests in the oil industry.

I am enclosing additional information for my constituents.

The letter goes on:

An overview of the highlights of the task force's report will show how a restructed PetroCan will better serve Canada in a way the present corporation is unable.

First, a reorganized PetroCan would be owned by all Canadians and would consist of about 95 per cent of the assets of the present corporation. After initial distribution, only Canadians would be permitted to purchase any freely traded shares. The amount of equity held by any Canadian or corporation would be limited within strict bounds.

Whether we are going to implement that, I do not know, but that is being considered at the present time.

The letter continues:

Secondly, and just as important, the new corporation would no longer be in chronic debt. In the first six months of 1979, PetroCan has lost $7.6 million. Since it began operation in 1976, the federal government has pumped $800 million worth of equity capital into the corporation. Its financial structure as it now exists is overburdened with debt. Debt exceeds 250 per cent of equity versus the ratio of between 25 per cent and 40 per cent of other petroleum companies.

Now we have the Liberal party and the New Democratic Party supporting a Crown corporation that has a debt equity of 250 per cent. They go around telling the Canadian people what a wonderful company it is because of a debt ratio like that. I do not think they understand what a debt ratio is.

To return to the letter:

Through the proposed reorganization, with the debt of the privatized part largely removed, the new company could earn Canadian shareholders in excess of $100 million per year while the debt of the government would be reduced by about $300 million.

Third, the new corporation will retain three essential functions now performed by PetroCan. The corporation will retain the function of negotiating state to state contracts for crude oil;—

We have said right from the start that Petro-Canada would be dealing with other nations.

My letter goes on:

—exploration in frontier areas; and the development of tar sands. The retention of these three functions, along with a largely debt-free corporation owned by all Canadians, would ensure Canada has strong voice in the energy field.

Finally, the new corporation would, under the proposed reorganization, be more aggressive in the oil industry.

Instead of merely providing money for other operators, such as Mobil, in their explorations, the new company will be a leader in the field of exploration. Unlike the present corporation which has yet to drill an oil well of its own in the frontier areas, the reorganized corporation will surely be a leader in this area.

The Conservative government is as concerned as are all Canadians, of ensuring that Canada has a strong voice in the field of energy. I urge you to read carefully the information provided, for the real story is being clouded by those who do not have the interests of Canada at heart. It is time we consider the real issues involved, not those who raise erroneous arguments for political purposes. I am confident the proposals put forward are sound proposals, and they are in the best interests of Canada. I am also confident Canadians will see the pressing need to restructure Petro-Canada for the benefit and strengthening of Canada's role in the petroleum industry.

That is the extent we have to go to, Mr. Speaker, to explain things to our constituents. We need a team of watchdogs and bulldogs to analyse every statement the NDP makes. They are just unbelievable. They have completely destroyed their credibility with their statements about medicare, PetroCan and taxes. That is all we hear from them.

As late as last Friday, October 26, another of their members was criticizing the Minister of Finance (Mr. Crosbie) because, when in opposition, he opposed the high interest rates that were being imposed in October, 1978. What the hon. member neglected to point out about the speech made at that time by the Minister of Finance was that while he was criticizing the increase in the interest rates he was also criticizing the uncontrolled spending that was being done. That is something you never hear from the NDP—not a word.

An hon. Member: Oh, oh!

Mr. McKenzie: There is one of them now who would never talk of uncontrolled spending. He likes to go around kidding people that we do not have to pay off a debt which is heading toward $100 billion. There is not a word from the NDP on what we would have to do about paying off that debt.

Mr. Nystrom: Especially in Tory provinces.

• (2100)

Mr. McKenzie: We will check out the statements about Dome oil tomorrow. No doubt we will all be back, and I will be back again to correct more and future statements from the two opposition parties.

Mr. Nystrom: Mr. Speaker, would the hon. member permit a question?

Mr. McKenzie: Mr. Speaker, I have nothing to learn from any member of the New Democratic Party.

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

Mr. McKenzie: I will only take questions from a credible organization.

[*Translation*]

Mr. Herb Breau (Gloucester): Mr. Speaker, it gives me great pleasure to take part in this debate on second reading of Bill C-17, an act to amend the statute law relating to income tax and to amend the Canada Pension Plan. Of course, it is not the wish of this party to prolong this debate unduly because at this stage the House of Commons has to vote on the principle of a bill. So, as the House at this late date, in late October, 1979, is still considering legislative matters arising from the budget of last November, obviously we would not want to delay unduly the legislative process on this bill. But, Mr. Speaker, I think it is important to set certain things straight when dealing with budgetary matters, quite simply because nearly every day during question period the ministers answer questions put to them by saying that if today we have a difficult financial situation, if the governor of the Bank of Canada must constantly increase interest rates—that now stand at 14 per cent—it is because of the financial situation in which this country finds itself, apparently brought about by the Liberal party, the previous government.

Mr. Speaker, it is an argument that has absolutely no credibility, quite simply because the government officially became the government on June 4. They were elected on May 22 and since June 4, they have waited nearly four and a half months to reconvene the House of Commons, contrary, as my colleague for Windsor West (Mr. Gray) pointed out this afternoon, to the practice in effect previously in Canada and in other countries like Great Britain, for example. When a new government gets a new mandate, one of the first things it must do is to call the Houses, summon Parliament and bring forward its economic policy and legislative program.

Here is a Prime Minister (Mr. Clark) who suggests they had no data, they did not know what they were talking about, they knew nothing of Canada's economic affairs, and therefore they needed training. This is in effect what the Prime Minister said this afternoon. He indicated that when he spoke in this House last year, when the financial critics—because there were many—Mr. Gillies and the President of the Treasury Board (Mr. Stevens), the then hon. member for York-Simcoe, both were financial critics. I remember very well that in November last, during the budget debate, he started referring to the situation and exaggerating the Canadian deficit. He was referring to figures in the order of $25 billion or $30 billion a year, because at that time he obviously wanted to scare Canadians. He wanted to exaggerate the economic situation, pretending it was very bad.

How can the government now tell us they did not know what this country's economic situation was, when at the time they were the opposition they did not stop referring during last year's budget debate to this country's grave difficulties? Mr. Speaker, they knew what the economic situation was.

They knew last year that the policy they were advocating, the famous $2 billion tax cut, was completely irresponsible. They knew at that time that the monetary policy they were suggesting for supporting the dollar at 90 cents or 92 cents was absolutely irresponsible. In the last two or three weeks the dollar has gone down on the market. We have not heard the Progressive Conservatives complain and say that this is terrible and that the value of the dollar should be brought up to 90 cents or 92 cents.

Mr. Speaker, the members opposite must realize that they have lost all their credibility and that they are acting completely irresponsibly simply because they did not tell the truth to the Canadian population last year during the election campaign, and are not telling the truth now. They should stop groping about for solutions and bring down a budget. It is really regrettable that at the end of October, with a new

government which was elected in May and which officially took power on June 4, we have not yet passed a single bill. We are now at the end of October, Mr. Speaker. The Minister of Finance (Mr. Crosbie) has the gall to tell us, " I cannot bring down a budget before all the bills of the previous budget are passed." First of all, from a technical and a legal standpoint, I am not sure that this is true. In any case, I must tell the members opposite that we were ready to come here in July and even in June if this was so urgent.

As for the bill to increase the borrowing power of the government, which was discussed last week and passed second reading this afternoon, we were ready to pass it in July or August, and the same applies to the budget bills now under consideration. We shall therefore not spend too much time on the principle of this bill because it is rather good after all, Mr. Speaker. The government thought that the budget of my colleague the hon. member for Saint-Maurice (Mr. Chrétien) was so good and his economic policy when he was finance minister was so good that it did not even take the trouble to try to change it even a little bit because, since ministers have been officially and electorally in power, they did not even want to convene Parliament or bring down a new budget; so, they recognize that during 12 months, a whole year, the economic policy of the government was the right one.

Now the Prime Minister has the nerve to say, " We did not have all the information, we did not know that the economic situation of the country was so bad". Mr. Speaker, it is totally irresponsible. When a political party, whether it is a third party or anything else, presents itself as a national party and pretends to govern this country and proposes an economic measure, it should have the necessary information and act responsibly. If it promises something one day it has to keep its word once in power.

At his press conference last Friday the Prime Minister said we were irresponsible as the opposition. But it is because of the system, because we were forced to oppose whatever the government proposed. It is not true, Mr. Speaker. If this government proposes good measures for Canadians, we on this side of the House are going to support them, and when it proposes something bad, we shall say how bad it is and ask for something else. We shall be entirely responsible when we take back the power, and that will be before long, within a few months, and we shall ask the House of Commons to implement the same policies that are proposed now.

Mr. Speaker, the excuses given by this government to justify its unwillingness to present a budget now cannot be taken seriously. The only reason why we have no budget and why we did not sit for four and a half months is that this government did not know what it had to do and was unable to make a decision. Internal problems become more and more visible from day to day. The Minister of State for International Trade (Mr. Wilson) could tell us about the problems within the government; he might explain why we lost the contract with Argentina, a $2 billion contract that might cost us even more just because the ministers were unable to make decisions. Will we continue to carry out idealistic policies or are we going to be more practical? The government could not make up its mind last summer.

The Minister of State responsible for the Canadian International Development Agency (Mr. Asselin) must now eat humble pie and explain to the House how he lost a contract worth $2 billion to Argentina, simply because the Secretary of State for External Affairs (Miss MacDonald), supported by a number of others ministers, made some quite idealistic comments on bilateral nuclear safeguards between Canada and the United States which are buying our Candu reactors and multilateral safeguards as well.

This government last summer could not decide to recall Parliament to adopt the bills resulting from the last budget and present a new budget. There is another reason why we have no new budget just now. The Minister of Finance should also refrain from hiding the conditions, he should stop concealing the real reason. We know that no budget can be prepared in Canada, at least it would be entirely irresponsible and credulous to think that a budget could now be brought down without having taken any decision about oil prices.

Does the Progressive Conservative Party have any policy about oil prices? If it has one, is it ready to put it into effect? It was thought that everything would get better when those gentlemen came to power. They would be in a position to co-operate with the provinces, to bring those people together for a discussion. Suddenly there was no more problem among producing and consuming provinces. Mr. Speaker, it has become obvious that so far this government has failed miserably to get an agreement on oil prices. There again, we can see that they were not being responsible when they were criticizing us for the unilateral measures the then federal government had to take on oil prices. They now realize that it is difficult in Canada to come to an agreement on an issue as crucial as oil.

One of the reasons why the new government has not yet brought down a budget is simply that it has not come to a decision on oil prices. It is impossible to reconcile the interests of the Conservative Premier of Ontario with those of the Alberta Premier. Some might say that the eastern provinces have reached an agreement. Yes indeed! They are going to buy that agreement between the eastern provinces, their Conservative friends from the Atlantic provinces. We know how they are going to do that. When Alberta's revenues rise because its royalties in oil and gas increase, automatically equalization payments to the provinces will go up.

Premier Hatfield of New Brunswick, Premier MacLean of Prince Edward Island, Mr. Lévesque of the province of Quebec, Mr. Peckford of Newfoundland and Mr. Buchanan of Nova Scotia will say, "Raise the price of oil because that will increase the revenues of Alberta and, consequently, those of my province through the equalization system." Those gentle-

men are in the process of asking Canadians, the consumers of oil in their own provinces, to pay a higher price for oil, in order for them to receive greater amounts of money from the federal government through the equalization programs.

That is dishonest, Mr. Speaker. For, if those people want to get more money from their fellow citizens, from the Canadian Parliament—and that is justifiable through the equalization system—if they want more income, let them ask for it and say, "We want to spend so much; that costs us so much for operating expenditures over a year, and so much for capital expenditures; we therefore need more income." But that is not what they are doing. They say to the federal government, "raise the price of oil. That will increase the revenue of the province of Alberta and ours through the equalization payments."

How dishonest, Mr. Speaker. The government should know that Canadians will realize what is going on, and see how the premiers of the eastern provinces, Mr. Lévesque and the premiers of the four Atlantic provinces, are seeking disguised tax increases through higher oil prices. At times that is the most equitable way of collecting money. Naturally, people will have to pay more for their oil because oil will cost more in the future.

Mr. Speaker, I believe it was the hon. member from Winnipeg who said, a while ago, that we have the same oil policy as the Progressive Conservative Party, that is, we want to head toward world prices. There is quite a difference if we say that we are going toward world prices or that we are going to world prices. Furthermore, there is quite a difference between our policy and the policy of the Progressive Conservative Party, because last year we had an agreement which was valid until June, 1980, under which oil prices were to increase by $1 a barrel every six months according to economic circumstances. In January this year we postponed that increase precisely because it was said that there were inflationary pressures in Canada and that economic circumstances made it impossible for the Canadian economy to absorb such an increase at that time.

● (2110)

[*English*]

Mr. Kempling: That's because there was an election coming.

Mr. Breau: The hon. member for Burlington (Mr. Kempling) says that was because there was an election coming. We were concerned about the economy of the country. We were a responsible government, just like we are a responsible party now. Of course we were conscious of the election. However, we were also conscious about the economy. We said it was a worth-while objective to go toward a world price for oil. We believed that should be done in stages, and then only if we were sure the economy could absorb it.

What those on the other side do not realize is that there is a limit to which we can go in oil prices. Some sectors of the economy and some regions in Canada cannot absorb the drastic price increases being talked about by the Conservative government. For example, the fishing industry would go bankrupt if left to the whims of this government with these kinds of oil price increases.

Mr. Kempling: Nonsense.

Mr. Breau: The hon. member says nonsense. He does not have to worry about fishermen in his constituency. I do. I remind him that when fishermen in my constituency, and in fact throughout the Atlantic provinces, make a profit, they buy equipment that may come from the riding of the hon. member for Burlington (Mr. Kempling). When we talk about protecting the fishing industry or agricultural industry from high oil prices, it is not because we want to help only one region of the country. This helps the whole economy. The stronger these regions or sectors are, the stronger the economy of Canada will be.

We believe that oil prices must increase, but not by $4 a barrel. We do not think we have to go to the world price because it is not we who decide what the world price will be.

Mr. Kempling: How much?

Mr. Breau: We said a dollar a barrel over six months. That was our policy. Last year, because of difficult economic conditions, we said that increase should be delayed. We are not like the Conservative party which follows only one line of policy and that is it. For example, they are now following a policy of high interest rates. The Conservatives say that because the governor of the Bank of Canada follows a certain policy of money management, they must do the same.

We followed a monetary policy, but we were concerned about the effects of it. We did something about that. One thing we did was delay the price increase of oil last January. The Conservative government is not doing that. They let interest rates go to 14 per cent. They are not doing anything on the fiscal side. That is the difference between the Conservative government and the Liberal government.

This is too complicated for the hon. member for Broadview (Mr. Rae) to understand. He said we followed the same policy of the governor of the Bank of Canada. It is true we followed the same monetary policy, but interest rates never went to 14 per cent. When there was some shock to be absorbed in the economy, we were concerned and did something about it on the fiscal side. For example, with regard to our anti-inflation policy in 1975, we put a freeze on dividends and interest payments leaving the country. That applied for a certain period. That is an example of doing something other than monetary policy, something which deals with the effects of monetary policy, something the Conservatives are not doing. If they want to let interest rates go up and follow the policy and advice of the governor of the Bank of Canada, they must do something about the effects these policies are having. That is what they are not doing. By delaying their budget they are being irresponsible. They should be doing something about the effects of these high interest rates. This does not mean changing basic monetary policy.

● (2120)

As my hon. friend, the member for Winnipeg-Fort Garry (Mr. Axworthy), said so eloquently in the last two or three weeks, Conservatives are letting Canadians pay these tremendously high interest rates and some of them do not pay them because they cannot afford it. That is very irresponsible. The government should stop dickering around and present a budget. If they have an economic policy we shall then be able to see it. We shall know whether they have the guts to decide what the energy price shall be and not hide behind provincial premiers who are not elected to deal with national politics, who are not elected to deal with the interests of the country at large but who are elected to look after the interests of their own province.

It is up to the Prime Minister and the Minister of Finance to present a budget. They have been criticizing us for years while they sat on this side of the House. They said our economic policies were wrong. They have been in power for just about five months, now, yet they have not presented a budget. So, in effect, they are saying that the economic policy of the former government as presented by my hon. friend, the member for Saint-Maurice, was a good one. We still do not have a commitment from the government to introduce a budget in November. All we have heard is that there is to be a budget some time before Christmas.

The Minister of Finance and the Prime Minister are insinuating that we are delaying a legitimate program of the government. We are not doing that. We are dealing today with Bill C-17 for the first time. We were very responsible on Bill C-10—all our members spoke for less than their allotted time. We did not take the full 40 minutes because we did not wish to delay unduly the legislative work of Parliament. But the government will have to come up with some policies; it will have to live up to its responsibilities. It will have to stop the nonsense of answering every question by saying nothing can be done because information is lacking, or because it did not know how wrong things were under the former government. That is not what members opposite were elected for. They should have the courage to take up their responsibilities and present a budget before too long.

Mr. Simon de Jong (Regina East): Mr. Speaker, I shall not go on too long. We have heard some wild oratory this evening. We have heard some good oratory from members of the former government, and some apologies from members of the present government. Basically they are both hooting and hollering over the budget which was brought in last year by the Liberals, one which I am sure the Conservative members of that day strongly criticized and now, lo and behold, we find the same items in the budget being defended by members of the Conservative party and thoroughly criticized by members of the Liberal party!

Mr. Kempling: That shows how little you know about the question.

[Mr. Breau.]

Mr. de Jong: To be sure, I am a youngster; I am a new person and I am learning, and it is definitely a revelation to me. Never before did I realize how true that old saying was about Tweedledum and Tweedledee. It actually applies. Essentially the difference between the two old line parties is not all that great. One is in power, one is out of power. One is progressive while in opposition and conservative while in power; and the other, the great Liberal party, goes wherever the wind is blowing. Now that the Liberals are out of power they have to be seen as progressive, imaginative, and assertive. They will put together, I am sure, all sorts of good ideas and suggestions which they hope will seduce the Canadian people into allowing them another taste of power.

An hon. Member: Not for a long time.

Mr. de Jong: I tend to agree. It will be quite a long time before the Liberal party gets the taste or even the smell of power. I think the Canadian people have realized after those long hard years of Liberal government that though, indeed, they may sound progressive from time to time, when it comes down to demonstrating where they are at, they generally show themselves not to be on the side of the people but, rather, on the side of those who have generally financed them and kept them in power for such a long time.

I should like to deal with some of the items in the Liberal budget, items which I am sorry to say the Conservatives have decided to continue and recommend to the House. They are items which illustrate the type of financial favouritism which the former government indulged in, and which is to be carried on by those opposite.

I refer, for example, to the area of MURB which is the Multiple Unit Residential Buildings Program. This is a very lucrative program for those who can get involved in it. It is a $60 million tax shelter mainly for doctors and lawyers and people in high income groups.

When I began to investigate it I was amazed to realize that for a $700,000 initial investment, after a 12-year period it was possible under this program to claim losses for tax purposes of $2,518,581 or a cash return to the owner of $1,341,814. So, Mr. Speaker, for an initial investment of $700,000, over a 12-year period you get back more on tax write-offs than you initially put in. More than the value of the building! No wonder we are in trouble. No wonder there are massive deficits. No wonder the country is in economic crisis with this type of give-away program.

Do our friends across the way intend to fight government deficits by closing these loopholes? No, Mr. Speaker. They are extending them further. They intend to fight the deficit on the backs of old people, poor people and unemployed people. That is their notion of fighting deficits. Essentially this notion was practised by the previous government because they also introduced cutbacks. They did not cut back on these lucrative tax shelter programs. They suggested in their budget that they should be extended, and the Conservatives now propose to continue that policy. I wish, as I am sure the people of Canada wish, that if you are going to fight deficits and inflation you

fight it among the people who can afford it, people in the higher income brackets, and not on the backs of poor people and small business people, farming people, the unemployed and the young.

The MURB program is, of course, supposed to have some beneficial effects. It was supposed to be a housing program.

• (2130)

The former government initiated some great housing programs, but over the last number of years it began to whittle away at CMHC, and I am afraid this government is going to continue this even further in its privatization of CMHC. I understand this government has appointed a one-person commission to look into CMHC to see what aspects of that corporation can be turned over to private investors. I understand the government is even thinking about turning over the mortgage insurance program.

The mortgage insurance program is an important program, especially for people living in social housing, co-operative housing, low income housing, etc. Private insurance companies do not want to touch these people, so they have to turn to CMHC for their insurance. However, the government opposite is going to sell that off to private insurance companies.

I understand that the government is having some difficulty selling the insurance part. There are so many defaults because of the interest rate policy of the government that no private insurance company would want to touch this aspect of the corporation. I am not certain if that is so. I think it is just a facetious joke some people are putting forward, and most probably the mortgage insurance program of CMHC will be sold off. I am sure the government will make it attractive enough for private investors to pick it up and to carry the burden. I am also sure that when private investors pick up CMHC mortgage insurance, they will not insure co-op housing, social housing or low income housing, which are the types of housing which need protection. They need assistance in the type of housing market and housing conditions which are being created, especially with the present government and its interest policies. However, the MURBs were supposed to do this.

This program, which cost $60 million in lost revenues, allowed people in higher income brackets to put money into MURBs. Unfortunately, the effect has not been to create low cost rental accommodations for people. There is no restriction as to what type of accommodation is to be built. Most of the money in MURBs went to relatively luxurious town houses and high cost rental accommodations. This is not a housing program. It is a tax holiday for rich people. It is no excuse for a housing program at all.

Although it is minor, another aspect of the proposed budgetary changes is the removal of certain home insulation materials from the sales tax exemption. I am glad to see that solar cells will be included as exempt items, but other insulation materials such as double-paned windows, etc. will not. I do not think insulating homes through a taxation system is necessarily the right answer. I think it is plain to see that a housing program through tax incentives is not a housing policy because it does not do the job. All it does is create a tax shelter. It does not create housing and rental accommodations which are desired by communities. Such is the case with insulation material. Tax incentives do not do the job. They are a backward step. I think we should be trying to encourage people to insulate. We should be making it easier for people to insulate. We should be providing some leadership in this area. Instead, the proposal of the former Liberal government to tax certain home insulation materials is being carried through by the present government. Even though it is a small step, it is a backward step in the field of home insulation.

There are some basic problems which the Canadian economy faces. Average Canadian workers and income earners know this better than anybody else. I think they appreciate this better than most hon. members opposite and most members of the former government, because they have to live with these problems. They have to try to balance their wages against increases in the cost of living. If they have to renegotiate the mortgage on their homes this month because it has fallen due, they will realize that they will have to pay an extra $100 or $125 per month. They realize that the little income they receive is fast being eroded. They find no protection. They get no understanding from hon. members opposite.

Most hon. members opposite are well protected from economic shocks. Hon. members opposite always want to see working people tighten their belts a little more. As I understand it, the Prime Minister (Mr. Clark) and the governor of the Bank of Canada have asked us to tighten our belts. They are going to make some tough decisions. This is a time for sacrifice. All that does not sound much different from what we heard from the former minister of finance and the former prime minister, that "these are times of sacrifice."

Who has to sacrifice? Wages did not keep up with the cost of living last year. Working people have to sacrifice. Often retired people have to sacrifice. Hon. members opposite might say that the pensions of retired people are indexed, but they really are not. They are indexed to the increase in the cost of living, but those increases do not reflect what the average old age pensioner experiences as his cost of living goes up. The extra $2.50 or $3 per month they might be receiving because of the indexing of the pension is no real protection as fuel bills and food bills go up. Those costs are going up by some 25 per cent. Working people, retired people, people on fixed incomes and people on social assistance have to bear the brunt. The assistance received by people on social assistance is not going up as fast as the cost of living. Those people are losing.

I do not know how close hon. members opposite are to people who live in those types of situations. People who live on the average pension are often expected to live on $200 a month or less. When the cost of fuel goes up by some 15 per cent, 20 per cent or 25 per cent, and when all at once a head of lettuce—as was the case in my riding in Regina this spring—costs $1.75 per head, what does that mean to a person trying to live on less than $200 per month?

It was during the election campaign that the point was really driven home for me. A lady telephoned me telling me

that she was a retired person and that her total income from all her pensions was some $330. Her rent came to $210. She had roughly $120 to pay for her food and her utilities.

An hon. Member: What about that great socialist provincial government you are always talking about?

Mr. de Jong: The lady was getting a supplement. Her drug bills were being covered. She did have total access to medicare, but she had only $110 to live on. It was not enough for her food, her clothing, and her energy needs. What effect are the policies of high interest and high fuel costs going to have on her? How much more economic insecurity and living from month to month can we expect? The lady was very depressed, and she said to me, "Mr. de Jong, I think the only solution for me is to take a bottle of pills".

It was shocking to hear that from an elderly retired person who had worked and given much to this country. She had, as economists call it, lived the life of forgoing consumer expectation. Her work created the capital which made this country what it is today. What is her reward? To live from month to month in total economic insecurity, struggling to make ends meet! What a reward! What insanity! Is this the type of system and the type of country in which we are living?

● (2140)

What does this budget do? It helps the rich get richer, and, damn it, it helps to make the poor get poorer. It offers no relief to those who need relief the most. It will give a $60 million write-off to fat cat lawyers and doctors with programs like MURB under which they get over $1 million back in a 12-year period because they have invested $700,000 that otherwise they would have had to pay in taxes. Is this fair? Is this just? Is this how it should be? No. Hon. members opposite will talk about balancing the budget, about making tough decisions and about tightening belts, but they will not tighten the belts of these gentlemen. However, unfortunately for my poor pensioner back in Regina, they will tighten her belt.

Because of all that, Mr. Speaker, in all moral consciousness I cannot support this motion.

Mr. Bill Yurko (Edmonton East): Mr. Speaker, I am very pleased to rise and make some remarks on Bill C-17. First, I wish to make some general remarks; then I will make some specific ones with regard to the matter of the small businesses deduction in clause 38.

I believe it is now some 15 years since the Carter Royal Commission Report on Taxation came down. Since then we have had the evolution of a complex taxation system in Canada which tends to baffle most intelligent people in the nation. One thing can be said, however, and that is that as the tax system evolves, except for some brief interludes, basically it has become, first, anti-wealth production, second, anti-incentive, and third, anti-growth. Indeed, the government's share of the total industrial pie or GNP has increased, as I said before, to something like 42 per cent. Indeed, in the nation the government collects through taxes, and recirculates, in the most inefficient way, some 42 per cent of the gross wealth of this nation. This is such a heavy burden upon the productive segment of the nation that a readjustment is absolutely vital. Indeed in some nations like the United States there is a tax revolt. I do not doubt that before very long we will have a similar revolt in Canada. We must reorient the economy toward an incentive society.

The hon. member across the way referred to MURBs. I can give him some information about the actual response to incentives which occurred in Alberta. In 1974, housing starts in Alberta were in the order of 15,000 housing units a year. The vacancy rate was effectively nil. Poor people were paying escalating rents because the productive sector of the economy was not producing housing units. As a result of a series of incentives, including MURBs, we went from 15,000 housing units a year to the second highest production of units in the country, second only to Ontario. In a mere three and a half years we went up to 48,000 housing starts a year through using the incentive program.

Indeed, one could have permitted the taxation system to collect the money through various governments and then revert it to the economy to build housing units through CMHC and through other government programs. I can say without any equivocation, as one who has been in the front line of constructing housing units, that this is perhaps the most inefficient method of constructing housing that now exists.

What had to be done was to give the industry and the people the money to invest in housing units directly. In Alberta MURB was indeed successful in introducing the most housing units in the shortest possible time, so that just four years after we had a zero vacancy rate in Alberta. In Edmonton and in Calgary now we have in the order of 3 per cent to 5 per cent excess rental accommodation on the market. More than anything else this brings the rates of rental accommodation down to levels that lower income people can afford.

Saskatchewan is not a particularly poor province. Indeed, if Saskatchewan wanted to help some of the really poor people in the province, then why did that socialist government not do so?

An hon. Member: They have.

Mr. Yurko: They have? How much?

An hon. Member: More than Alberta.

Mr. Yurko: In Alberta we have various programs for helping the aged in direct assistance which, I understand, does not exist in Saskatchewan. What we have to do in this nation above all else is to decrease the stranglehold on the economy that is imposed on it by governments taxing to the extent that they spend 42 per cent of the GNP of this nation.

A very appropriate article was written recently in which it was suggested that if we do have a depression it will be the first social-oriented depression in the history of the world, for the simple reason that the government has involved itself in the economy to the extent that the production of wealth in this country has suffered drastically. The difficulty with this

nation, with its abundant resources, abundant opportunities and well trained people, is that it has engaged itself in a system of redistributing wealth and has forgotten how to create wealth.

Before I come to my general comments on the bill I should like to say something about frugalness. I mentioned frugalness in one of my earlier speeches. I was fortunate in that I grew up on a farm as a member of a pioneer family. Next to us lived another pioneer family, a very frugal couple. Throughout the years they amassed more and more wealth. Eventually, the man died and left all his wealth to his wife. Madam allowed herself only one luxury—she hired a maid called Mabel.

In the intervening years, madam accumulated more and more wealth through hard work and frugality. It was her wealth, and Mabel helped her accumulate it. As she became older and came closer to her last days on earth, she called Mabel in and said to her, "Mabel, I want you to bury me face up in my coffin. I want you to bury me in my best black satin dress," she said. "But Mabel, as I will be lying there on my back, I want you to cut out all the material from the back of my black satin dress and make yourself a skirt."

• (2150)

An hon. Member: That is what I call Tory Economic policy.

Mr. Yurko: And Mabel said to the madam, "Madam, I must tell you that I disagree with you because if you can see yourself walking up them golden stairs into heaven, all the people behind you will be staring at your bare back." And madam said, "No, they will not, Mabel. They will be staring at my husband because I buried him without his trousers on."

Now I want to get to the more specific comments.

An hon. Member: Stay where you are.

Mr. Yurko: Well, I have been fine most of the day.

The small business tax rate has been a subject of extensive public discussion over the past, and the proposals of the previous government have been widely criticized. Under the proposals introduced in the November, 1978, budget, the benefits of the special corporate tax rate on small business would have been denied to three categories of small business income. They were professional income, the income from certain personal services, and the income from the provision of certain management and other administrative services. Under these proposals, these types of business income would have been taxed at the normal rate of corporate taxation of between 46 per cent and 51 per cent depending on the province, rather than at the special rate of 25 per cent for small business.

This clause of the bill introduces a new small business tax rate of 33⅓ per cent for any Canadian-controlled private company engaged in any of the three categories of business previously described. For this purpose the professional group, which originally included doctors, dentists, lawyers and accountants, will be expanded to include veterinarians and chiropractors.

An hon. Member: What is in it for Mabel?

Mr. Yurko: This new tax rate will generally ensure that, when the corporation pays a dividend, the amount of tax for which a shareholder will receive credit will approximate the amount of tax actually paid by the corporation. As a result the over-all tax result will be neutral, whether the corporation pays salaries or dividends. Such corporations which retain earnings in the business will still enjoy a tax deferral since the tax rate of 33⅓ per cent is lower than the personal income tax rate on taxable income in excess of $15,000. This deferral would not have been possible under the proposals of the last government. In addition, the new rules will be reflected in the law rather than in the regulations. The changes will apply to taxation years commencing after 1979 for corporations in existence on October 23, 1979, and to all taxation years for corporations formed after today.

Since all Canadian business income, other than investment income, of the three categories of corporations affected by the change will be subject to the 33⅓ per cent small business tax rate, such corporations will be given time to re-arrange their affairs so that they can receive the benefit of the lower small business tax rate on eligible active business income. Because some companies may be unable to re-arrange their affairs before the end of the year, the President of the Privy Council and Minister of National Revenue (Mr. Baker) has indicated that he will be prepared to allow corporations, which wish to reorganize in light of these amendments, to change their fiscal year ends in 1980. No significant changes will be made to the rules proposed by the previous government relating to the treatment of investment income for purposes of small business deductions.

In regard to detailed comments, prior to 1972 a low tax rate of 21 per cent on the first $35,000 of corporate income was available. While the low rate on the first $35,000 was described as an incentive to small business, it was available to all corporations regardless of the type of income they earned, regardless of whether they were expanding or static, regardless of whether they were Canadian or foreign-controlled, or owned by public corporations or private individuals.

To more specifically target the benefits derived from a low tax rate, the current structure of the small business deduction was introduced with tax reform in 1972 in place of the previous measure. In order to focus more accurately on individual Canadian entrepreneurship, the measure was restricted to Canadian-controlled private corporations. In order to direct the benefits to smaller Canadian-controlled companies, the measure now applies to Canadian source business income of a corporation, as long as the corporation's accumulated business earnings net of dividends paid do not exceed $750,000.

Section 125 of the Income Tax Act provides for a 21 per cent tax reduction for the Canadian active business income of Canadian-controlled private corporations. This reduction to a 25 per cent basic corporate tax rate from the normal corporate tax rate of 46 per cent is available annually on up to $150,000 of Canadian active business, until such time as the corporation reaches its $750,000 cumulative limit. When this special 25

per cent small business rate was first introduced as part of the tax reform in 1972, the amount of annual income eligible for the low rate was limited to $50,000. Both the annual and cumulative limits have been increased twice since 1972.

The small business tax rate was designed to allow Canadian-controlled firms to accumulate funds for expansion, to allow them to compete against larger firms, and to create jobs for Canadian workers. Accordingly the legislation provides that only income from an active business carried on in Canada be eligible for this favourable tax treatment.

Coupled with these tax reform changes and developments regarding the taxation of small businesses, amendments have been made to the dividend tax credit with the view to reducing further the possibilities of double taxation of corporate source income. The dividend tax credit was made taxable by introducing the concept of a gross-up technique to dividends received by individuals. The purpose of the gross-up is to include in the shareholder's income an amount approximating the pre-tax earnings of the corporation. As a result the dividend tax credit provides tax recognition, in the hands of the individual shareholder, for 25 points of corporate tax, which in turn represents the full amount of corporate income tax paid on business income earned by Canadian-controlled private corporations qualifying for the basic 25 per cent tax rate.

In 1977 the dividend credit was increased from one third to one half of the amount of the dividend. This increase generally enhanced the attractiveness of receiving dividend payments and thereby provided an incentive for making equity investments. Also the change had the desirable effect of bringing the tax on dividends more closely into line with the tax on capital gains.

* * *

● (2200)

BUSINESS OF THE HOUSE

Mr. Turner: I wonder if someone in the government could inform us of the order of business for tomorrow.

Mr. Kempling: Mr. Speaker, we will be proceeding tomorrow in committee of the whole with Bill C-17. When that is completed we will probably go to Bill C-18, then Bill C-3, and if we finish with those we will go on to Bills C-4 and C-5.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

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

[Mr. Yurko.]

CONSUMER AND CORPORATE AFFAIRS—DISSEMINATION OF INFORMATION GATHERED ON POSSIBLE PROSECUTIONS

Hon. J.-J. Blais (Nipissing): Mr. Speaker, the question at issue is one which arises out of a series of questions and, more specifically, a question which I asked the Prime Minister (Mr. Clark) on October 17. The question at issue is important because it involves, in my view, the role of the Attorney General as a law officer of the Crown and the independence of the Attorney General in the exercise of his functions, indeed, as a law officer of the Crown, so that the Attorney General may not only be independent in the exercise of that function, but can be seen to be independent.

The second issue is the independence of the director of investigations as he discharges his responsibilities under the Combines Investigation Act.

There is a series of undisputed facts. There was a meeting which was held on October 12 at eight o'clock a.m. and which was called by the Attorney General of Canada. Attending that meeting were the Minister of Justice, (Mr. Flynn), the Solicitor General and Minister of Consumer and Corporate Affairs (Mr. Lawrence), the Minister of Transport (Mr. Mazankowski), and the director of investigations as well as sundry officials.

The discussion centred around possible criminal violations under the Combines Investigation Act involving Western Transport Association and Household Goods Corporations. What is also not disputed is that no such meetings had been under the previous administration involving the Minister of Consumer and Corporate Affairs and the Attorney General at the time when the Attorney General was contemplating prosecutions under the Combines Investigation Act. Those are the facts which we know.

The facts which we do not know are much more numerous. First of all, what was the purpose of that meeting? Was it to gather information? Was it to provide information? Or was it a forum in order to have parties influence the course of the investigation or the prosecution? What role did the director of investigations play at that meeting? Was it an active role? Was it a reluctant role? What role did the Minister of Consumer and Corporate Affairs play in terms of protecting the director and his independence? Had the director actually submitted his evidence under Section 15 prior to the meeting, or was the meeting intended to head the director of investigations off at the pass so that the Attorney General would not have to make a decision under Section 15 as to whether a prosecution ought to be held?

What role did the Minister of Transport play at that meeting? Was it one of gaining information, or was it one of providing information? There is some dispute about those facts. What was the nature of the brief that was prepared by the Minister of Consumer and Corporate Affairs for the benefit of the Minister of Transport which, allegedly, the Minister of Transport never received?

What was the nature of the briefing note prepared by the Minister of Transport's own officials? Was that only to pro-

vide him with information, or was it suggestive of his role in preventing a prosecution or in somehow affecting the role of the director? Was there any attempt to interfere with the director's investigation or with the ability of the director to have the Attorney General deal with the matter under Section 15?

● (2205)

Finally, what role did the Attorney General play in this particular meeting? From his own evidence he did not even know what was going to be discussed at that meeting. What representations were made by the Minister of Transport or his officials to the Minister of Justice and the Attorney General? Answers have to be found to all those questions in order to satisfy the House that the independence of the Attorney General was protected.

I wish, Mr. Speaker, to bring to the attention of the House a quotation from a very distinguished jurist relating to the issue of the independence of the Attorney General in matters of prosecution or potential prosecution. This gentleman stated, "I would say that any consultation would have to be on the legal propriety of the prosecution and not on any other element. It might be, for instance, that some other member of the cabinet might be very experienced in a particular branch of the law involved, in which case he might consult him." That is a very precise indication of the role of the Attorney General as he considers whether he ought to take on a particular prosecution. Mr. Justice Spence is advancing a very interesting argument. I am not saying it is a conclusive argument, but surely that is the sort of debate in which this House has to engage itself.

Next, what about the independence of the director in the discharge of his responsibilities? Was he protected? Was he free at that meeting to advance his own views? Had he discussed the matter with the Minister of Consumer and Corporate Affairs so that that minister, at that meeting, would be aware of the position the director took and so that the Minister of Consumer and Corporate Affairs could protect his director in the face of his cabinet colleagues? Was that investigation completely independent? What we know—

The Acting Speaker (Mr. Scott, Victoria-Haliburton): Order, please. The hon. member's time has expired.

Mr. George Cooper (Parliamentary Secretary to Minister of Justice and Attorney General): I am very eager to rise and respond to the question that has been put by the hon. member for Nipissing (Mr. Blais) because I hope that, once and for all, we can put an end to the series of red herrings that have been drawn across this chamber in the last few days on this issue. At the same time I should like to refresh the hon. member's memory of what the proper practice is with regard to ministerial responsibility on a matter of this kind.

Here, Mr. Speaker, are the essential elements of the position of the Attorney General of Canada in relation to prosecutions under the Combines Investigation Act, and any other act if it comes to that. The director of investigations and research may bring any matter under inquiry to the attention of the Attorney General under the provisions of Section 13 or Section 15 of the Combines Investigation Act. Section 15 provides that the director may, at any stage of an inquiry, remit evidence to the Attorney General of Canada for consideration, to determine whether an offence has been or is about to be committed, and for such action as the Attorney General may be pleased to take.

In dealing with a case where a matter has been referred to him, the Attorney General is unquestionably entitled to obtain both information and advice from whatever sources he sees fit, including his colleagues in cabinet. The decision he takes in particular cases must, however, in the last analysis, be his decision. The Attorney General does not act on directions from his colleagues, other members of Parliament or anyone else, in discharging his duties in the enforcement of the law. On the other hand, he must be prepared to answer to Parliament for what he has done after he makes his final decision. These principles are well known and established, not only in Canada, but in every common law jurisdiction. I refer particularly to the United Kingdom where the practice, of course, grew up.

I should like to read into the record the best statement on the question that I am aware of, which may be found in a work prepared by Professor Edwards of the University of Toronto entitled "Law Officers of the Crown". I shall give my hon. friend the reference when I finish. Professor Edwards said:

> I think the true doctrine is . . . that it is the duty of an Attorney General, in deciding whether or not to authorize the prosecution, to acquaint himself with all the relevant facts, including, for instance, the effect which the prosecution, successful or unsuccessful as the case may be, would have upon public morale and order, and with any other consideration affecting public policy. In order so to inform himself, he may, although I do not think he is obliged to, consult with any of his colleagues in the government, and indeed, as Lord Simon once said, he would in some cases be a fool if he did not. On the other hand, the assistance of his colleagues is confined to informing him of particular considerations which might affect his own decision, and does not consist, and must not consist, in telling him what that decision ought to be. The responsibility for the eventual decision rests with the Attorney General, and he is not to be put, and is not put, under pressure by his colleagues in the matter. Nor, of course, can the Attorney General shift his responsibility for making the decision on to the shoulders of his colleagues—

● (2210)

The Acting Speaker (Mr. Scott, Victoria-Haliburton): Order, please. I regret to inform the hon. member that his time has expired.

EXTERNAL AFFAIRS—MEETING OF HON. ROBERT STANFIELD WITH PLO

Mr. Roland de Corneille (Eglinton-Lawrence): Mr. Speaker, ten days ago I addressed a question to the Secretary of State for External Affairs (Miss MacDonald) concerning the meeting held by the Hon. Robert Stanfield with a representative of PLO terrorists. Specifically I asked whether Mr. Stanfield has held any public or clandestine meetings and, if so, had Mr. Stanfield discussed with that terrorist organization any subject other than, or in addition to, the moving of the embassy from Tel Aviv to Jerusalem, and further had Mr.

Stanfield made any undertakings to continue further contacts with the PLO.

I do appreciate the opportunity that is afforded in this House to a member to be able to press for an answer to a question which a member feels was not answered during question period.

To set the record straight, it would be unfair for me to imply or allege that the hon. minister did not reply at all, but the answer was not given to my question. My question was not frivolous, and certainly not deserving of delay. It deals with a matter of grave consequences, consequences meaning that Canada may be giving tacit *de facto* recognition or encouragement to the PLO, which has, as we know, been involved in terrorist activites, killing not only Jewish but Arab civilians, men, women and children in Israel and in many other parts of the world. It also seeks to obliterate the existence of the state of Israel and indirectly some, or even many members of its population.

Let me point out why it is so serious, important and urgent that a reply to my question be given to this House and to the entire country. What perhaps is at stake is our national honour, the imperilling of the peace process in the Middle East, the possibility of alienating friends such as the United States of America, Israel, and others in the international community, and of giving comfort, therefore, encouragement to the PLO terrorists—a totally immoral act for Canada and an unfriendly one toward the friendly state of Israel.

In short, I would still like to know the answer to my question. The implications are even more grave as the truth unravels. First of all, what rank and authority is Mr. Stanfield perceived by other governments to have? We were told here by the Prime Minister (Mr. Clark) on October 12 that Mr. Stanfield is an ambassador extraordinary, and that because of the adjective extraordinary there can be, and I quote, "no implication of official recognition by the Canadian government of any groups with which he may have consultations." Yet today the Prime Minister tabled a letter from Mr. Stanfield to the Prime Minister on official stationery which describes Mr. Stanfield as, and I quote, "Special Representative of the Government of Canada, and Ambassador at Large." Those are very imposing and impressive titles when added up: ambassador extraordinary, special representative of the Government of Canada, and ambassador at large.

I wonder whether in the eyes of governments which are used to these terms as they have been undertsood in international law or customs over the centuries, it is now realized that a new dictionnary has been written by our Prime Minister giving a new definition to those terms.

● (2215)

Mr. Stanfield met with Khalid al-Fahum, chairman of the Palestine National Council, the PLO's governing body, and a member of the PLO executive committee.

It has been claimed that this meeting between Mr. Stanfield and Mr. al-Fahum does not constitute recognition of the PLO by Canada. Arab diplomats and the PLO, however, can easily interpret such meetings as constituting a form of recognition of the terrorist organization which remains committed to Israel's ultimate destruction. The PLO's covenant, which has not been renounced, calls for the elimination of Israel. More recent statements by the PLO leaders, including the PLO chairman, Yasser Arafat, belie any intention on the part of that body to recognize Israel or to change its goal of its destruction.

I have in my file recent statements by Mr. Arafat, and I quote:

> Armed struggle is our only road. We have no other road to reach Jerusalem, Tel Aviv and every inch of our occupied homeland.
>
> Our people will continue to fuel the torch of the revolution with rivers of blood until the whole of the occupied homeland is liberated . . . not just a part of it.
>
> I am confident that we shall eventually overrun Begin's own offices in both Jerusalem and Tel Aviv . . . Jerusalem is destined to be the eternal capital of our sovereign independent Palestinian state under the PLO leadership.

Mr. Arafat is not referring only to the "liberation" of the West Bank and Gaza. He refers to the entire state of Israel.

A few weeks ago, Farouk Kaddoumi, director of the PLO political department said; "The PLO will never recognize Israel even if Israel recognizes the PLO" Given such a policy, it seems difficult to comprehend why Mr. Stanfield found it necessary or useful to meet with the PLO's representative. The PLO's vision of peace does not include a state of Israel in the Middle East.

The Acting Speaker (Mr. Scott, Victoria-Haliburton): Order, please.

Mr. Douglas Roche (Parliamentary Secretary to Secretary of State for External Affairs): Mr. Speaker, this is the first opportunity I have had for an exchange with the hon. member for Eglinton-Lawrence (Mr. de Corneille) whose reputation has preceded him into this House. I wish him well in his parliamentary career. I want to suggest, in dealing with questions as sensitive as the Middle East, that a certain balanced approach is going to be necessary to reflect that objectivity that I know he wants to bring to this House.

When he complains that the Secretary of State for External Affairs (Miss MacDonald) did not answer the question that he originally posed, he is overlooking the fact the minister did affirm that Mr. Stanfield met a high representative of the PLO Having detoured us on that, he comes into the House tonight and the burden of his argument is there having been this meeting between Mr. Stanfield and Mr. Khalid al-Fahum, chairman of the Palestine National Council, that implies a tacit recognition of this terrorist organization by the Canadian government and, second, this is imperilling the peace process. In fact, nothing of the kind has resulted from this.

The Palestine National Council is a deliberative body on which are represented various Palestinian organizations as well as individual unaffiliated Palestinians. Mr. Stanfield and Mr. al-Fahum in their discussion concentrated on the Middle East situation in general and in particular the prospects for a negotiated peace, and the role of Palestinians in that process. They also touched on the Jerusalem issue. There was no

discussion of whether or how there should be further contacts between the PLO and Canada.

Now we come to the heart of the hon. member's assertion in which he suggested this meeting implied tacit recognition. No meeting of this nature could imply a recognition of the PLO by the Government of Canada. If in fact the PLO is neither a state nor a government and does not claim such a status, how then can formal recognition of such an organization follow from a meeting?

● (2220)

The government did not and does not intend that Mr. Stanfield's meeting with Mr. al-Fahum should constitute any form of official recognition of the PLO as what it claims to be, the sole and legitimate representative of the Palestinians. The circumstances in which the government would be prepared to consider the PLO as speaking with authority for the Palestinian people have been very clearly set out by the Prime Minister. Neither criterion has been satisfied as things now stand.

The Acting Speaker (Mr. Scott, Victoria-Haliburton): Order.

HAZARDOUS PRODUCTS—REMEDIAL ACTION BY CHIP TO PROTECT HOME OWNERS FROM HAZARDOUS INSULATION MATERIALS

Mr. Simon de Jong (Regina East): Mr. Speaker, I should like to thank the minister for taking sufficient interest in this topic to appear personally in the House this evening. I had asked the hon. gentleman previously about the home insulation program, considering this to be an extremely important program.

All this week we have heard how the cost of oil might go up. We have heard how interest rates are going up and the average consumer will be caught in a tight squeeze. An area in which we can take positive steps to reduce the cost of living is the home insulation program. I was going through my notes and I see that in one study done by a group from Princeton University in a town called Twin Rivers in New Jersey, it is claimed that three-quarters of the energy used by furnaces in private homes can be eliminated. There are other statistics which show that the amount of money spent on building a nuclear reactor if spent on home insulation, could save more electricity than a nuclear reactor could ever produce.

Home insulation is inflation proof. It is a way in which we can save billions of dollars in foreign exchange by reducing our imports of oil. It fits in with the trend of a more conserving society—making do with what we have makes so much sense.

There are, however, some serious problems with the program. One CBC program in Winnipeg reported that Manitoba Hydro had done a study of 200 randomly selected homes and found that nearly 90 per cent of them did not reach their full insulation potential. There was a group in Waterloo which conducted thermo-checks using infra-red photography, and found that in over 60 per cent of the homes re-insulation had not been properly carried out.

What are the problems? First there is a problem with materials. Cellulose fibre has been classed as a hazardous material. I asked the minister whether similar tests had been conducted at the time with urea-formaldehyde foam as well as treated wood chips. I understand there are serious problems attached to those materials. I understand the foam gives off a toxic formaldehyde gas if not properly applied. What we have is an industry which has grown very fast in a short period of time. Serious problems have been created by a number of unscrupulous or inexperienced manufacturers of materials. According to one statistic which is floating around 60 per cent of the homes which have been insulated with cellulose fibre in the maritimes will experience rotting of the basic structure. This is because cellulose fibre, if it gets damp, produces a fungus growth leading to a rotting of the structure.

● (2225)

I have received reports from all over the country about fly-by-night operators. They generally prey on elderly people and sell them a bill of goods whereby they get some insulation work done, mostly in the attic, and they are charged $500, which CHIP pays. However, local contractors would charge only $200 or $250 for the same job. There is a serious rip-off happening not only for the consumer but also for the government.

I find some difficulty with the CHIP administration. I feel that this is a problem this government has inherited. The former government prided itself on being able to run a very solid administration, but CHIP is just an administrative disaster. It is not living up to the potential the money put into it would indicate. We are not achieving the energy savings we could. The program is allowing unjust operators to enter the field.

In my supplementary question I asked the minister to consider a special committee of this House. I ask that question again because I think a special committee would be able to take all the information which exists in the various departments. Right now not only is CMHC involved, but the Department of Consumer and Corporate Affairs and the Department of Energy, Mines and Resources are involved as well. A grouping of various departments and agencies is involved with home insulation.

I was suggesting that home insulation is very important to the country. It will save individual consumers as well as the country money. Why not set up a committee, bring the various departments together, have a thorough investigation of the existing practices, and come up with some new solutions? I suggest we bring the various departments, the research, the enforcement and the delivery of services—the three essential aspects to this program—together, and perhaps through a committee of this House offer to the government a new alternative on how this service, which is so essential to the Canadian people, can be delivered.

Hon. Elmer M. MacKay (Minister of Regional Economic Expansion): Mr. Speaker, first I want to thank my hon. friend opposite for his kindness in referring to the fact that I was here

to continue this important debate with him tonight. It is a pleasure to do this because the hon. member is quite right that this is a very important topic. He is also quite right in saying that we inherited this problem from the former administration. That being the case, however, it is one which is very widely used. As a matter of interest, applications are coming in at about 10,000 per week. Approximately $60 million has been spent so far in 1979 on this program, but there are some administrative problems with it. There is no doubt about that, and I would not be prepared to dismiss out of hand the possibility of pursuing this by way of a committee along the lines the hon. member discussed.

However, I think it might be profitable first to discuss the matter in the regular standing committee to see what kind of information, debate and dialogue we can initiate there.

Questions about abuses are bound to occur with a program which is as widely used as this one. I am sorry that when the hon. member asked his question I did not make it clear that there are tests being done by the Ontario Research Foundation or other outside agencies on the basis of standards set by the Canadian Government Specification Board on other insulation products such as urea-formaldehyde. One of these tests is designed to ensure that the formaldehyde content does not exceed one part per million, which seems to me to be a pretty exacting test. However, the difficulty that CMHC has had is that in administering the program for the Department of Energy, Mines and Resources it has had to rely on tests given to us by the Ontario Research Foundation.

We are now in the position with respect to cellulose insulation where, under the Hazardous Products Act, the Minister of Consumer and Corporate Affairs (Mr. Lawrence) can, as I understand it, order some of these products, if they are not accepted, to be taken off the shelves. I trust that there are other things we can do to improve the administration of this program. One of the things I am looking at—but in a tentative way at this point—is perhaps to combine this program with some other housing programs which have an energy factor in them.

In closing, CHIP is not a program which should be condemned out of hand simply because it is so widely used and there are many abuses reported. We have not been able to ascertain the actual extent of the abuses with any great precision as yet.

Some hon. Members: Hear, hear!

The Acting Speaker (Mr. Scott, Victoria-Haliburton): Order. The motion to adjourn the House is now deemed to have been adopted. Accordingly, this House stands adjourned until tomorrow at 2 p.m.

Motion agreed to and the House adjourned at 10.30 p.m.

HOUSE OF COMMONS

Tuesday, October 30, 1979

The House met at 2 p.m.

• (1405)

ROUTINE PROCEEDINGS

[*English*]

EXTERNAL AFFAIRS

PROTEST AGAINST HARASSMENT OF CANADIANS IN CZECHOSLOVAKIA—MOTION UNDER S.O. 43

Mr. Arthur Phillips (Vancouver Centre): Mr. Speaker, I rise, under the provisions of Standing Order 43, on a matter of urgent and pressing necessity.

Two hundred Canadians protested in Vancouver yesterday against the Czechoslovakian government's demands that they pay for legalized exit from Czechoslovakia. These citizens who left in the forties, fifties and sixties are being contacted by letter from the Czechoslovakian government. An interview with the Czechoslovakian consul to discuss the "buy-out" clause costs $60—that is just for an interview—and final payment ranges from a few hundred dollars for labourers to as much as $8,000 for professionals. I move, seconded by the hon. member for Spadina (Mr. Stollery):

That the government immediately take steps to prevent this harassment of Canadian citizens.

Mr. Speaker: The introduction of such a motion, pursuant to Standing Order 43, can be done at this time only with the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

UNITED NATIONS

CANADIAN PEACEKEEPING FORCES IN CYPRUS—MOTION UNDER S.O. 43

Mr. Bob Rae (Broadview-Greenwood): Mr. Speaker, in view of recent statements that the Canadian government might withdraw its troops in the United Nations' contingent on the island of Cyprus, and in view of the long-standing commitments of the Canadian government to the integrity of the Republic of Cyprus and the need for occupying Turkish troops to leave the island and for the refugee problem to be settled, I move, seconded by the hon. member for Humber-Port au Port-St. Barbe (Mr. Faour):

That this House urges the Government of Canada to keep Canadian troops active in United Nations' peacekeeping efforts in Cyprus until all foreign occupying troops have withdrawn from the island.

Mr. Speaker: Such a motion can be presented for debate at this time only with the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

COASTGUARD

CONSTRUCTION OF COLLEGE AT POINT EDWARD, NOVA SCOTIA—MOTION UNDER S.O. 43

Mr. Russell MacLellan (Cape Breton-The Sydneys): Mr. Speaker, I rise, under the provisions of Standing Order 43, on a matter of urgent and pressing necessity with respect to the ever-increasing importance of the coastguard to eastern Canada.

Whereas the government has cut back on the construction of the facilities at the coastguard college at Point Edward, Nova Scotia, thereby risking the development of the qualities of graduating officers and the coastguard in general, I move, seconded by the hon. member for Cape Breton Highlands-Canso (Mr. MacEachen):

That the government proceed to construct that portion of the coastguard college the plans for which have been already approved but for which the government refuses to commit financing for construction, thereby refusing needed training for the students.

Mr. Speaker: Presentation of such a motion for debate at this time, pursuant to Standing Order 43, requires unanimous consent. Is there unanimous consent.

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

HEALTH AND WELFARE

REQUEST TRAINING PROGRAM FOR NURSES BE REINSTATED—MOTION UNDER S.O. 43

Mr. Rod Murphy (Churchill): Mr. Speaker, in view of the fact that the federal government has hired an insufficient number of nurses for northern regions—over half of the nursing positions in northern Manitoba are vacant, including a number of communities having no professional health person-

nel at all—and considering that the accident rates and disease occurrence rates in remote communities are much higher than the provincial and federal norms, I move, seconded by the hon. member for Nunatsiaq (Mr. Ittinuar):

That the Minister of National Health and Welfare take immediate action to hire necessary staff and to reinstate the initial training program removed by the previous government which gave nurses, unfamiliar with life in these communities, more adequate preparation and increased the likelihood of these nurses remaining where they are so badly needed.

Mr. Speaker: The provisions of Standing Order 43 require unanimous consent of the House for the introduction of such a motion for debate at this time. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

● (1410)

[*Translation*]

PETRO-CANADA

PROPOSED DISBANDING OF CORPORATION—REQUEST HON. ROBERT STANFIELD CONDUCT INTERIM INQUIRY—MOTION UNDER S.O. 43

Mr. Claude-André Lachance (Rosemont): Mr. Speaker, under the provisions of Standing Order 43 I ask for the unanimous consent of the House to move a motion dealing with a matter of urgent and pressing necessity.

Considering the success of the Stanfield mission, at least in light of the beneficial effect it seems to have had on the decision announced by the Prime Minister (Mr. Clark) yesterday, to delay the implementation of his previous intention to transfer the Canadian embassy in Israel from Tel Aviv to Jerusalem, I move, seconded by the hon. member for Sainte-Marie (Mr. Malépart):

That the government give Mr. Stanfield a similar reference about the proposed disbanding of Petro-Canada.

* * *

[*English*]

FISHERIES

DISPUTE AMONG SQUID PROCESSORS AND FISHERMEN—MOTION UNDER S.O. 43

Mr. Andy Hogan (Cape Breton-East Richmond): Mr. Speaker, under the provisions of Standing Order 43, I rise on a matter of urgent and pressing necessity.

As the major fish processors in the maritimes, the Nickerson Company, refuse—according to the representatives of the Maritime Fishermen's Union—to purchase any more than 500 pounds of squid per boat, and in view of the fact that some fishermen are throwing overboard valuable squid catches because they cannot sell it, I move, seconded by the hon. member for Sault Ste. Marie (Mr. Symes):

That the Minister of Fisheries and Oceans bring the parties concerned together before a more serious confrontation develops.

And it is going to, if he doesn't.

Mr. Speaker: Such a motion can be presented for debate at this time, pursuant to Standing Order 43, only with unanimous consent. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

TRADE

LOSS OF MIDDLE EAST CONTRACTS—MOTION UNDER S.O. 43

Mrs. Margaret Mitchell (Vancouver East): Mr. Speaker, I rise, under the provisions of Standing Order 43, on a matter of urgent and pressing necessity.

In view of the fact that close to 100,000 Canadian jobs related to our markets in the Middle East are still in jeopardy, and since only yesterday we learned that Zenith Steel Fabrications, in the riding of the member for Richmond South-Delta (Mr. Siddon), lost $43 million in Middle East contracts due to the bumbling of this government, I move, seconded by the hon. member for Mission-Port Moody (Mr. Rose):

That the Minister of Industry, Trade and Commerce intervene personally to re-establish confidence in Canada's impartiality in order to recover lost contracts and jobs.

Should he fail in this, I move that the government establish a program of compensation—

Mr. Speaker: Order, please. Even with the unanimous consent of the House, I think the motion has to remain on one topic. The introduction of such a motion for debate at this time would require the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

ORAL QUESTION PERIOD

[*English*]

ENERGY

OIL PRICES—AVAILABILITY OF CANADIAN OIL TO CANADIANS

Right Hon. P. E. Trudeau (Leader of the Opposition): Mr. Speaker, I would like to ask the Prime Minister a question arising out of the statement yesterday by the Premier of Alberta—a statement of policy, as he described it—to the

effect that the people of Canada would have to buy oil at a price which Alberta decided to be fair, or not get it from Alberta.

Will the Prime Minister give his assurance to the people of Canada that Canadian oil, whether it be produced in a province or offshore, will continue to be available to Canadians?

Some hon. Members: Hear, hear!

Right Hon. Joe Clark (Prime Minister): Mr. Speaker, I have not seen the text of the speech of the Premier of Alberta. He has not made that position known to me in conversations that we have had. But I can certainly give the right hon. gentleman the assurance that he seeks.

Mr. Trudeau: Mr. Speaker, I wonder if the Prime Minister would care to elaborate on his own policy and assure the House that he has the means to carry out that assurance. The Prime Minister will recall that last Wednesday, in this House, he said he would not under any circumstances use the declaratory power or emergency power.

How can he give the assurance to Canadians that they will get a continuous supply of Canadian oil, in circumstances such as the Premier of Alberta described? What power would the Prime Minister use under the constitution, or would he invoke the Petroleum Administration Act?

Mr. Clark: Mr. Speaker, the right hon. gentleman has cited two options that are open to the Government of Canada in the event of that kind of emergency. I say to him, and I assure the House and the country, that I do not think we are facing that kind of emergency. I do not intend to react to a proposal that might have been made but certainly has not yet been made to me.

I do not think we are yet at a stage in this country where oil pricing matters are going to be resolved by long-distance accusations. I remain confident that we can work out an agreement involving the federal government and the various provinces.

Some hon. Members: Hear, hear!

● (1415)

Mr. Trudeau: I understand the Prime Minister is saying that long-distance confrontation, presumably between the Premier of Alberta and the Premier of Ontario, is a matter which does not present cause for serious concern. But I question the Prime Minister on the answer he gave to my question when he said those options were available to the Government of Canada—the declaratory power, the emergency power and, of course, the trade and commerce power. He told me last Wednesday, as reported at pages 553 and 554 of *Hansard*, that these powers would not be used by the government. Is he telling us now that in certain circumstances he would use them?

Mr. Clark: What I am telling the House is that I do not anticipate the Government of Canada having to use those powers.

* * *

[*Translation*]

RESOURCES

INQUIRY WHETHER FEDERAL-PROVINCIAL MEETING WILL BE CONVENED TO DISCUSS JURISDICTION OVER RESOURCES AND TRADE

Hon. Jean Chrétien (Saint-Maurice): Mr. Speaker, I should like to put a question to the Prime Minister. In light of the problems which he is now experiencing, does he intend to convene the premiers as soon as possible to discuss that problem and carry on the discussion undertaken in February, when the first item on the agenda was the distribution of powers for resource ownership and interprovincial trade to solve as soon as possible that problem threatening the future of Canada?

Right Hon. Joe Clark (Prime Minister): Mr. Speaker, it is not our intention, at least not for the moment or in the immediate future, to call a first ministers' conference to deal with the issue raised by the hon. member. As I indicated the other day to the hon. member for Outremont, there may be a first ministers' conference on oil pricing and other related issues, but in answer to the hon. member's question on the constitution, I must say that we do not intend to call a conference in the near future.

REQUEST ALL CANADIANS BENEFIT FROM NATURAL RESOURCES

Hon. Jean Chrétien (Saint-Maurice): Mr. Speaker, on a supplementary. Does the right hon. Prime Minister not believe that at this time when a province wants to secede from confederation, it would be extremely important for all Canadians to realize that a federal government must have the powers necessary to ensure that our natural resources will benefit all Canadians?

Right Hon. Joe Clark (Prime Minister): Mr. Speaker, it is well known and understood throughout the country that the federal government already has the powers referred to by the hon. member. What all Canadians must now know, I believe, is that the present federal government wants to solve the country's problems through dialogue rather than by unilateral action.

[*English*]

REQUEST THAT COMMISSION INVESTIGATE PRICES AND PROFIT INCREASES IN OIL INDUSTRY

Mr. Edward Broadbent (Oshawa): Mr. Speaker, one aspect of the oil question is, of course, the matter of supply. The other aspect, one which has deeply concerned both Americans and Canadians, is the question of profiteering in the industry.

Considering that in the United States the President has responded swiftly and imaginatively by proposing a $300 billion excess profits tax on multinational oil companies in the United States, I should like to ask the Prime Minister, bearing in mind that Imperial Oil, Shell, Texaco and Gulf have reported profit increases in Canada for the first nine months of this year of approximately 55 per cent, for a cumulative total of about, $1 billion in profits, whether he will follow the American lead in dealing with this serious question by immediately establishing in Canada a commission with authority to investigate prices and profit increases in the oil industry and to order roll-backs in prices and profits should such action be justified.

● (1420)

Right Hon. Joe Clark (Prime Minister): Mr. Speaker, the proposal of the Leader of the New Democratic Party of such an agency was brought to my attention outside the House. In our view, it would duplicate powers which are already in place. It would be unnecessarily bureaucratic and would not accomplish the goals the Leader of the New Democratic Party appears to hope it would, so we have no intention of establishing such a commission.

Mr. Broadbent: Mr. Speaker, I would like to know what powers are in place. So far the government has refused to act. The people of Canada would like to know what powers the Prime Minister has used to keep profits and prices in the oil industry in line.

One oil company in Canada, Imperial Oil, through proceedings which became clear in a civil court, is on record as having overcharged the consumers of Nova Scotia. It is also on record as having avoided paying federal income taxes by creating a dummy corporation in Bermuda. What, specifically, does the Prime Minister have in mind to deal with these problems, or is he simply content to talk tough to the Canadian people about dealing with inflation but not to act tough at all with multinationals?

Mr. Clark: Mr. Speaker, we naturally intend to act tough, as the hon. member says—

Some hon. Members: Oh, oh!

Mr. Clark: —with the multinationals, but not in such a way that the severity of the action or the crescendo of rhetoric will drive out of this country Canadian or foreign companies whose exploration activity is necessary for us to continue to bring on stream supplies this nation needs.

[Mr. Clark.]

The hon. member asked about taxing policy. He knows that his questions about taxing policy can be answered only in the context of a budget, and a budget will be brought down later on.

An hon. Member: When?

Mr. Clark: The hon. member also made reference to a specific case which he knows is under investigation.

Mr. Broadbent: Mr. Speaker, quite apart from the six-year old investigation which is taking place—and the Prime Minister is right about that—he knows that we already have evidence of one of the major multinationals, Imperial Oil, deceiving and cheating the people of Nova Scotia.

The extraordinarily high profits of these companies this year is on record. I do not ask my question in a rhetorical way. Why is the Prime Minister describing my proposal as extreme, when all it has in it are the powers to investigate price and profit increases and to take action only if profit and price increases are out of line? Why is that an extreme proposal and not a reasonable one?

Mr. Clark: Mr. Speaker, I do not think I suggested it was extreme. I suggested it was unnecessary and bureaucratic. We in this Parliament and in this government have the power to control price. Indeed, the price of oil is controlled by the Government of Canada. We have the capacity to monitor what companies are doing with their profits. Indeed, I am advised that in 1977, 84 per cent of the industry's internally-generated cash flow was re-invested in capital expenditures.

I can say to the hon. member that final 1978 figures will be available, and I would be delighted to table them in this House of Commons so that if there are grounds for the hon. member's concern and the concerns others share, the whole country will know the facts and will be able to come to conclusions on them.

[*Translation*]

MEASURES GOVERNMENT WILL ADOPT TO CURB INCREASES IN OIL PRICES

Hon. Marc Lalonde (Outremont): Mr. Speaker, I am sure Canadians would like to believe the assurance the Prime Minister is trying to give us, but because of the inaction and the inertia of this government, that confidence is lacking.

In particular, my question is directed to the Minister of Energy, Mines and Resources who stated last week that the situation was fragile, those were his words, with regard to energy supplies. Last week it was reported that the industry made profits like never before in its history, and yesterday the Alberta premier stated that he was ready to cut off supplies to the rest of Canada if he did not get his price. Under those circumstances, will the minister set up immediately the Energy Supplies Allocation Board provided for in the energy supplies emergency bill passed by the previous government or, at the very least, will he convene immediately the interprovincial

committee on energy supplies that was set up by the provincial energy ministers in Calgary about 15 days ago, because of the inaction and inertia of the present government in that field?

● (1425)

[*English*]

Hon. Ray Hnatyshyn (Minister of Energy, Mines and Resources): Mr. Speaker, there are a number of questions raised by the hon. member in the context of his rather long question. I simply want to say that I do not think it is appropriate for me—

Some hon. Members: Oh, oh!

An hon. Member: Answer it.

Mr. Hnatyshyn: I will answer it for you, Daffy Duck. I want to point out to the hon. member that in terms of answering the question with respect to any response as to any legal interpretation of what has been said by the Premier of Alberta, I would simply not indulge in that. We are now involved in consultation with respect to the whole question of pricing, and that will continue.

In terms of our supply situation, I want to say that I have indicated that we feel confident we will be able to get through this winter. It is a fragile situation, but we have taken measures, through the department, by which we are planning for any emergency situation. I have given consideration to the establishment of the board, and in due course I will come before the House with possible amendments to the legislation. At that time I think it might be appropriate to bring forth a name on the board which might serve a purpose with respect to a dialogue.

The final point is with respect to the technical advisory committee which was raised in the question of the hon. member. There are some legal questions and impediments which stand in the way of the establishment of that board. They are being looked at in connection with the director of the Combines Investigation Branch. The whole question of having that board in existence might be interpreted as being a combine in terms of the industry, and I know the hon. member would want to make sure that those legal impediments are considered before any technical advisory group is put into place.

Mr. Lalonde: Mr. Speaker, the situation may be fragile, but in this flood of words from the minister we see that the government and the minister are even more fragile in this important situation.

Some hon. Members: Hear, hear!

Mr. Lalonde: Will the minister at least recommend to the Minister of Finance, in his forthcoming budget, the introduction of a windfall profits tax to collect some of the large profits being reaped by the oil companies at present, rather than punishing Canadian consumers with substantial increases in the price of oil and gas which are the equivalent of taxes?

Mr. Hnatyshyn: First of all, Mr. Speaker, I appreciate the observation that during the time the hon. member was a minister in the preceding administration they allowed what he calls excessive profits to be made by the corporations.

Some hon. Members: Oh, oh!

Mr. Hnatyshyn: I simply want to say that when the budgetary provisions are announced by the Minister of Finance, at that time he will be able to assess exactly what kind of representations have been made.

FURTHER INCREASES IN OIL PRICES—DETRIMENTAL EFFECT ON THE ECONOMY

Hon. Herb Gray (Windsor West): Mr. Speaker, I have a question for the Minister of Finance. Has he calculated, and can he tell us now, the additional burden on Canadian consumers and the Canadian economy generally if the Conservative government caves in to the excessive oil price demand by the Premier of Alberta as was reported yesterday?

Hon. John C. Crosbie (Minister of Finance): Mr. Speaker, I have not calculated any increased cost of any speculative demands. There is a process under way in this country of negotiation and discussion as to what should be the proper range of energy prices next year.

The Premier of Alberta, who represents a producing province, has one view which represents the aspirations of his own province, which wants to get the value of its resources—a province that has given a lot to Canada in the last four or five years. Other premiers who represent other jurisdictions have different views. If these views cannot be reconciled, the government will make a decision which will be announced in the House in due course.

Some hon. Members: Hear, hear!

OIL PRICES—REPORTED REMARKS OF PREMIER OF ALBERTA—GOVERNMENT ATTITUDE

Hon. Herb Gray (Windsor West): Mr. Speaker, I want to put my supplementary question to the Prime Minister. Because of the importance of this matter to Canadian consumers and to the entire economy, I want to ask him if his words today about Premier Lougheed's speech in fact suggest we are seeing a form of Conservative play-acting in order to give the Prime Minister an excuse for giving in to the Premier of Alberta on oil prices in a way that is contrary to the interests of the Canadian public? In other words, has the Prime Minister's "fresh face of federalism" been turned by the Premier of Alberta into a slap in the face of federalism?

Some hon. Members: Oh, oh!

Right Hon. Joe Clark (Prime Minister): Mr. Speaker, I should like to answer that extemporaneous question by saying to the hon. member, no.

Some hon. Members: Hear, hear!

Oral Questions

THE ENVIRONMENT

HARMFUL EFFECT OF CERTAIN FLUOROCARBONS—GOVERNMENT ACTION TO ALLEVIATE

Mr. Chas. L. Caccia (Davenport): Mr. Speaker, my question is for the Minister of the Environment, to whom I have given notice of it. Considering the threat fluorocarbons are posing to the environment, does the minister intend to bring into effect on December 1, 1979, the proposed regulations to ban certain fluorocarbons as spraycan propellants in hair-sprays, deodorants and similar products, as intended by the previous Liberal government?

● (1430)

Hon. John A. Fraser (Postmaster General and Minister of the Environment): Mr. Speaker, as the hon. member knows, already there has been a significant reduction in the use of fluorocarbons on a voluntary basis. There are regulations pending, but under the Environmental Contaminants Act a notice of objection has been filed by one corporation. Under the act, and under those circumstances, a board of review is to be established and that board is being established now.

Mr. Caccia: Mr. Speaker, does the minister have a deadline he would like to announce for further regulations to completely phase out the use of PCBs in Canada?

Mr. Fraser: Mr. Speaker, the hon. member said PCBs. I do not know whether he is now talking about the same matter.

Mr. Caccia: No, it is another matter.

Mr. Fraser: With respect to PCBs, as the hon. member knows, there is a board sitting at present because there are regulations presently to go into effect which, again, have been challenged by two corporations, I think, and we will await the results of those hearings.

* * *

THE CANADIAN CONSTITUTION

JURISDICTION OVER OFFSHORE MINERAL RIGHTS

Mr. Mark MacGuigan (Windsor-Walkerville): Mr. Speaker, my question is for the Prime Minister. In his statement of October 3 respecting offshore mineral rights, the Prime Minister made clear his intention to transfer to the provinces both property rights and legislative jurisdiction.

Since, in his own timetable, subsequent confirmation of the intergovernmental agreement by legislative action belongs to stage one of his proposed negotiating sequence, what kind of parliamentary action does he intend, and when; and, in particular, when does he plan to bring forward a joint address for constitutional amendment?

Right Hon. Joe Clark (Prime Minister): Mr. Speaker, I cannot give the hon. member an exact date. As is the habit of this government, certainly we will honour the rights of Parliament in bringing to the House of Commons such matters that Parliament should consider. At this stage, the discussions with the various provinces have not reached a level where legislative action is contemplated.

[Mr. Clark.]

Mr. MacGuigan: Mr. Speaker, in order to avoid any excess of executive federalism, will the Prime Minister assure the House that no effective transfer of jurisdiction will be taken before parliamentary approval is obtained?

Mr. Clark: Mr. Speaker, the hon. member should know that we will not act in a way which would limit the rights of Parliament. Certainly, I can give the undertaking to the hon. member that there will be an opportunity for Parliament to consider proposals we would introduce which would, in effect, amend the constitution.

* * *

CONSUMER AFFAIRS

INQUIRY WHETHER SOLUTION FOUND TO PROBLEM OF EXPLODING POP BOTTLES

Mr. Gary F. McCauley (Moncton): Mr. Speaker, in the absence of the Minister of Consumer and Corporate Affairs, I will direct my question to the Prime Minister. It concerns the government's intentions regarding the severe economic disruption and hardship presently being experienced by the soft drink industry as a result of the government's handling of the 1.5 litre container problem.

Recognizing that jobs have been jeopardized, and that indeed in New Brunswick, in the community of Woodstock, 32 employees have been laid off, I would ask: Can the Prime Minister report on the progress being made toward finding a solution to the problem of glass retention from 1.5 litre containers? Specifically, can he confirm for the House that the Japanese technology of plastic coating has been found to be too costly for use by the Canadian industry? Will he tell the House what alternate solutions are being considered?

Right Hon. Joe Clark (Prime Minister): Mr. Speaker, I will draw those questions to the attention of the minister.

* * *

ENERGY

REQUEST REVIEW BE UNDERTAKEN OF INCENTIVES FOR OIL EXPLORATION

Mr. Cyril Symes (Sault Ste. Marie): Mr. Speaker, my question is for the Minister of Energy, Mines and Resources. Given the fact that Canadian taxpayers are providing, on the average, 65 cents out of every dollar which oil companies put toward exploration under the present tax regime, and given the record profits of oil companies, will the minister conduct a review of these incentives and make recommendations for reform so that taxpayers no longer end up financing this corporate rip-off?

Hon. Ray Hnatyshyn (Minister of Energy, Mines and Resources): Mr. Speaker, I can give the hon. member the assurance that we are in fact, reviewing, in consultation with the Minister of Finance, the whole question of tax incentives, not only in the context raised by the hon. member but, more importantly, we want to look at the kind of tax incentives which might bring in greater supply and provide greater inducement for further exploration.

Some hon. Members: Oh, oh!

Mr. Hnatyshyn: Of course, the members of the New Democratic Party support this wholeheartedly.

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NATIONAL REVENUE

IMPERIAL OIL—METHOD OF PAYING CANADIAN TAXES

Mr. Cyril Symes (Sault Ste. Marie): Mr. Speaker, if we are to believe the Prime Minister's election promises, we will see more corporate hand-outs to the overly rich multinationals.

My supplementary is directed to the President of the Privy Council and Minister of National Revenue, on the issue of these tax incentives. Can the minister tell us whether his department has now completed an investigation of Imperial Oil which over a five-year period used a token Bermuda company, Albury Co. Ltd., to skim off $35 million in profits to avoid paying Canadian taxes? If so, will he indicate what action his government will be prepared to take on this matter?

Hon. Walter Baker (President of the Privy Council and Minister of National Revenue): Mr. Speaker, an investigation like that, if one was being carried out, is not the kind of thing which one would want to discuss on the floor of the House of Commons—

Some hon. Members: Oh, oh!

Mr. Baker (Nepean-Carleton): —any more than one would want to discuss the tax returns of any members of this House on the floor of the House of Commons. But I want to assure the hon. member that the results of any investigation with respect to the matter would be appropriately dealt with by the government and would be something to study by the government. I want to assure him that the department is well aware of the problems raised in the hon. member's question.

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VETERANS AFFAIRS

RELOCATION OF DEPARTMENT FROM OTTAWA TO CHARLOTTETOWN, P.E.I.

Mr. Tom McMillan (Hillsborough): Mr. Speaker, my question is directed to the Minister of National Defence and Minister of Veterans Affairs. There is growing concern in some quarters of Canada, particularly in Prince Edward Island, that the government may be reneging on its commitment to relocate the Department of Veterans Affairs from Ottawa to Charlottetown. These concerns have been made worse by recent utterances of the previous minister of veterans affairs who continues to act as though he were the minister. Is the government still committed to a full and timely relocation of the Department of Veterans Affairs from Ottawa to Charlottetown?

Hon. Allan B. McKinnon (Minister of National Defence and Minister of Veterans Affairs): Mr. Speaker, as far as I am concerned, and as far as the government is concerned, the move of DVA to Charlottetown is going on. Very recently, we received Treasury Board approval to exchange the site we expropriated in downtown Charlottetown for one known as site 15, on the waterfront. We are negotiating some administrative matters with the provincial government at the present time.

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TRANSPORT

CALL FOR RETENTION AND EXTENSION OF CROWSNEST PASS RATES

Mr. Ed Lumley (Stormont-Dundas): Mr. Speaker, my question is directed to the Minister of Transport. During the last Parliament, and during the election campaign many, if not all, western Conservative members of Parliament not only called for the retention of the Crowsnest Pass rate as a fixed statutory freight rate for the movement of grain, but also suggested that the Crow rate should apply to the shipment of beef and other grain products.

Will the minister advise the House if this clearcut and unequivocal position still applies now that his party is in government, or is the government contemplating a subtle but important new arrangement which might preserve some Crow benefit but not the Crow rate for prairie farmers?

Hon. Don Mazankowski (Minister of Transport): Mr. Speaker, the hon. member might be well advised to read this party's policy in the last election campaign, which indicated—

Some hon. Members: Oh, oh!

Mr. Lessard: Before or after?

Mr. Mazankowski: Before or after, it really does not matter. It indicated that there was reason to believe, as far as we were concerned, that there should be some increases in remuneration to the railways for the movement of grain. But we indicated that the benefit of the Crow rate would remain in statute form in the hands of the producers.

We are considering this matter at the present time. Any changes or any modification to the implementation of the benefit of the Crow rate will be conducted in full consultation with the farmers and interested producer groups. I must indicate that we are receiving many representations from producer groups, farm organizations, producers themselves,

and members of Parliament in the Liberal party and, indeed, in the New Democratic Party.

● (1440)

Mr. Lumley: Mr. Speaker, the reason I asked the question is that the government has flip-flopped on so many other things, that I just wanted to make sure it was not going to flip-flop on this one.

I would direct my supplementary question to the President of the Treasury Board. Can the minister confirm that the Treasury Board is presently conducting an internal study on the cost of maintaining the Crow rate and, if so, does that study include an analysis of the cost of extending the Crow rate per se to beef and other grain products?

Hon. Sinclair Stevens (President of the Treasury Board): Mr. Speaker, I cannot confirm what the hon. member has asked.

RAILWAY BRANCH LINES—GOVERNMENT INTENTIONS RESPECTING ABANDONMENT

Mr. Pierre Deniger (Laprairie): Mr. Speaker, my question is also for the Minister of Transport and it relates to the one-man task force established by the minister, in the person of the hon. member for Moose Jaw, to examine and report on those prairie branch lines not yet addressed by the CTC but frozen by the minister until at least tomorrow.

Notwithstanding the fact that the previous government acted to guarantee at least 80 per cent of existing prairie branch lines now serving about 90 per cent of western farmers, can the minister say to this House and the people of Canada if he has: (1) received the report; (2) if he intends to table it; and (3) what are his intentions in relation to the branch lines that he has frozen and that will become unfrozen tomorrow?

Hon. Don Mazankowski (Minister of Transport): Mr. Speaker, the report is being drafted at the present time and I understand it is in its final stages. The hon. member is somewhat incorrect in his assessment that 80 per cent of branch lines were going to be retained. The 1,900 miles of branch lines that were being examined by the hon. member for Moose Jaw are, indeed, lines that were going to fall under the Liberal axe and they obtained a reprieve as a result of the change in government.

The hon. member for Moose Jaw will produce his report, and I will certainly make it public. We will act upon its recommendations. I can assure the hon. member that of the 1,900 miles that were destined for the axe under the Liberal government, a good portion will remain and will be used by the producers of western Canada. This is something we need in order to move the record amount of grain that we intend to deliver to export positions.

Some hon. Members: Hear, hear!

Mr. Deniger: Mr. Speaker, my supplementary is again to the Minister of Transport. Retaining branch lines as rustic relics is simply not good enough. I think we need those branch lines rebuilt and upgraded now. Will the minister say whether he intends—

Some hon. Members: Oh, oh!

Mr. Deniger: Will the minister say whether he intends to honour our commitment and ensure that every line in the permanent network is able to fully handle grain hopper cars year-round at top speed?

Mr. Mazankowski: Mr. Speaker, I am very pleased to note that the hon. member now is a supporter of the retention of the prairie branch lines that were going to fall under the Liberal axe.

Some hon. Members: Hear, hear!

Mr. Mazankowski: We in this government have taken the position of providing transportation services to those elevators which will remain in existence and providing service to the producers of western Canada, and I can assure the hon. member that we will fulfil that pledge.

MOVEMENT OF GRAIN—AUTHORITY OF GRAIN TRANSPORTATION CO-ORDINATOR

Mr. Robert Bockstael (St. Boniface): Mr. Speaker, my question is for the Minister of Transport. The government has removed the control of grain transportation co-ordination from the Canadian Wheat Board and transferred those responsibilities to the new grain transportation co-ordinator. To date that new co-ordinator has not been given any legislative authority to deal with our grain movement problems. He has apparently assumed responsibility, without any clout.

Will the government introduce legislation conferring such authority on the co-ordinator, what will his powers be and, if it will, when specifically will such legislation be brought forward in the House of Commons?

Hon. Don Mazankowski (Minister of Transport): Mr. Speaker, the required powers for the grain transportation co-ordinator have been established by a government order in council. If any additional requirements are necessary, we certainly would be glad to bring in legislation. The co-ordinator is in place, he is now in the process of establishing staff, and I am pleased to report that he is conferring with all components of the industry.

I should also indicate that he is working in very close collaboration with the Canadian Wheat Board. I think that is very important. The job of the grain transportation co-ordinator will be to see that grain is moved. The job of the Canadian Wheat Board will be to see that we explore and pursue every available market potential we have available to us.

Mr. Bockstael: Those are not the same impressions that are given by senior members of the Canadian Wheat Board's transportation committee.

[*Translation*]

Meanwhile, we are told that the senior committee on transport at the Canadian Wheat Board has been deprived of its responsibilities and that its members wash their hands clean of any ensuing problems. The vacuum resulting from the fact that neither the co-ordinator nor the Canadian Wheat Board can accelerate the delivery of wheat to our customers, and the erosion of the powers of the Wheat Board cause serious problems to small and medium-sized producers in this country.

Hence, I ask what other steps the government intends to take to assure Canadians, and particularly the prairie provinces, that significant upgrading of the transportation and delivery of our goods will be achieved?

[*English*]

Mr. Mazankowski: Mr. Speaker, I should advise the hon. member—and I am sure he knows—that the terms of reference that were established for the operations of the grain transportation co-ordinator were developed in full consultation with the Canadian Wheat Board. If the hon. member is not aware of the functions and the duties of the grain transportation co-ordinator, I would be very happy to supply him with a copy of the terms of reference.

Indeed, I am happy to report that the establishment of the grain transportation co-ordinator, with the addition of some 7,000 hopper cars which are now going to be coming on stream between now and 1981, and with some 5,000 additional rehabilitated boxcars—which are coming on between now and the middle of next year—has given us the opportunity to express a great deal of optimism about the future in exports of grain. I am also happy to report that as of this date, the total unloads at Vancouver and at Thunder Bay amount to 109,000 as compared to 103,000 last year. As far as Churchill is concerned, we have moved in excess of 500,000 metric tons, the same as last year but somewhat under the target we had anticipated.

* * *

THE CANADIAN ECONOMY

ELECTION CAMPAIGN PLATFORM OF PROGRESSIVE CONSERVATIVE PARTY

Mr. John Evans (Ottawa Centre): Yesterday, Mr. Speaker, the Prime Minister indicated that a number of factors were unknown to the government prior to the election which, once revealed, have prevented the Prime Minister from delivering on his election promises.

In view of the fact that the promises were made at a time when the Prime Minister and his advisers were predicting a $17 billion deficit, and since the actual deficit will be in the range of $11 billion to $12 billion, clearly the deficit cannot be the reason, and will the Prime Minister now tell the House clearly and concisely what new factors were revealed to the Prime Minister after the election?

Mr. Speaker: Order, please. With respect, that is almost precisely word for word a repetition of a question which has already been answered.

An hon. Member: Ten o'clock.

* * *

NARCOTICS

LEGISLATION UNDER WHICH OFFENDERS WILL BE TREATED

Mr. Gus Mitges (Grey-Simcoe): Mr. Speaker, on May 1 of this year a Supreme Court of Canada judgment was brought down which, in fact, not only decriminalized the possession of marijuana but also the possession of or trafficking in all narcotics. The judgment stated that all laws controlling narcotics in Canada were not passed under the criminal law-making power of Parliament and that the Narcotic Control Act is not, in fact, a criminal law but a federal statute under the jurisdiction of the Attorney General of Canada, which puts all narcotic offences in the same category as income tax violations, violations of the Food and Drugs Act and many other regulatory federal statutes that deal with non-criminal offences. This means that law enforcement officers—

Some hon. Members: Question.

Mr. Mitges: I should like to ask the minister what action, if any, has been taken to change the law to make sure that narcotics violations will be dealt with under legislation passed under the criminal law-making powers of Parliament?

Hon. Bill Jarvis (Acting Minister of Justice): Mr. Speaker, I will answer on behalf of the Minister of Justice. I thank the hon. member, and I believe he is referring to the Hauser case before the Supreme Court of Canada.

There has been a great deal of misinterpretation of the nature of that judgment. The Supreme Court decided that the Narcotic Control Act was enacted constitutionally under the residual power rather than criminal law. The misunderstanding was that administrative processes following arrest would not be valid, and they would include arrest, processing, record-keeping and extradition. That is not the opinion of the Department of Justice. It is the opinion of the department that all of those processes remain in full force, and that the Hauser case in no way detracts from or minimizes those powers.

* * *

● (1450)

ENERGY

GOVERNMENT CONTROL OVER OIL PRICES

Mr. Svend J. Robinson (Burnaby): Mr. Speaker, my question is for the right hon. Prime Minister. Earlier in the course of this question period, the Prime Minister told this House that the government has sufficient power to control oil prices in Canada, so that no further action would be required either

along the lines raised by the leader of the NDP or which have been proposed by President Carter.

Will the Prime Minister confirm to this House that aside from controls on the wellhead price of oil, no controls whatsoever exist on prices at the refining level, for transportation of oil and, most important, for the thousands of consumers and small businesses no controls exist in Canada at the retail level on the price of oil and gas?

Will the Prime Minister tell the House what action he intends to take, in view of this, to protect those consumers and small businesses from excessive price increases?

Right Hon. Joe Clark (Prime Minister): Mr. Speaker, just to clarify my answer to the Leader of the New Democratic Party, which is quite clear on its face, I said I did not think it was necessary for us to assume to the Government of Canada all the kinds of powers proposed in the commission proposed by the Leader of the New Democratic Party. I also indicated to him that actions in relation to budgetary matters would, naturally, have to await the budget.

The hon. member is asking if we have, in fact, a system of controls that is so complete that it controls prices at every level having anything to do with any aspect of petroleum. The answer is no, we do not, and we do not intend that kind of control.

Mr. Robinson (Burnaby): Mr. Speaker, the Prime Minister has not answered the question of whether controls exist. My supplementary question is for the right hon. Prime Minister. It relates to the six-year inquiry, by the bureau of competition policy, into alleged price-fixing and market manipulations by the major oil companies, which is nearing completion.

Will the Prime Minister support the demand of the Minister of Consumer and Corporate Affairs, speaking in this House as opposition critic on October 24, 1973, that the contents of the inquiry report be made public at the conclusion of the inquiry? Second, will the Prime Minister assure this House that at least until the inquiry has been concluded, no action will be taken on the Conservative threat to dismantle the only effective competitors to the multinational companies, Petro-Canada?

Mr. Clark: Mr. Speaker, I assume the hon. member is posing questions that are to be taken seriously, and I will treat them in that way. In relation to Petro-Canada, the hon. member knows that the government is considering a report from a task force. We will make that consideration, independent of other inquiries that might be under way in the Government of Canada. I believe I gave that answer to the hon. gentleman's leader the other day.

Secondly, with regard to the inquiry that is under way, I can certainly assure the hon. member that if there is to be a prosecution, and if there is evidence that should be in the public domain in relation to a prosecution, that information will be in the public domain.

[Mr. Robinson (Burnaby).]

[*Translation*]

NATIONAL DEFENCE

REQUEST FOR INQUIRY INTO POSSIBLE PARTICIPATION OF McDONNELL DOUGLAS IN CERTAIN CONTRACT

Mr. Maurice Dupras (Labelle): Mr. Speaker, my question is directed to the Minister of National Defence. It relates to a first-page story published by a Toronto daily paper concerning legal action taken by Northrop Corporation against McDonnell Douglas arising from the participation of that company in an eventual contract with DND. Given the size of the contract, I would like to know whether the minister intends to suspend his assessment program as well as any decision in this regard before making sure, first, of the good faith of the McDonnell Douglas company, and second, that there will be a significant Canadian participation in this huge market.

[*English*]

Hon. Allan B. McKinnon (Minister of National Defence and Minister of Veterans Affairs): Mr. Speaker, McDonnell Douglas have been in touch with us to assure us that they will replace this offset work with another contract to us and make the necessary amendments in their offer.

Essentially, this is a legal dispute between two aircraft manufacturers. I do not think that it is going to have any lasting effect on our situation. Fortunately, at the present time there is a hiatus of about three weeks as I have asked the department to provide me with more information and to provide some other departments with information before I am prepared to take the project to cabinet.

* * *

FISHERIES

COMPENSATION TO FISHERMEN WHO SUFFERED DAMAGE FROM OIL SPILL

Mr. William Rompkey (Grand Falls-White Bay-Labrador): Mr. Speaker, my question is for the Minister of Fisheries and Oceans. It concerns the oil spill from the tanker *Kurdistan* which broke up west of Cabot Strait last March.

In view of the fact that oil from this tanker has clogged fishermen's nets, has fouled beaches from Burgeo to Fortune Bay, in addition to Nova Scotia, in view of the fact that the company in question, Nile Shipping Company, claims that the federal government may be partially responsible for the damage, and in view of the fact that further oil was discovered as recently as several days ago in another section of Newfoundland, can the minister tell the House whether it is under his responsibility under the Fisheries Act, and whether it has been decided who is to be responsible for the tens of thousands of dollars of damage to fishermen's gear, and when these fishermen can expect to be compensated?

Hon. James A. McGrath (Minister of Fisheries and Oceans): Mr. Speaker, I thank the hon. member for giving me notice of the question. Responsibility, of course, is shared with

my colleague, the Minister of Transport. The initial responsibility for payment of claims rests with the owners of the *Kurdistan*. In this regard, we have had teams consisting of federal transport officials, federal fisheries' officials and provincial fisheries' officials visiting the affected communities. We have taken sworn statements from fishermen and gathered evidence of damage to gear.

These claims have been presented to the solicitors for the company and I understand processing of the claims is under way. To the best of my knowledge, there do not appear to be any difficulties with this procedure.

* * *

[*Translation*]

AIR TRANSPORT

INQUIRY WHETHER GOVERNMENT ENCOURAGED IPA AND QUEBECAIR TO USE DASH-7

Mr. Rémi Bujold (Bonaventure-Îles-de-la-Madeleine): Mr. Speaker, my question is directed to the Minister of Transport. In an interview he gave to *Transpo '79* magazine, the minister explained his wish to promote the use of the Dash-7. Could the minister tell the House whether he went through an independent report which was submitted to his department at the end of 1978, recommending the use of the Dash-7 in eastern Quebec? Further, could he tell the House whether he had meetings with the chairmen of the companies serving eastern Quebec and, more particularly, of IPA and Quebecair in order to encourage them to buy the Dash-7?

[*English*]

Hon. Don Mazankowski (Minister of Transport): Yes, Mr. Speaker, I am aware of the report. There have been some discussions between myself and departmental officials. I regret to inform the hon. member that I have not had any discussions with any of the officials of the companies to which he referred.

* * *

ENERGY

INCREASES IN OIL PRICES—EFFECT ON MANUFACTURING INDUSTRIES

Mr. Arthur Phillips (Vancouver Centre): Mr. Speaker, I have a question for the Minister of Energy, Mines and Resources. A couple of weeks ago, in answer to a question, he indicated and confirmed that his department had done a study of the regional disparities and the regional effects of a sharp increase in the price of oil.

I should like to ask the minister if the same study included the effect on the over-all manufacturing industries of Canada and if it included the effect on inflation and interest rates?

Hon. Ray Hnatyshyn (Minister of Energy, Mines and Resources): Mr. Speaker, I think in answer to the hon. member's question I indicated that the department had, in fact, been carrying out investigations with respect to the consequences of price increases in terms of the oil price increase that might be contemplated. These are wide-ranging investigations to look at the macro-economic effects in terms of increases in the price of oil. They covered, essentially, the areas to which the hon. member referred.

Mr. Phillips: Mr. Speaker, in the spirit of freedom of information, could I ask if the minister plans to make that study public?

Mr. Hnatyshyn: Mr. Speaker, it is my intention, after the consultative process has taken place and been concluded, to bring down and table for the benefit of hon. members the results of all these investigations and the results of the consultative process that has taken place, so that assessments can be made of the material and information gathered.

* * *

FISHERIES

FINANCIAL ASSISTANCE FOR SMALL CRAFT HARBOURS

Mr. Ted Miller (Nanaimo-Alberni): Mr. Speaker, my question is for the Minister of Fisheries and Oceans. One of the things that we expect for the Atlantic fishery from the 200-mile limit is increased quality.

In view of the minister's expression of support on the Atlantic coast for improving the quality of the fishery, does he have any word for the people of Newfoundland with regard to the policy of the Treasury Board to curtail or cut back, to the tune of $1.3 million, assistance to small craft harbours which are crucial in improving the quality of fish that we expect to export? Has the minister been able to get any action from Treasury Board?

● (1500)

Hon. James A. McGrath (Minister of Fisheries and Oceans): Mr. Speaker, certain projects have had to be deferred because of spending restraints which the government has had to adopt because of the mess we inherited from our friends across the way.

Some hon. Members: Oh, oh!

Mr. McGrath: I would be very pleased to provide the hon. member with further details when my estimates come before the standing committee tonight at eight o'clock. In any event, I will be glad to let the hon. member have full details.

* * *

THE ADMINISTRATION

STATEMENT OF PRIME MINISTER ON LEGALITY OF BREAKING LAW WITH PERMISSION OF CABINET MEMBER

Mr. Maurice Harquail (Restigouche): Mr. Speaker, in view of the absence today of the Solicitor General, I would like to

direct my question—which has to do with the administration of justice in Canada—to the Parliamentary Secretary to the Minister of Justice. It has to do with a question I posed earlier when we were discussing the whole question of the statement made by the Leader of the Government, in this House, in which he indicated that he was looking for a novel way to execute illegal acts legally.

Does the parliamentary secretary know whether or not any such acts have been carried out in this country, and whether or not his minister—who is not in this House—has had any discussions with the Solicitor General with respect to the question I am posing today?

Mr. George Cooper (Parliamentary Secretary to Minister of Justice and Attorney General): Mr. Speaker, I will take that question as notice and provide a reply in due course.

* * *

[*Translation*]

EMPLOYMENT

INQUIRY WHETHER COSSETTE REPORT ON QUEBEC HARBOUR HAS BEEN RECEIVED—MEASURES TO REMEDY LAY-OFFS

Mr. Dennis Dawson (Louis-Hébert): Mr. Speaker, my question is directed to the Minister of Labour. Can he confirm that he received the report of Chief Justice Laurent Cossette concerning the harbour of Quebec, and tell us what the government intends to do with its recommendations concerning the lay-off of 102 longshoremen in addition to the dismissal of 32 other workers?

[*English*]

Hon. Lincoln M. Alexander (Minister of Labour): Mr. Speaker, I can confirm that the report has been tabled. As a matter of fact, it has been released to the parties involved.

In terms of what the government will do, we are now awaiting replies from the other parties involved before we can take any position at all. But for the hon. member's information, the report has been released to the affected parties.

[*Translation*]

INQUIRY AS TO ACTION GOVERNMENT WILL TAKE TO ASSIST VICTIMS OF INDUSTRIAL DISEASE

Mr. Dennis Dawson (Louis-Hébert): Mr. Speaker, my supplementary is addressed to the same minister or to his deskmate, the Minister of Transport. Will the minister tell the House what he intends to do with this report in light of another one which indicates that several of the same longshoremen in the port of Quebec are suffering from industrial disease?

[*English*]

Hon. Don Mazankowski (Minister of Transport): Mr. Speaker, I will certainly take that question as notice and consult with the minister responsible.

MOTION TO ADJOURN UNDER S.O. 26

[*Translation*]

FISHERIES

PROBLEMS OF LARGE TRAWLERS IN GULF OF ST. LAWRENCE

Mr. Alexandre Cyr (Gaspé): Mr. Speaker, seconded by the hon. member for Gloucester (Mr. Breau), I ask leave to move a motion for the adjournment of the House under Standing Order 26 for the purpose of discussing a specific and important matter requiring urgent consideration since a decision made by the Minister of Fisheries and Oceans (Mr. McGrath) will be implemented starting November 1. The government is now allowing vessels exceeding 100 feet to enter the Gulf of St. Lawrence and capture 6,000 metric tons of codfish normally reserved for the costal fishermen of the interior of the Gulf.

Mr. Speaker: Order, please. Pursuant to Standing Order 26, the hon. member for Gaspé (Mr. Cyr) has given the Chair notice of his intention to move an adjournment motion to deal with an important issue. I suggest that the importance of the issue which the hon. member for Gaspé has raised cannot be questioned. However, one of the conditions which our Standing Orders require before such a debate can be held is that a real state of urgency exists, and I quote: "a genuine emergency calling for immediate and urgent consideration". The Chair has serious reservations concerning this aspect of the motion, suggesting that this is rather a permanent problem which has been raised in the House on a number of previous occasions. On October 24, 1979, for instance, there were two motions dealing with this issue which were moved pursuant to Standing Order 43 by the hon. member for Gloucester (Mr. Breau) and the hon. member for Westmorland-Kent (Mr. LeBlanc). This latter motion was, as a matter of fact, supported by the hon. member for Gaspé. Moreover, the hon. member for Gaspé himself dealt with this question in the House on October 25 at the time of adjournment.

Considering that the question raised today by the hon. member for Gaspé was dealt with recently in the House; considering also the difficulty which exists now in connection with a distinct and separated element which must now be identified by the hon. member for Gaspé not merely as a subject of permanent difficulties but as an emergency; and considering finally that the hon. member has failed to identify such an element in his notice of motion, I feel that this is not

an issue which could now be dealt with properly under the provisions of Standing Order 26.

ROUTINE PROCEEDINGS

[*Translation*]

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. David Kilgour (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, the following questions will be answered today: Nos. 65, 147, 148, 150, 197, 277, 282, 291, 358 and 367.

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

[*Text*]

NATIONAL HARBOURS BOARD—PRESIDENT AND VICE PRESIDENTS

Question No. 65—**Mr. Orlikow:**

1. Who (a) is the president (b) are the vice presidents of the National Harbours Board?

2. What is the annual salary in each case?

Hon. Don Mazankowski (Minister of Transport):

1. (a) Mr. Pierre A. H. Franche
   (b) Mr. Jacques Auger
2. (a) $45,000—$50,000
   (b) $40,000—$45,000

SOCIAL INSURANCE NUMBER—LIMIT USE

Question No. 147—**Mr. Herbert:**

Is it the government's intention to limit the use of the social insurance number with regard to its use as a registration and account number for many government plans and, if so, what measures is the government taking?

Hon. Perrin Beatty (Minister of State (Treasury Board)): The government will shortly be proposing legislation to restrict the use of the Social Insurance Number within the federal government where provision of the SIN by individuals may be mandatory, along with some initial steps to limit the use of the Social Insurance Number outside the federal government.

Question No. 148—**Mr. Herbert:**

Is it the government policy to promote the use of the social insurance number as a singly identifying number for all Canadians in as many departments and agencies as possible?

Hon. Perrin Beatty (Minister of State (Treasury Board)): No. It is the government's intention to reverse the trend towards the use of the Social Insurance Number as a single identifying number in departments and agencies of the federal government.

● (0000)

COMPUTER BANKS—CONFIDENTIAL INFORMATION

Question No. 150—**Mr. Herbert:**

Has the government taken measures to protect the confidentiality of information filed in government computer banks and, if so, in what way?

Hon. Perrin Beatty (Minister of State (Treasury Board)): After introducing its electronic data processing (EDP) policy in 1972, Treasury Board subsequently issued directives to departments on computer security matters in 1974. At the same time a Security Evaluation and Inspection Team (SEIT) was created within the RCMP to review security measures in computer installations, including private sector service bureaux handling government information.

Departments report back to the RCMP on the implementation of SEIT recommendations. The RCMP reports annually to the Treasury Board Secretariat on the state of computer security in government. Computer security standards are now being developed. For computer work performed on private sector computers, security requirements are part of the contractual arrangements with the supplier. Part IV of the Human Rights Act requires that the use of computer banks containing personal information be strictly controlled, including new uses of existing data.

An area of considerable concern is the linking of computer banks, for instance using SIN numbers to obtain more complete information on individuals. The government is preparing legislation that will ensure greater legal protection against unauthorized disclosure of personal information and put constraints on the ability to link files using SIN, by limiting the number of uses for the SIN number. This legislation will be introduced in this session of Parliament.

TRANSPORT—NUMBER OF EMPLOYEES

Question No. 197—**Mr. Herbert:**

How many (a) permanent (b) term employees were on the Department of Transport's payroll on March 31, 1979?

Hon. Don Mazankowski (Minister of Transport): (a) 19,067; (b) 1,909

INCOME TAX—DEDUCTIONS

Question No. 277—**Mr. Herbert:**

In each of the past five years, what amount was deducted by individuals on their income tax forms as (a) charitable contributions (b) medical expenses (c) political contributions (d) capital losses?

Hon. Walter Baker (President of Privy Council and Minister of National Revenue): In each of the past five years, the following amounts were deducted by individuals on their income tax forms as (a) charitable contributions; (b) medical expenses; (c) political contributions; (d) capital losses.

Order Paper Questions

	1973	1974	1975	1976	1977
*(a) Charitable Contributions	392,867	439,693	505,553	598,700	659,478
*(b) Medical Expenses Allowed	112,420	119,512	137,851	155,642	169,102
(c) Federal Political Contributions		1,273	2,394	2,800	3,114
*(d) Allowable Capital Losses	47,645	83,311	71,673	68,115	86,549

Notes: (i) All figures are in thousands of dollars.
(ii) 1977 is the last tax year for which date is available.
(iii) (a) & (b) do not include claims for the standard deduction of $100
(iv) c) These figures are the amount of credit allowed each year for the federal political tax credit. We do not have figures on the actual amounts of the federal political contributions. This program began in 1974.

* These figures are available on a yearly basis in the publication, "Taxation Statistics".

PUBLIC SERVICE—BILINGUAL POSITIONS

Question No. 282—**Mr. Herbert:**

As at March 31, 1979, how many (a) Anglophones (b) Francophones occupied bilingual positions in the public service for which they did not meet the language requirements of the position?

Hon. Perrin Beatty (Minister of State (Treasury Board)): As of Friday, March 30, 1979, there was a total of 55,985 occupied bilingual positions. Of this total, 16,532 were occupied by employees (10,095 Anglophones and 6,437 Francophones) who did not meet the language requirements. Of this 16,532, there were 14,953 employees or 90.4 per cent (8,825 Anglophones and 6,128 Francophones) who were exempted from meeting the language requirements of their positions because of incumbent's rights, long service or age entitlements. A few others were exempted on compassionate grounds due to health or personal circumstances.

The remaining 1,579 employees or 9.6 per cent (1,270 Anglophones and 309 Francophones) were appointed to bilingual positions on the condition that they undertake language training in order to meet the language requirements of their positions. These employees are, therefore, either on training or scheduled for training.

BILINGUAL BONUS

Question No. 291—**Mr. Herbert:**

By province, how many public servants are presently receiving the bilingualism bonus?

Hon. Perrin Beatty (Minister of State (Treasury Board)): The following presents a breakdown by province, or by region where applicable, of the number of public servants presently eligible to receive the bilingualism bonus.

British Columbia	112
Alberta	109
Saskatchewan	52
Manitoba	238
National Capital Region	28,463
Ontario	1,708
Quebec	14,571
New Brunswick	1,444
Prince Edward Island	23
Nova Scotia	303
Newfoundland	27
Northern Canada	16
Outside Canada	205
Total	47,271

[Mr. Baker (Nepean-Carleton).]

INCOME TAX—PERCENTAGE TRANSMITTED TO PROVINCIAL GOVERNMENT

Question No. 358—**Mr. Herbert:**

1. (a) What percentage of income tax deducted from a resident of the province of Quebec working in Ontario, is transmitted to the Provincial Government (b) on what date is it transmitted?

2. Is the taxpayer able to opt to have the percentage increased?

3. Did the Minister of National Revenue receive complaints that Quebec residents working in Ontario must remit additional taxes to Quebec while, at the same time, they claim a rebate from the federal authority?

4. Will the option to increase deductions, increase the amount transmitted to Quebec and what percentage of the additional amount deducted will be added to the amount eventually to be claimed as a federal rebate?

5. Did the Minister discuss the problem with his provincial counterpart?

Hon. Walter Baker (President of Privy Council and Minister of National Revenue): 1. According to Section 154 of the Income Tax Act and regulation 3300 to a prescribed tax transfer rate of 45 per cent is authorized. The amounts are transmitted semi-monthly to the provincial government.

2. The actual rate cannot be increased by the taxpayer as it is prescribed by regulation. A taxpayer may however increase the total amount of tax deductions, in which case 45 per cent of the increased deductions would be remitted to Quebec. (See answer to part 4).

3. Isolated complaints have been received on this matter.

4. An increase in deductions at source will increase the amount to be transmitted to Quebec by the 45 per cent transfer rate. The remaining 55 per cent will either be used to reduce the balance of federal tax payable or will be refunded to the taxpayer. If the taxpayer wishes he may remit additional moneys directly to the provincial government involved rather than increase his withholdings at source.

5. No. However, discussions at the official level are held periodically to discuss these matters.

● (0000)

HOLY SPIRIT ASSOCIATION FOR THE UNIFICATION OF WORLD CHRISTIANITY

Question No. 367—**Mr. Cossitt:**

1. Does the Holy Spirit Association for the Unification of World Christianity have a Department of National Revenue taxation number permitting receipts for income tax deductions and, if so (a) is the number 0362517-47-13 (b) on what date was it granted and for what reason (c) who applied for it and specifically who signed the application?

2. What is the address of the organization?

3. To the knowledge of the government, is the organization the same one which is sometimes known as the "Moonies" or the "Unification Church"?

4. Is the government investigating the granting of income tax numbers to extremist religious groups often referred to as cults, etc. and (a) if so, what are all the details (b) if not, will the government make such an investigation?

Hon. Walter Baker (President of Privy Council and Minister of National Revenue): 1. (a), (b) and (c) Registration No. 0362517-47-13 was assigned to the Holy Spirit Association for the Unification of World Christianity when that association was granted the status of a registered charity effective September 7, 1969. The association is therefore entitled to issue official receipts for income tax purposes to its donors. Its registration was granted by officials of the department, acting on behalf of the minister at that time, in accordance with the Income Tax Act and regulations. Registration was granted to the association because, on the basis of information available, it qualified as a charity in accordance with common law principles and met the requirements of the Income Tax Act for registration as a charity. An officer of the association signed the application for registration. The secrecy provisions of the Income Tax Act do not permit disclosure of the name of that officer.

2. The address of the association, as shown on its 1978 public information return, is 80 Admiral Road, Toronto, Ontario.

3. The only name by which the association is identified in documentation submitted to the department is the Holy Spirit Association for the Unification of World Christianity, although in correspondence the names "Unification Church of Toronto" and "Unification Church" have been used.

4. As is the case with any taxpayer, a registered charity may be audited at any time for taxation purposes and every year selected charities are included among taxpayers audited by the department. The department does not propose to institute a special program for the audit of "cults".

* * *

[*Translation*]

QUESTION PASSED AS ORDER FOR RETURN

Mr. David Kilgour (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, if question No. 149 could be made an order for return because the answer is too long to be printed in *Hansard* this return would be tabled immediately.

[*Text*]

SOCIAL INSURANCE NUMBER

Question No. 149—**Mr. Herbert:**

What departments and agencies are using social insurance numbers as a requirement for participation in their 1978 programs and, in each case, what specific use is being made of the numbers?

Return tabled.

[*English*]

Mr. Speaker: The questions enumerated by the parliamentary secretary have been answered. Is it the pleasure of the House that question No. 149 be deemed to have been made an order for return as suggested by the parliamentary secretary?

Some hon. Members: Agreed.

Mr. Speaker: Shall the remaining questions be allowed to stand?

Mr. Hal Herbert (Vaudreuil): Mr. Speaker, I would like to thank the parliamentary secretary for replying to some of the questions today. Before he gets too euphoric about my compliments, I would like to draw his attention particularly to three questions, Nos. 133, 134 and 136, as examples of questions which refer to companies that are proposed for sale by the government. These questions appeared on the order paper in the past session. I would imagine that since these companies are actively on the "for sale" list it should be fairly easy for the parliamentary secretary to provide replies. I would like him please to give his attention to my request.

Mr. Speaker: Shall the remaining questions be allowed to stand?

Some hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

INCOME TAX ACT

MEASURE TO AMEND

The House resumed from Monday, October 29, 1979, consideration of the motion of Mr. Crosbie that Bill C-17, to amend the statute law relating to income tax and to amend the Canada Pension Plan, be read the second time and referred to Committee of the Whole.

Mr. Lloyd Axworthy (Winnipeg-Fort Garry): Mr. Speaker, like other members on this side in the official opposition I was quite content to stay satisfied with the well-crafted Liberal legislation which had been presented by the Conservative party. But after listening last evening to the rather poetic description given to us by the hon. member for Edmonton East (Mr. Yurko) on Tory economic policy as being similar to someone's exposed backside ascending toward heaven, I was so inspired by that particular description of how Conservatives carry out their economic analysis that I felt it deserved at least some reply from members on this side. I suppose by way of corollary we could say that if that is a description of the way in which the Tories measure their economic performance, we can say the devil takes the hindmost in these circumstances.

Listening to the debate on this particular tax bill demonstrated to me one very clear reason why it is that this country needs a Liberal party. As we listen to the exaggerations from the left and the right, each expressing his or her own form of pristine power theology, it becomes clear that if this country were to be allowed to polarize between the extremes, such as is being advocated by members in this group and that group, what would happen is that the country would become so totally confused and overwhelmed by hyperbole of these orthodoxies

that nothing practical or realistic could be done in the way of tax policy.

● (1510)

There is perhaps no more important debate that takes place in this House than the analysis and estimate of how we want to allocate our taxes. It is the basic foundation document of our economic order. It determines very clearly who pays and who gets the benefits in our society. If we were simply to follow the preachments and teachings of those on the left and the right, we would find out we have a society which is carved into two totally discrete, disparate groups in which there is no common ground.

I was interested last night to hear the hon. member for Broadview (Mr. Rae) talk about the two teams of tight money. I tended to agree in part with his analysis. There are two teams in this House. There is also a group of kibitzers on the left, the armchair quarterbacks who will never be in the game. They say they never have the opportunity to make decisions. They can afford to exercise their particular form of virtue. Someone once said you can have a lot of virtue if you have never been subject to temptation. That is certainly the case with the New Democratic Party. Of course they can express themselves with sanctimonious, virtuous statements about how to run the world. However, when have they ever had the opportunity to do anything about it? They are the classic eunuchs. They are very adapt at talking about sex because they never have to participate in it. They are really the grand observers in our economic order. They know they will never have to govern. If they want to be the kibitzers, the armchair quarterbacks observing the scene and offering their soapbox preachments, that is fine with us, but let us get back to serious debate.

Some hon. Members: Oh, oh!

The Acting Speaker (Mr. Scott, Victoria-Haliburton): Order, please. We should extend the hon. member the courtesy of the House to continue his speech. Can we have order.

Mr. Axworthy: What happens with soapbox artists, Mr. Speaker, is they are able to produce a lot of noise but no light. That has been their basic practice in this House. As long as they can keep yelling, screaming, pounding and clapping, no one will really bother looking at what they have to say, which usually adds up to nothing anyway.

What should concern members of this House is not so much what is happening with the rump group in the corner, but that many of the same bad habits are being picked up by members opposite. They think in this time and age the only way to combat the purities of the left wing is to ascribe a purity to the right wing.

We had a perfect example in the speeches last night when we were raised to elevations by the theological purity of the hon. member for Edmonton East (Mr. Yurko) regarding the free market, that wonderful mechanism that has done so much for so long. As a result we have this basis of total domination versus the free market. It is beginning to sound as if this is a college common room. We are not talking about practical things any more.

We have the theorists and philosophers on the right now combining with the theorists and philosophers on the left. I am afraid that theology is not what is in order in Canada today. We need hard economics. The only exception to that is the Minister of Finance (Mr. Crosbie) who does not believe in theology but thinks he is Johnny Carson. He thinks that rather than worry about economic policy, he should practise his new comedy routine.

The question we have to pose is, when do we get serious about the economic conditions of this country? When do we start looking at taxation policies which are going to make some practical sense? If I still have a moment or two, perhaps I can provide some illustrations to these philosophers to the left and the right. I do not want to confuse them with the facts; I know that would interfere with their particular sort of music.

It is important to recognize certain facts about the way the economy has been working in this country. Let us deal with these gentlemen on the right. They seem to feel there is an enormous burden hanging around the necks of the Canadian taxpayer, that everyone is walking around overburdened by this enormous government expenditure. They like to parade in front of us glorious examples, such as a country like West Germany which is so free of these kinds of burdens and whose economy is so forceful.

I wish to point out that according to a recent report by the OECD the percentage of expenditure in Canada of government taxation related to the gross national product is less than in West Germany. How does that fit with the facts that are constantly paraded before us, that the amount of taxation that is dispensed in this country is less than in West Germany? It is only one percentage point above that of the United States, the home of free enterprise. Therefore, this enormous burden we have been told about simply does not exist in terms of the facts.

What does exist is that there is a large cluster of countries, all of which have a percentage between 30 and 35 per cent of their GNP. Obviously that suggests there are more complicated and more real factors at work in the economy than the hyperbolic situation of this enormous government albatross bearing down upon the backs of the people.

The Tories simply do not look at where the economy is going or what it has been doing. They prefer to deal in the areas of vision and fantasy rather than look at the facts. The facts are here in the Department of Finance report. I suggest that the Minister of Finance, who so conveniently provides memoranda for members of the finance committee, should provide some of the same literature from his department to his own caucus and recommend that they start reading these facts.

On the same kind of account, I listened with a great deal of amusement to the hand-wringing, teeth-gnashing and cater-wauling of the NDP last night about how for years those nasty Liberals had really put it to the poor people. That is the kind

of sob story we received about how awful the tax system would be.

I refer members of the NDP to the same report, which points out in terms of lower income groups that they have a much higher degree of discretionary income than almost any other country in the OECD. In fact, it has improved by close to 50 per cent in the past three or four years. When you look at the number of tax exemptions that are available to low and modest income Canadians, they have far more tax exemptions than are available to the West Germans, Americans or those in most any other country.

All of a sudden we have found that rather than have the previous government in the back pockets of the big corporations, as they like to testify, the fact is they have far more discretionary income and there have been far more initiatives taken to lower taxation for those groups. As a result, there is far more income available to the very group about which they are concerned.

A member from one of the Vancouver ridings, I forget which one it is, used a term which I do not think is considered parliamentary under the *Hansard* arrangement. I would not want to repeat it. I would suggest to her, if that is so, that she take a course in straight reading of English. I am prepared to do that for her. I know it is not printed in the language that she is prepared to use as it does not include those kinds of phrases, but it does suggest that for the income group under $5,000, discretionary income for a family of four has gone up 8.3 per cent over the past year; and for the income group between $5,000 and $10,000 it has gone up 9.4 per cent in the last year. Again, I know they do not want to be confused by the facts. I know that is not the socialist way to live. They do not want to look at what is real or effective. They simply want to go by the theories learned at the knee of some U. of T. professor. It is about time they looked at the facts so that their economic comments could be more effective and useful.

● (1520)

Once we get away from the political dialogues coming from left and right we can start looking at the real problems in taxation policy, and there has been no more real problem apparent than the whole issue of what we should do about interest rates, because those rates are directly related to the tax policies we have in place. When we look at the statements being made by members of the government the first thing we should discount is their constant survival technique of saying "It was your fault." The fact is that many of the measures now being introduced were not the fault of those previous Liberals but are initiatives taken by this government.

I point out one particular concern. We find the Minister of Finance and the Prime Minister (Mr. Clark) pledging that they are going to stand in the trenches and fight the good battle against inflation. They are going to be Horatio on the bridge and get tough and do all the things that are required. They say, "Boy, if it's going to hurt the people it's going to have to hurt because eventually we are going to get a solution." And how do they propose to solve this problem? They are going to cut back government spending. They are going to reduce the deficit.

Well, members on this side may be excused if we have the odd note of skepticism in our voice. Frankly, we do not know what to believe from members opposite. We heard during the election campaign that the best thing for the Canadian economy was to have a bigger deficit, a stimulative deficit. Apparently those words have disappeared from their vocabulary because we do not hear about a stimulative deficit any more. But that is exactly what they are intending to do, because while they are reaming the Canadian public by the increasing acceleration of interest rates, they are doing absolutely nothing to control deficit spending.

How can they with any honesty or candour stand up and say they are fighting the good economic fight when day after day they bring proposals before the House which would have the result of increasing spending and deficits? While they are talking about the need to hold firm and reduce government spending they are proposing an outlay of an additional $500 million through their mortgage tax program. Where will they get the money for that? Is it going to be concocted out of thin air or do they intend to cut back other worth-while programs? In fact, what they will do is increase the deficit, which will increase the inflationary pressure.

Along the way, Mr. Speaker, we had that grand report from the task force on PetroCan. What does it advocate? It advocates an additional $2.3 billion deficit. Could there be anything more inflationary than suggesting that the way to solve our economic problems is to add $2.3 billion to the existing $11 billion deficit? This really makes the words of the Minister of Finance turn to ashes in his mouth. How can he tell the finance committee he is fighting the good fight when his colleagues in the government are talking about adding billions of dollars to an already substantial deficit? That goes under the definition of total contradiction. You cannot have it both ways. You cannot be talking and plighting your troth about the need to restrict government spending and then have ministers say that if Petro-Canada were privatized it would be the best thing that could possibly happen.

We listened to the hon. member from Winnipeg-Assiniboine (Mr. McKenzie) give us his version of how the economy works; that is something that is probably a cross between Lewis Carroll and Walt Disney in terms of the way in which it develops fancies about the future. He was saying the Tories were going to strengthen Petro-Canada. They would strengthen it first by cutting it in half and turning it over to the private sector, which would be far better managers but would cease to do many of the things that Petro-Canada does, and strengthen it by adding a $2.3 billion deficit to the public treasury. That is a curious way in which to describe the strengthening of this oil agency. It does not add up according to even the simplest economic axiom the Conservatives appear to be using.

The fact of the matter is there is a substantial opportunity to strengthen PetroCan if the government only had the courage to take it, and the way the government could acquire that courage would be to tackle the question of oil pricing, which

they keep pushing further and further away from resolution, simply apply a windfall profits tax, and then turn the major proceeds of that tax over to PetroCan so that it could use that money for investment in energy to the benefit of all Canadians. Let us not go through the mental gymnastics in which the hon. member for Winnipeg-Assiniboine and the Minister of Finance constantly engage.

Let us talk about an option which makes some sense. Large pools of capital are being pulled out of the economy of this country and allowed to sit fallow in certain large heritage funds. These funds are not being used for investment in major energy projects, major transportation projects or for major agricultural purposes; they are simply being allowed to go unused. We have the paradox of a government which says they are good economic managers when in fact what they are doing is simply delaying the inevitable and allowing themselves to be used by a provincial premier, one who last evening had the audacity to declare his independence, in effect, from any form of common weal in this country. How the Prime Minister can calmly turn the other cheek to the challenge and threat posed by the statement of the premier of Alberta is beyond me. It simply means that the Prime Minister thinks his way of dealing with the provinces, of avoiding a fight by giving away his lunch all the time, will somehow bring about a peaceful solution. I have news for the Prime Minister: he has given away his last piece of lunch, he has nothing more to give. All he has done is set up a self-fulfilling prophecy, because these premiers will go after him with all the more ferocity and all the more ambition, knowing he is not prepared to stand up to them.

It is a form of betrayal of the Canadian people that we do not have a Prime Minister who is prepared to stand up to the Premier of Alberta and say: "It is absolutely necessary that on the matter of oil pricing you do not speak just for 8 per cent of the population; someone has to speak for 100 per cent of the population". I am amazed, Mr. Speaker, that the Prime Minister would allow that kind of declaration of economic separatism to be announced and not be prepared to respond with any form of strength or effectiveness. It was one of the sad moments in the history of this country when the Prime Minister once again backed away from living up to his responsibilities.

There are economic answers available; it is just that the government does not want to tackle them. Let us talk for a minute about a favourite topic of the Minister of Finance who has told us he has some choices available to him when it comes to the problem of high interest rates. He said: "I have to hold firm on monetary policy but I do have the opportunity to make some choices fiscally". What is the choice he has made? He has made only one choice, and that is to introduce the mortgage tax credit program which he thinks will be salvation for all that ails Canadians. He stands up in the House with a great deal of flourish and says: "Think about the 3.8 million households which will get benefits under this program".

What he does not mention are the other 3.8 million households which will get no benefits under the program. Are they somehow immune from inflation? Will they somehow be able to avoid the problem of high interest rates? What the minister is really saying is that he only cares about 30 per cent or 40 per cent of the population and that the rest of the population can be forgotten. But it is quite obvious that they, too, are affected by high interest rates.

It is not just homeowners who are faced with the problem of escalating mortgages. One of the major problems we are facing today is in the rental market. Many of those rental units were introduced under the ARP program and carry five-year mortgages at 8 per cent which are coming up for renegotiation. The rate will now be 14 per cent, a 6 per cent increase, and they will either have to declare bankruptcy or suffer substantially ballooned rents far beyond the means of most people living in them. Are they to be forgotten? Is the minister excluding that section of the population which for one reason or another decides to rent rather than own accommodation? Is the Minister of Finance saying he is prepared to forget all those who do not have mortgages and therefore will receive absolutely no benefits whatsœver other than the property tax credit, which this year will be $62.50? Is he forgetting those people who are going to find, as they face increases in oil prices which will add up to $300 or $400 on their housing bills, that somehow they are going to be included in this magic mortgage credit program? Who speaks for them? Where are choices being made for them?

• (1530)

The fact is that what the minister is introducing is bad economic policy. He has himself caught in the campaign commitments of his leader and is now trying to wriggle out by putting as pleasant a face on a bad proposition as he possibly can. However, it is bad economic policy because he has committed major expenditures for this year of $575 million. Next year they will be well over $1 billion and ultimately closer to $3 billion over the long term, when he has no ability, according to his own confession, to forecast what the economy will be like.

The Minister of Finance is introducing a structural economic change when what we are in desperate need of are short-term responses to real and immediate problems. I am sure the minister's economic advisers have told him that he cannot introduce an economic instrument which has a four-year fixed term to it when the economy is gyrating like a crazy top, partly because of the decisions taken by the Bank of Canada, which is under the jurisdiction of the Minister of Finance. The minister is creating a problem and avoiding solutions.

Solutions are obvious and available to him. He could be taking that $575 million and using it to deal with some of the immediate consequences of those 14.5 per cent and 14.75 per cent interest rates on mortgages and prime loans. For example, he could be providing some emergency assistance for those who have to renegotiate their mortgages. He is condemning thousands of Canadians right now because he is not prepared, as I understand it, to make directives to the banks or the lending institutions. Thus these Canadians are locking them-

selves into mortgage rates of 14.75 per cent. If those rates go down six months from now, those people will be left in the wash. They will be high and dry up on the shore, because if interest rates recede they will still be paying 14.75 per cent carrying costs. Is that a fair and equitable kind of system? Is this a government which is really concerned about the problems of all Canadians, or is this Minister of Finance simply saying once again that he does not care and that he is not concerned about that group of people?

Is it also true that this Minister of Finance is not prepared to provide any assistance to the housing market? The volume is falling out each hour which goes by. It is in total chaos. Building starts have now fallen close to 30 per cent in the rental field. There is going to be an enormous shortage of rental accommodation come next summer. As a consequence, demand will grow and prices will go up. I think economists would call that counterproductive, and yet the minister says he has choices. Why does the minister not start exercising his choices? Why does he not come out of his comic corner now and start doing something effective to help deal with the economic problems in this country? Let him do something now. Let us not wait. What is going to happen at the end of November?

We are now going through a period in which people daily have to suffer the ravages of high interest rates. It simply is not fair for the minister to say he is going to hold the line and hold tough. It is not the Minister of Finance or the Prime Minister who is holding tough. They are forcing many very ordinary Canadians to hold tough, and those ordinary Canadians are the ones who will continue to suffer under the present circumstances.

So when it comes down to the way in which tax policies can be organized and arranged, there is much left to be said about the present state of our tax system. The only conclusion we can come to when we look at the tax policies which so far have been the product of Tory economic thinking is that the Tories are going to add substantially to the deficits of this country. They will add substantially to extended government spending, to the point where estimates are that maybe the Prime Minister was right in the election campaign that there will be a $17 billion deficit. But it will not be a deficit caused by Liberals; it will be a deficit caused by Conservatives. That is the real issue.

Maybe the Prime Minister does know something. We have asked him questions and he does not want to 'fess up, but maybe he really does know something we do not know. Maybe he knows that a big deficit is coming around the corner. With all the commitments he has made regarding allowing new tax write-offs to professional consultants, his tax credit program and his Petro-Canada proposal, we have already counted up $2 billion, $3 billion or $4 billion in additional government spending. I suppose the unstated proposition is that this government has its spending plans, and it is the unspoken conditions which the government is not prepared to disclose. That is what we are really after. The government pell-mell is going to increase deficits. At the same time it is raising interest rates. If there ever was a crazy quilt economic strategy, this one has to be it. The government is increasing interest rates while at the same time allowing deficits to rise. How one justifies that contradiction in economic stance I simply do not know, and it is going to be a fascinating experience to watch the verbal exercises of the Minister of Finance as he tries to climb out of that particular maze. That is exactly what he is climbing into. That is the trap he now finds himself in, and it will be fascinating to watch how he manages to get out.

However, I do not think he will get out. I think what he is prepared to do is to make one simple trade-off. To satisfy the economic purists, those Adam Smith theoreticians about whom we were lectured this morning in the Standing Committee on Finance, Trade and Economic Affairs, the minister is prepared to force this country into a serious recession. That apparently is the trade-off this Minister of Finance is prepared to accept.

When we are debating tax bills I think the conditions and features of this economic theory and strategy should be more revealingly disclosed in this House. That is why I welcome this opportunity. I thank the hon. member for Edmonton East for his inspiration. I think he described Mabel the maid's backside ascending to heaven, which is probably the best description of Tory policy I have heard yet since it is simply a fantasy and a vision and has no grounding roots in the reality of the economic world.

As we use this tax bill to sell certain propositions, we say to the Minister of Finance that we would like to see some very immediate short-term steps to cushion the impact of his high interest rates and to help those people in the Canadian economy who are caught and squeezed to the point where they are simply not going to be able to recover. That is the kind of requirement the minister should recognize.

In the area of housing there is a requirement to undertake some immediate rescue operations, to provide for some stability in that market and to take a look at the phony-boloney figures the minister produced today. He said there will be only limited and negligible impacts of high interest rates. My head, Mr. Speaker! That is simply not the case. The escalating costs in these areas are close to 30 per cent to 50 per cent as a consequence of the minister's high interest rates, and he apparently is not prepared to do anything at all about them.

The minister does have choices to make. The problem is that he is refusing to make those choices, and while he refuses to make those choices, the country suffers.

Mr. Bill Blaikie (Winnipeg-Birds Hill): Mr. Speaker, I would like to begin my remarks by saying how happy I am that Providence has provided me with this opportunity to follow the hon. member for Winnipeg-Fort Garry (Mr. Axworthy), which gives me the opportunity to respond, in the opening part of my remarks, to some of the things the hon. member had to say.

I was interested in the hon. member's disparaging remarks about theology and, presumably by association, philosophy and any other attempt to think structurally and coherently about policy. It strikes me that this is an indication of the fundamen-

tal weakness of the Liberal party when it comes to making any kind of policy.

● (1540)

It strikes me also that perhaps the introduction of ideas, whether they be theological or ideological, into political debate is, on the one hand, an embarrassment to the Liberal mind because it calls to their minds the fact that they never saw fit to be guided in this way over the years when they were in government; and on the other hand, it is an indication of the extent to which they do not understand the situation in which we find ourselves at this point in history where, because of the smallness of the planet—not to mention the country—it is indeed a matter of serious political concern that we get down to talking about ideas, about theology and about how we are going to organize ourselves.

No amount of facts by which the hon. member suggests we are confused will help us out of the darkness in which we now find ourselves, Mr. Speaker. In fact, the whole question of facts is an illusion. We cannot have facts without perceiving them in some structural framework. That is where the hon. member goes wrong. I do not always agree with the theologies I hear from the other side of the House. Nevertheless, because of that I would not be moved to say that these questions with which we deal are not theological or philosophical in nature.

The routine argument of the Liberals when confronted with serious political debate is that somehow people who want to talk about ideas are inferior to those who would sort of meander along, taking the easy political route or taking the road of expediency. I think that this is an indication of the bankruptcy of potential leadership which we find in the caucus immediately to my right. I recommend that they do the House a favour and take a sabbatical from trying to be pragmatic and from filling their minds with statistics, and they get back and do a little reading. Perhaps a little Plato would help or some biblical study.

What I want to speak about this afternoon is the question of tax write-offs on pollution controls. I now come to what I intended to say before I was provoked by the inadequacy of the arguments being advanced by the hon. member for Winnipeg-Fort Garry. I want to speak to the provisions which we find in this bill for tax write-offs on pollution controls. My concern is that this method of seeking to control pollution is woefully inadequate, for a number of reasons on which I should like to elaborate at this time.

First, the amount of money involved, even if this were the right way to go about controlling pollution, is so small as to suggest that this government is hardly serious about pollution control. It hardly represents a massive effort and is revealing in that it appears that this government is not willing to have the corporate sector bear even the cost of a token effort to control pollution. The toughness and the tough decisions that the Prime Minister (Mr. Clark) likes to talk about as being so characteristic of his government are reserved for the Canadian people alone, with weakness being the characteristic of the government on all other fronts.

[Mr. Blaikie.]

Second, this way of seeking pollution control is really not a method of control at all. It leaves the responsibility for pollution control with the companies involved. The problem with this is that these companies have no incentive to use their control mechanisms responsibly once they are in place, or indeed if they are put in place. Neither has the private sector, I submit, an honourable record in this area of concern. Its ability to take initiative and responsibility in this area is not one that inspires confidence, in me at least.

Furthermore, this country has too often been held to ransom by corporations which have threatened to shut down their operations rather than comply with environmental standards. What this provision for write-offs means is a further capitulation to this kind of blackmail, capitulation which establishes once again the principle by which this government lives, and by which indeed the former government lived, and that is the principle of the people of Canada being made to bear the social costs, and in this case the environmental costs, of economic development while the profits from such activities are left to the disposal of private interests.

Third, and following from this observation about social and environmental costs and their relationship or lack of it to private profits, the provision for write-offs is wrong in that it acts as if the corporate sector were too improvished to afford pollution control, and must therefore be the object of government handouts. In addition to the fact that this is another case of handouts that this government does not mind, as opposed to all those other handouts to people who are really in need, which they do mind, it is also a case of corporations being rewarded for not instituting pollution control on their own by government money to do what they should have done in the first place. Hon. members opposite are the people who talk about the true cost of things, about realistic accounting. Yet every attempt to have comprehensive pollution control integrated into the cost of things is resisted. Why is that? Because the market might adjust itself in such a way that they would have to lower the percentage of profits which results from these activities.

I submit that in the absence of public ownership, where cost and profits are born by the same body, that is to say the public, environmental goals and standards should be figured into the real cost of products and ways should be found to do this. Companies should be required to meet these goals and standards out of profits, unless, of course, that is completely impossible and there is a pressing environmental danger.

Mr. Speaker, questions of the environment are too important to be dealt with by measures designed to rely on voluntary actions which absolve governments of responsibility. There is the responsibility of the government to protect the environment, because by doing so it lives up to its undisputed responsibility to protect the people of this country, and living up to this responsibility will mean more than a few tax write-offs.

Mr. Donald J. Johnston (Saint-Henri-Westmount): Mr. Speaker, the hon. member for Winnipeg-Birds Hill (Mr. Blaikie), in discussing Bill C-17, has taken the position that his party has theology and ideas to offer, but that we Liberals are

very pragmatic. I am certainly not ashamed of pragmatism. In fact, I think it is one of the hallmarks of Liberalism. I would also like to say that we too have a number of, not necessarily philosophical ideas, but certainly theoretical ideas which a debate on a bill of this kind gives us the opportunity of putting forth.

Unfortunately it is not providence, I do not think, which permits me to follow the last speaker, the hon. member for Winnipeg-Birds Hill, or the hon. member for Broadview-Greenwood (Mr. Rae) who spoke on this bill last night. In fact, it was the whip. Nevertheless, I have a number of points which I should like to clarify in terms of the presentation made by those gentlemen, particularly the hon. member for Broadview-Greenwood.

During the debate last Thursday night, I raised some question with respect to the entire area of the taxation of corporations. The bill with which we are concerned here also touches in a very important way upon corporate tax, particularly with respect to the small business deduction of those corporations which people commonly refer to as professional corporations or service corporations. My concern for this area of corporate taxation goes back many years. This is a philosophical or theoretical argument. The other night I made the point that one cannot tax a corporation. I recall having said that one cannot tax a corporation any more than one can tax a dog, much to the snickering of some members around me. Subsequently a number of people raised the issue with me. Certainly we have a corporate tax, but also there is a dog tax in many municipalities of the country. My point is that a corporation is not a person. A corporation cannot consume goods or services. A corporation is simply a legal fiction which I recall from my studies in law school was defined as existing only in contemplation of the law.

● (1550)

This is very significant in terms of this bill and in terms of the entire area of corporate taxation, because a corporation cannot in fact pay tax. The only people associated with a corporation which can pay tax are the shareholders who must suffer a diminution of their return on investment, or the persons who deal with the corporation, namely, those who buy goods and services from the corporation and to whom the tax inevitably must be passed on. Of course, a corporation is a vehicle for the collection of taxes, as is a trust or a partnership. There is no question about that.

As I pointed out during my comments the other night, the Carter commission fully endorsed that particular concept of taxation. That is why it recommended a full and complete integration of corporate taxation with the taxation of shareholders. In typical fashion we have not gone far enough. We have partial integration. We have a dividend tax credit, but we have never really come to grips with the problem of corporate taxation. We have never recognized sufficiently in our law the economic reality that there is no economic activity in the declaration of a dividend from a corporation to its shareholders.

That brings me to another point raised by the hon. member for Broadview-Greenwood. I see he is not in his seat; he has joined the ranks of the members across the way. That is complete conversion in short order. Perhaps I need not raise these points with him. In any event he made a practice of attacking the banks. In his comments last night he refrained from drawing his recent analogy of the banks and workers. In fact, according to his allegation, the banks paid a lesser rate of tax than the average worker in the country.

Perhaps the collecting mechanism is not appropriate. Perhaps there are areas which should be adjusted in terms of how taxes are collected, but let us bear in mind whom we are taxing when we are taxing banks. We are taxing the shareholders of banks. If one were to look at the shareholder list of any major bank, one would find a very substantial representation of pension funds and pension trusts of syndicates and of other people, the workers in the country and even people in the constituency of the hon. member for Broadview-Greenwood. It is completely unfair, and in fact misleading, to look at a bank and say that the bank is paying only 10.7 per cent. The bank is paying nothing in either case. It is the shareholders who are paying. That is the central theme of my comments this afternoon.

Also the hon. member attacked the question of preferred share financing which would include income debenture financing. This legislation is designed to change or basically terminate in many respects that kind of financing. The history of that financing is not all black. The hon. member said that many large corporations have benefited from this financing. The corporation did not benefit from that financing. The shareholders of that corporation benefited and the employees of that corporation benefited, as well as the people who bought goods and services from the corporation. I dare say that a large number of businesses might not even exist in the form they do today had it not been for the availability of that financing. It is the problem of trying to personify the corporation as if it were a person, which it is not.

Pursuing this question somewhat further, I should like to point out that the corporation tax system in the country has had the effect of destroying, or at least not creating or sustaining, tax neutrality. The members on my left and those across the floor can sit here and debate whether rates are appropriate, whether one group or class of people should be paying more or less tax. I am quite prepared to enter into that kind of debate. But what I am concerned about is that which is part of our law today, that which has been institutionalized for many years. I am referring to the fact that the very existence of corporations and their treatment as taxpayers has meant that people in the same financial circumstances are not paying the same amount of taxes.

I am disappointed with the Minister of Finance (Mr. Crosbie). Perhaps he will attack this problem in his November budget; we have not seen it yet. But he has not addressed himself to this problem in an attempt to iron out some of the fundamental inequities which exist.

I do not see how anyone could argue my position that it is the shareholders who effectively bear the tax, not corporations. Carrying that analogy further, I should like to look at the situation of a professional group of lawyers, for example, in the province of Alberta where I understand they can incorporate and benefit from the small business deduction. That would reduce their effective rate of tax on the first $150,000 to 25 per cent, or perhaps 33 per cent under this bill. I am not sure technically how it would apply to that situation. But a similar group of lawyers in my constituency in the province of Quebec are subject to marginal rates of 70 per cent.

How can that discrimination be justified? It exists not because of the federal tax law per se, but because of the fact that the federal law and its application is dependent in large measure upon the provisions which exist under a wide range of provincial statutes. Some may permit incorporation, some may not. The Department of National Revenue has been very firm in its position that if a province does not permit the incorporation of a particular kind of business, obviously it will not be entitled to enjoy corporate status for tax purposes, and hence full individual personal rates will apply. I do not want to say which rate should apply, whether it should be 25 per cent or 40 per cent. That is not the object of my intervention this afternoon. My point is that the entire area of corporate tax law must be rationalized in some sensible manner. We must look to full integration of corporate and individual taxes. It is long overdue.

The amendment to Bill C-37 of the last session of Parliament brought down by the minister is another band-aid. It is another plaster strip on this act. It has created a third class of corporation. Now we will have a group of corporations paying 33⅓ per cent. This was in order to pacify those many doctors, lawyers, accountants and other persons who were very concerned about their so-called loophole being removed, as was indicated by the hon. member for Broadview-Greenwood. Now we have another scheme or device which creates more complication in our statutes. It does not address itself to the fundamental problem of trying to rationalize the entire area of corporate taxation. I am disappointed in the bill from that point of view.

I hope in the very near future, in November or shortly thereafter, the minister will bring down amendments to the Income Tax Act designed to attack this basic inequity. There are a host of others, but I can think of none more clear or more apparent than where a profession can incorporate in one jurisdiction and not in another; hence the profession pays a completely different rate of tax, a very substantial one, between two jurisdictions, both of which are in Canada.

Mr. Rae: Pity the poor doctor.

Mr. Johnston: I heard what the hon. member said. He said that we should pity the poor doctor. He has already taken on the banks, and now he is attacking doctors. In a few minutes he will be after the lawyers, but I understand the hon. member is a lawyer himself.

[Mr. Johnston.]

• (1600)

Mr. Reid (Kenora-Rainy River): Obviously he picks his target.

Mr. Johnston: In any event, Mr. Speaker, there are people in this country, if I must address myself to tax rates, who justifiably feel they should not be paying 70 per cent of their income at a certain level in taxes to provincial and federal governments. I for one happen to be very sympathetic toward those people. I do not think they should be paying 70 per cent to provincial and federal governments. I have suggested in the past, and I will continue to suggest in this House, that this government opposite should take it upon itself to revise those rates, if we are going to discuss rates, so that nobody pays more than 50 per cent of their earned income, combined provincially and federally, in personal income tax.

The United States has taken initiatives in this regard, as you may know, Mr. Speaker. The result has been, I am advised, that tax shelters, the kind of deals that so many people like to indulge in, both in the United States and in Canada, and the incentive to engage in those kind of transactions is removed. The result, if one were to do a study on it, which has not been the case in this country, would be that the over-all net revenues of government would probably increase. That would be true if no one paid more than 50 cents on the dollar in personal income taxes in Canada.

Since the hon. member for Broadview-Greenwood has raised this question in respect of doctors, I would suggest that one would see no necessity for these service corporations and a host of other vehicles, be they MURBs, be they films, be they oil wells or be they other things, about which basically I have some reservation in terms of being used to stimulate development in this country. Certainly that has been the case in the United States. I think we would find that more people would step up and pay their taxes without hesitation and without indulging in avoidance schemes, and this would probably also reduce the number of tax evasions which we are advised and read are on the increase in this country. This is the situation simply because people feel they are being ripped off at every level of government.

The blame is not to be laid simply in respect of federal income taxes. We have provincial income taxes and in addition we have municipal taxes. I can assure the hon. member for Broadview-Greenwood that no one is more sensitive to the inequities of the onerous tax system to which we are subjected than residents of my riding, Saint-Henri-Westmount, and other ridings in the province of Quebec.

I would simply terminate these remarks by saying to the Minister of Finance, who I see is still in the House, let us not indulge in these band-aid schemes. We have enough band-aids in the Income Tax Act. It has become enough of a patchwork quilt. The tax reform exercise is dotted with thousands of amendments. If I were to add them up, I think they would come to something like 2,000 since1971. We have adjusted, we have tinkered and we have played with the system, but we have not sat down and rationalized the entire area of corporate

taxation in the particular way in which it should be rationalized. We have not dealt with this issue basically. We have suffered from the inequities of a system which does not support tax neutrality the way it should, that principle being that taxpayers in the same circumstances should pay the same amount of tax.

We hear from the department that this is just too complicated; that it is necessary to have these kind of devices; that it is necessary to have this and it is necessary to have that. This reminds me of a statement by William Pitt back in the 18th century, when he said: "Necessity is the plea for every infringement of human freedom. It is the argument of tyrants; it is the creed of slaves". Those words ring so true when I look at the inequities that exist in the tax system of this country in the name of necessity.

Mr. Reid (Kenora-Rainy River): Would the hon. member permit a question?

The Acting Speaker (Mr. Scott, Victoria-Haliburton): Will the hon. member for Saint-Henri-Westmount (Mr. Johnston) accept a question at this time?

Mr. Johnston: Yes, certainly.

Mr. Reid (Kenora-Rainy River): Mr. Speaker, I direct my question to the hon. member in view of his definition as to who pays corporate income taxes. He put the argument that it was the shareholder who paid the income tax. Later on in discussing other activities of corporations he indicated that the customers of the services provided by the corporation also paid a share of that income tax because they are the persons who provide the revenue by purchasing the services of that corporation. Would the hon. member not say that a corporation can be looked upon as a mechanism for flowing through funds to a variety of purposes, to the shareholders, to the tax collector, to the employees, etc., but that the burden for paying income tax falls upon all the people who seek sustenance from the corporation and not just the shareholders?

Mr. Johnston: Let me answer that question. I thought I had made that point. The hon. member is quite right, the shareholders pay the tax and the persons who receive goods and services from the corporation pay it. If a tax is levied on a corporation, even if it is 98 per cent, and the return on the investment of the shareholder does not decline, then it is clear that the only people paying at that point are basically the people who receive the goods and services from the corporation. That is another reason why some of these unduly onerous rates of tax have created what is called "tax-push inflation". No matter how much you apply these taxes to one vehicle, as long as that vehicle is capable of passing them on—perhaps I should not use the term "vehicle" as I am starting to personify the corporation. The fact is those taxes are passed on, and that can result in tax-push inflation just as increased wage demands can result in increased inflation.

Mr. Orlikow: Mr. Speaker, might I ask the hon. member a question?

The Acting Speaker (Mr. Scott, Victoria-Haliburton): Will the hon. member for Saint-Henri-Westmount (Mr. Johnston) accept another question?

Mr. Johnston: Yes.

Mr. Orlikow: Mr. Speaker, the hon. member seemed to be arguing against corporation taxes altogether. Corporation taxes are fundamental. I should like to ask the hon. member how he can justify, as it seems to me he tried to do, the 10 per cent rate which banks pay in the form of corporation taxes, or a similar rate for the resource industries, the mines and oil companies, when labour-intensive industries such as manufacturing are in fact paying taxes at the rate of about 40 per cent?

Mr. Johnston: The point I made during my remarks was that a corporation is a vehicle for the collection of taxes. I am not suggesting it be eliminated as a vehicle for the collection of taxes, but a corporation itself is a legal fiction. It does not pay any tax, it does not consume any goods or services. Who is bearing that tax, if you like? As I said, when you put a tax on a dog you can rest assured that the dog is not paying the tax, but rather the owner of the dog. Hence here, in this instance, when we are talking about corporations it is the shareholders of the corporation who pay the tax. The hon. member is saying that initially the revenues of a corporation are being collected from the corporation at a rate of 10.7 per cent, so if anything, the most he can be saying is that there is an undue deferment of the tax that somebody is going to pay on the profits of that corporation.

Mr. Ray Skelly (Comox-Powell River): Mr. Speaker, I am very pleased to have the opportunity of making a few brief remarks on the present bill before the House today. I should like first of all to deal with two small aspects of the legislation that relate to the fairness of this tax system and the amendments being proposed, and as well to take a look at some of the aspects of taxation as a tool to shape and strengthen the Canadian economy.

Let me suggest at the outset that the present bill is in no way fair. In the second instance, it does not present any coherent plan to strengthen the Canadian economy.

There are some aspects of the bill that can be supported. We might quibble with the mechanisms that are used, but certainly the expansion of research and development is a very desirable goal within the Canadian economy, as is the development of pollution controls. We have had many days of discussion about the acid rain problem in this country, and it is imperative that we begin to take action on it.

The other thing that will be of particular assistance in rural ridings like mine is the employee expense deduction. There are a few aspects of this bill that can be supported and that will provide constructive help to Canadians, but by and large this is an ad hoc approach to solving a lot of the problems in this country. In some cases the amendments are counterproductive; they are not fair and they do not represent a constructive way

of dealing with many of the economic problems that face our nation.

● (1610)

On the subject of fairness, the first thing I should like to examine is the business of shifting the tax burden from corporate taxation to personal taxation. I noticed with interest the remarks of the previous speaker on this fiction, but nevertheless the business of a corporation exists. They earn income and in some cases, as with foreign corporations, they export a tremendous amount of income from this country. What has occurred over the years is a rising burden of tax on low and middle income taxpayers. This is to the benefit of many of the corporations in this country.

The bulk of this legislation and its amendments is concerned with providing tax savings for corporations in the hope that they will achieve in some way the goals desired by most Canadians. This is extremely unfair. Taxation has to be seen to be fair; otherwise the credibility of the government will be eroded.

I think the Conservative party realized that prior to the last general election when they suggested that they would be prepared to introduce a $2.2 billion personal tax cut. That particular suggestion would have made for a much fairer tax system in the sense that it would have reduced the burden of tax on personal income and started to bring it in line with lightened load on corporate taxpayers.

As we examine this bill, Mr. Speaker, we see a number of provisions designed specifically to relieve the burden of taxation on corporations. These tax savings for corporations will mean higher rates of tax on personal incomes. The first of these, the investment tax credit, will probably not create jobs in this country, and I think this has been mentioned before in this House. We are probably going to see investments made on the basis of long-term profitability and market conditions. The prospect of having an investment tax credit in a very indefinite form means that it will probably wind up as a side benefit to the original decisions on investment.

There is an aspect of this business of investment tax credits and, generally, tax savings that accrue through investment that affects people in my riding and many others along the coast of British Columbia, as well as other areas of the country. This is the situation where a corporation can realize a tax saving by making an investment, usually in technological improvements which result in unemployment. There are examples on the B.C. coast of three major corporations—not small businesses—that are usually the single industry in a community where, through technological improvements paid for by tax savings, in the neighbourhood of 750 or 1,000 jobs will be removed. This is the long-term projection. So we have paid with our tax dollars for investments that created unemployment. Not only that, but they remove disposable income from small communities and, indeed, destabilize a very delicate local community economy, which in turn has had some drastic impacts on small business.

Another proposal for tax savings is the blanket approach to providing tax credits for research and development. Certainly this is a desirable goal within the context of the Canadian economy where research and development is being rationalized by taking it out of the country—a sort of goal of trans-national corporations to centralize research and development.

I suggest to the Minister of Finance (Mr. Crosbie) that perhaps we should begin to consider research and development in terms of providing specific directions within this country. It would be desirable to see an industrial strategy and national economic goals defined for Canada to improve research and development, government joint ventures and other instruments and to encourage this in specific areas that meet our national needs. I am thinking here of things like energy conservation. This is a very critical area and one that we should be moving into.

Another area is the development of transportation. So much of the development of industry and small business in this country depends on effective transportation. Because of the nature of this country we should be leaders in this field.

One aspect of transportation that the government has embraced is marine shipping. There will be a proposal, we hope, for the creation of a deep sea fleet. We have put forward the suggestion that Canadian resources in the Arctic should be transported by Canadian shipping. There is a proposal for the acquisition of naval ships and icebreakers. It is to be hoped that these initiatives can be undertaken in Canadian shipyards. Tremendous amounts of research and development in these areas will be needed if we are to remain competitive with the rest of the world.

I suggest, Mr. Speaker, that if we are to provide tax credits for research and development, these should meet our national goals through a very clearly stated industrial strategy. Such a strategy has not appeared as yet.

The hon. member for Winnipeg-Birds Hill (Mr. Blaikie) spoke about pollution control equipment. This is a very serious matter in my riding as it is in many others. Unfortunately, as far as taxes are concerned, there is only another blanket proposal respecting pollution control equipment.

I am joined by others in asking why corporations which are earning large incomes, especially foreign corporations, are allowed to deduct the cost of pollution control as a cost of doing business. Why is that being paid for out of the public purse? We should be providing tax benefits to those corporations that must be improved and that have a base of necessity in local communities, but we should also look carefully at the substantial tax savings available to profitable corporations. We should demand a reduction in the cost to the public purse and see to it that those corporations share or shoulder the cost of pollution control.

We have spent some time examining the question of fairness in terms of the distribution of taxation between corporations and personal income. Over the years we have seen a shift in that distribution. We have heard a great deal in this House about how oil companies today are receiving windfall profits, how they are manipulating prices to their benefit and how they are seeking tax savings outside this country. We have heard

about the earnings of banks. They have literally a licence to shovel money due to increasing interest rates. Then there are the major foreign corporations that earn profits within this country and export the funds. Some of the incomes are earned as a result of tax savings. Before the election the government put forward the idea that it is very desirable, within the Canadian context, to begin to shift the burden of tax back to the corporate taxpayers and to relieve the burden on individuals.

The second aspect of fairness deals with a problem that was also brought up last week. Statistics Canada suggested—and this is fairly clear from the evidence that has been gathered and supported over the years—that the gap in income between the top income earners in this country and the bottom income earners is growing. In fact the rich are getting richer and the poor are getting poorer. That is undeniable.

One of the things creating that situation is our tax system. The mechanisms proposed in this bill to attack certain problems are further widening the gap. About 20 years ago the Carter commission enunciated a number of proposals to form the foundation of a fair tax system. The first proposal was "a buck is a buck" and it ought to be taxed. The second proposal was that the income tax system should be progressive.

In the legislation submitted for consideration today and during this week, there are principles opposed to those two ideas. The benefits of tax avoidance such as registered retirement savings plans, incorporation of professional practices and reorganizing the timing of business costs for tax purposes accrue principally to upper income Canadians. Most middle and lower income Canadians do not have enough disposable income to take advantage of the tax savings within those systems, so relief and benefit is provided for the top groups. The principle has been reversed to the point that the income tax system is becoming regressive. Not only do we extract a very high level of tax from middle and low income earners in Canada, but also the business of direct regressive taxation through land tax, through sales and excise taxes and such things, cannot be passed on as a business expense or through tax avoidance. Low and middle income Canadians have to take up these burdens as well. Thus we are placing a very heavy burden of taxation squarely on low and middle income Canadians. The desirable goal would be to move and shift it more fairly on the income range to re-establish the progressive nature of the tax.

● (1620)

For a few moments I would like to examine the tax system within the context of a tool to strengthen and shape our national economy and develop an industrial strategy. Unfortunately, our tax system has fostered tax savings which have allowed companies to come here, develop our resources and export those resources for processing in other countries. The maximum advantage from that tax saving has been obtained by those countries and earnings within this country have also flowed out.

The major problems in terms of shaping the economy in this country which were defined before the election were unemployment and the lack of an industrial strategy, which saw Canada more heavily dependent upon the development of natural resources and export for processing outside the country. This led to other problems such as the devaluation of the dollar and rising inflation.

The present income tax amendments that we are being asked to consider do not in any way look seriously at using that tax system as a tool to shape and strengthen our economy. We are clearly too heavily dependent on taxation. We have given up other financial instruments in favour of taxation in an effort to control our economy. Taxation appears to be too imprecise in achieving our goals and too cumbersome and imperfect a system to realize them. It weighs very heavily upon middle and low income tax groups.

What we need is co-ordination of economic policy. We need a policy which sees a fair redistribution of the burden of taxation among all sectors of the economy and a restatement or a bringing forward of progressiveness in the tax system. I would suggest that many of the programs which have been developed in this House are unco-ordinated. We see tax proposals that we hope will create jobs and give some direction to investment in this country to strengthen the economy, remove the weakness of the dollar and control inflation. Yet we put one tax program in place and then allow interest rates to rise to the point where investment is discouraged.

Over the last few weeks I have had a number of phone calls from businessmen in my riding. These people would like to take advantage of the proposals which the government has put forward in tax savings, but they have had to forgo making investments because interest rates have put financing beyond their reach. A fellow phoned, most concerned, and mentioned that his project which would have hired 60 people could not now be put forward because of the cost of financing. What we find is that in attempting to achieve one benefit through the tax system, we are destroying it by other manoeuvres in the economy.

I suggest that when that tax bill is put forward—or other manoeuvres in this House—it should be put forward within a context of a very clear industrial strategy in this country, and with it a sense of direction of where we are going. That is something we lost with the previous government. I believe that is what this government was elected to do—to give us a sense of direction and put forward co-ordinated policies that will tell us where we are going.

To summarize, I suggest three things. First, that this bill be examined in terms of fairness. Is a fair burden being placed on the lower and middle income taxpayers by providing tax savings for the corporate sector without a clear statement of what those tax savings are designed to achieve? Second, a complete reduction in the tax system aimed at other fiscal instruments, such as the Bank Act, controlling energy and various other things within the country. Third, we need from the government a clear statement of where we are going in

terms of shaping and strengthening the economy for the next generation.

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, I cannot let this bill go without saying a few words.

An hon. Member: Or any other bill.

An hon. Member: Say it again, you will say the same thing.

Mr. Nystrom: Perhaps I can say it a few more times at the committee stage, Mr. Speaker.

What we are doing today is debating some old Liberal leftovers which the Minister of Finance (Mr. Crosbie) is dragging up before the House. These are part of the leftovers he wants the House to swallow. I do not think we should be swallowing some of these leftovers quite as quickly as the Minister of Finance wants us to do. A debate on income tax measures gives us a chance to ask the question: What kind of a country do we really want and in which direction do we want to go?

Earlier in the House today we received a sermon from the member for Winnipeg-Assiniboine—I believe that was the members' riding—

Mr. Knowles: It was Winnipeg-Fort Garry.

Mr. Nystrom: The hon. member for Winnipeg-Fort Garry (Mr. Axworthy). I am sorry, I get them mixed up. They are sometimes similar in their political ideology. As the hon. member for Winnipeg North Centre (Mr. Knowles) says, there is not too much difference. Anyway, he was complaining there was a bit too much ideology in the House coming from this side. One of the complaints I have had as an MP since coming here in 1968 is that we have not had enough ideology, we have not had enough sense of direction or enough leadership in this country. I think this country is looking for some courageous leadership.

The Prime Minister (Mr. Clark) has been talking about making some tough decisions. About the only thing that I have seen that is tough coming from the government so far is that Tory times are tough times for ordinary, little people. We do not need that kind of direction, Mr. Speaker. I would like to see the government redistribute income and wealth in this country so that the ordinary citizen—the ordinary Joe, and no pun intended—will get a greater share of the national wealth and pie.

It is about time we did that, yet the bill before us is confirming a lot of the old Liberal diet which was fed to the oil companies. A couple of minor changes were made to give high income people a bigger tax break. I ask when will this government live up to its promise of giving a major tax break to ordinary citizens? I can look at a speech made by the Prime Minister when he was leader of the opposition during the throne speech debate a year ago and was proposing a major tax cut for low income Canadians. He campaigned on that during the election. In my riding I recall my opponents saying that the ordinary people of this country deserve a tax break, and that if the Conservative party was elected it would give them a tax break. Is this government doing another Jerusalem on the tax break for the ordinary citizen? Is it doing another Jerusalem on that tax break just as it has done so many Jerusalems already and turned so many flip-flops in policy?

When these people were in opposition they used to scream, bitch and holler in this House that the government was not respecting the rights of Parliament. Yet across the way we had a government in power for five months before Parliament was recalled. Across the way we have a government that has such a lack of respect for Parliament that one of its most powerful cabinet ministers is sitting in the other place, a man defeated by the voters of Ottawa Centre and who was rewarded by being given a senior cabinet portfolio to sit in the other place.

Is this the respect the Conservative policy has propounded? Is this the message we get from the Conservative party? Can we trust that party across the way? I ask these questions because I think this country needs new leadership. This country is crying out for new leadership, as are many parts of the world. There is a real vacuum in the society in which we live. It is not just ironic that the programs watched today by children are "Superman", "Batman", the "Bionic Woman" and the "Six Million Dollar Man". People strive to attach themselves to something "super", something to take away their problems.

• (1630)

The Canadian people have a new government that has promised many things. We do not ask the Prime Minister to be a superman. All we ask is for him to live up to his promises. One of those promises was a major tax cut for the ordinary Canadian citizen. When can we expect that tax cut, or is the Minister of Finance going to have another Jerusalem? Is he changing his mind? I see the Minister of Finance smiling with his big Cheshire cat smile. Perhaps he will reveal something when he gets to his feet in a few minutes' time.

Mr. Crosbie: Right on.

Mr. Nystrom: When discussing the tax system, it is important to realize that it can be used to make a fair and equitable society. As I said before, we are criticized by the hon. member for Winnipeg-Fort Garry for being ideological, theoretical or perhaps too dogmatic in our arguments. However, this is a democratic socialist party that believes we have to share the wealth and resources of this country.

We need more equity in this country so that every person, regardless of his background or economic status, is a more equal recipient of the fruits that Canada has to bear. One way of achieving this is to get rid of many of the loopholes and to implement many of the recommendations in the Carter commission report of many years ago, long before a lot of us were in the House of Commons. I refer to write-offs for large companies, write-offs for the business community, entertainment expenses, fringe benefits and privileges given to the wealthy of this country, and deferred taxes for large corporations and companies.

When is this new government going to end some of these privileges? They are not rights but privileges. When will these be ended and the money redistributed so the ordinary Canadian citizen can get a real tax break? By the time the high interest rate policy or, as the hon. member for Broadview (Mr. Rae) called it, the tight money policy, gets finished with the economy, those few middle income Canadians who can now afford to buy a home will not be able to do so. The few ordinary income Canadians who are living quite easily will not live so easily with the economic constraints being imposed by this government, be it high interest rates, world energy prices or any of what the Conservative party is introducing to this country.

As I said, Tory times are tough times. We should not forget that. I remember my grandfather talking about the days of R. B. Bennett and the old Bennett buggy on the prairies. That was not "Grandfather Knowles" but a different grandfather.

Mr. Knowles: I remember those days very well. That's why I'm here.

Mr. Nystrom: When a person could not afford to drive his car, he would take out the motor and hitch the car to a horse. Those were the tough days of the Tory party. The Tory times were tough times. We are getting a bit of that now at the end of the seventies and it will continue into the eighties.

I ask the Minister of Finance not to forget the commitment of the Conservative party to give a significant tax break to ordinary and low income people in this country. I ask him to use the taxation system as a tool, a method to redistribute income and wealth in this country so that the ordinary people can harvest a much greater proportion of the national economic pie.

Mr. Maurice Harquail (Restigouche): Mr. Speaker, while we do have an opportunity to pose questions in the question period and there are means of parliamentary procedure in this House, this is my first opportunity to speak on this particular bill. I am going to touch on a few points with respect to this bill of the Minister of Finance (Mr. Crosbie) to borrow $7 billion.

Mr. Crosbie: No, no, that's past. This is a different debate. This is the income tax bill.

Mr. Harquail: Income tax. I guess what I wanted to comment on on the other bill was the attitude and performance of the minister when he introduced that bill.

Mr. Crosbie: That is old stuff. I am changed now!

Mr. Harquail: Are you changed? Is that a change of shirt you are wearing? Is that the new look?

Mr. Crosbie: Yes, this is the new me.

Mr. Harquail: Is that the new look for the minister? He has the Bay Street look with his Bay Street shirt. He has been swallowed up by the wolves of Bay Street. The minister has shed his old skin and the positions he took when he sat on this side of the House. He has also shed the positions he held when he was minister of finance under the hon. Mr. Smallwood of Newfoundland.

It is always a very interesting exercise to look at the history of Parliament and what has been stated previously by members in this House. In this case I am speaking particularly of the Minister of Finance and some of the things he said when dealing with the linerboard problem in his province and the millions of dollars that went down the drain as a result of that project. An article was written not too long ago by former premier Smallwood about the mishandling of that project and the role played by this minister. Now he sits here acting as though he has all the magical answers. He comes in here and says he wants to borrow $7 billion.

Mr. Taylor (Bow River): On a point of order, Mr. Speaker. The hon. member is speaking to the wrong debate. He is one week behind in his debate, as usual.

Mr. Harquail: Mr. Speaker, I want to put on the record this afternoon the denial by the Progressive Conservative Party of my motion the other day with regard to income tax. I asked them if they had any charity left in their hearts. I think of the other member from St. John's, the Minister of Fisheries and Oceans (Mr. McGrath), who stood on this side and begged, pleaded with and berated the government of the day. He talked about the insensitivity of the government and their lack of compassion and concern for the people of Atlantic Canada.

During this afternoon's question period the Minister of Finance said Treasury Board will not give them the money needed with regard to small craft harbours. All of a sudden there is a complete about face with regard to their concern for the citizens of Atlantic Canada. Now that they are in a position of responsibility and have the power and the ability to make changes, they do not make changes. Why not? What are they waiting for?

Mr. Elzinga: Speak to the bill.

Mr. Harquail: I come back to the income tax proposal with regard to galloping inflation, the high cost of living and no control over food prices, with no relief to the consumer in the supermarkets of this country. I am speaking specifically of people on fixed incomes. In my motion under Standing Order 43 the other day, I asked the government to give some consideration to these people on fixed incomes who are hit the hardest. They have no relief, they have no way of overcoming the dire straits they are left in by this government with the fooling about we have witnessed with respect to the price of oil—they won't come clean and tell the people what they are doing. The minister of energy says he is waiting to see what is going to happen with the Premier of Alberta. Now we know why the Premier of Alberta is called the blue-eyed Arab; he says he will dictate to Canadians what we will have to suffer in the months to come. He will not communicate with the Prime Minister (Mr. Clark).

● (1640)

We are told by the Minister of Energy, Mines and Resources (Mr. Hnatyshyn) that he is waiting to meet with the Premier of Ontario. When will these Conservatives get together? They said it was all going to be rosy once they got into power, that they would all be able to have friendly discussions and friendly negotiations and that we would all be able to see progress. Where is it?

I come back to these innocent Canadians who are caught in the bind of being left to cope with fixed incomes and galloping inflation. This insensitive government will not even give consideration to requests that persons who are over the age of 65 should not be called upon to pay income tax if their income is below a certain fixed amount—the suggestion was $15,000 a year. If you like, maybe we would reduce it to $12,000, $1,000 a month for persons at the age of 65 with no other income, no other means of support, who are living at what would be considered today, with the cost of rent, food and fuel being so high, to be at the poverty level or below. The government could at least address itself to the needs of people in this sector and give them some consideration.

The minister became excited when I referred to how proud he was of introducing his bill to borrow $7 billion. When I referred to that a moment ago, his attitude was: No, no, don't talk about that, we want to sweep that under the rug. You know, Mr. Speaker, they used to be concerned when one talked about millions, and now $7 billion means nothing at all to this minister. He says: "Just give us the power, give us the borrowing authority, but don't question it, though. We are going to be an open government, but don't ask us what we are doing while we are doing it, just let us go". Not at all, Mr. Speaker. I do not think the opposition parties are going to allow members over there to get away with it. They are the same people who sat here previously making wonderful suggestions as to how they were going to solve all the economic ills of the country. Well, they have had five or six months and we have not seen much by way of action.

I certainly wanted to take the opportunity on this income tax bill to register my remarks about the performance of the minister the other day. When he presented his bill he used the word "outrageous". I would say his performance was outrageous. I found it totally unacceptable. The tone and the attitude of some of the things he had to say at random on such a serious matter as borrowing $7 billion was such that the word I would use would be the word he used the other day, that is to say, outrageous. It was an outrageous performance for any minister of finance. Everyone in this House wants to have respect for a minister of finance and I would want to continue in that tradition, but when we see his hilarious attitude almost bordering on being a joke, I think we cannot let this type of thing pass without underlining it and making a comment about it.

[Mr. Harquail.]

If the minister wants to be gracious enough to take these remarks in the way they are intended, we may see an improvement in his attitude in introducing bills in the future. I would implore him in the coming weeks and months when he is with his cabinet colleagues, specifically the President of the Treasury Board (Mr. Stevens) and the Minister of National Health and Welfare (Mr. Crombie), to take a hard look at taking some action to find ways and means to alleviate the heavy burden on persons in this country who are retired, senior citizens on fixed incomes, who desperately need assistance at this time.

Mr. Andy Hogan (Cape Breton-East Richmond): Mr. Speaker, I think it is obvious that as an economy grows it becomes more possible to redistribute income. When an economy within a capitalistic framework or a mixed economy framework or what is called a "command economy" fails to grow, acute problems are developed in redistributing the wealth or income of that nation. So the small "c" and the capital "C" Conservatives in this country are trying to tell us now that before we can get proper redistribution of income the economy must grow. They are thinking largely in terms of the 1960 type of growth; that is, growth of the gross national product, an index which, in our terms and value judgment, is often as much "gross" as it is national product. But in economic terms, although it is a weak form of estimate it is one of the best we have.

One of the great difficulties with a mixed enterprise system controlled by the invisible government of the large multinationals, as we saw once again during the question period today when the Prime Minister (Mr. Clark) did so much to defend his friends and the old friends of the Tories and of the Liberals, especially the oil companies—

An hon. Member: Same old story!

Mr. Hogan: It is interesting to note that under the guidance of the hon. member for Windsor West (Mr. Gray), after meeting out in Winnipeg the Liberals decided to reform and go back to what they called their reformed status before the last five, six or seven years when they were copying everything from the NDP. So they have this little man from Windsor West to be the David attacking the Conservative Goliath under the guise not only of the NDP philosophy but of the programs and suggestions my party has put forward down through the years, and in the four years just gone by when that government failed to adopt so much of what we were suggesting. Why? Because they could not get the economy going.

Mr. Crosbie: Shame!

Mr. Hogan: We now have a government of so-called Progressive Conservatives who, as my leader has said, are progressive before an election when they are promising tax cuts and so on but become very, very conservative after the election. They are, in fact, regressive conservatives under the leadership of the present Prime Minister and Minister of Finance (Mr. Crosbie), who as everyone in the House knows is an honourable gentleman, one to one. But they are absorbed

with the idea that they must bring us back to the time equivalent of the thirties.

Mr. Speaker, if it were not for all the things the NDP and the social democracies of the western world have built up in the meantime, God help us now. Even they have to admit that what is keeping the whole system from collapsing now is what has been built up by the party in this corner. Where now are those voices which were raised from Liberal and Tory benches against the children's allowance legislation, calling it a bonus for procreation? Where are those who denounced unemployment insurance on the grounds that it would make us a nation of weaklings and lazy people? This is now re-emphasized by the right-wing Tories who have gotten a grip over the half dozen or so so-called red-necked Tories from the maritimes. They seem to have caved in before the onslaught of the Alberta Tories and some of the other extreme right-wing, doctrinaire free-enterprisers such as the President of the Treasury Board (Mr. Stevens).

● (1650)

Look at the contradiction. The Minister of Finance defends restraint and says that everybody has to suffer, and so does the Prime Minister. The Minister of Finance protects and favours the wealthy so that self-employed individuals and professionals can have their own corporations and pay a much lower rate of taxation. Using Liberal tactics, this same government comes along and gives the Atlantic region the investment tax credits which are explicit in this bill, knowing darned well that to the small business community of the Atlantic region this means nothing, given the increases in interest rates which have been adopted since the Conservatives were elected.

Mr. Speaker, those increases in interest rates wipe out all advantages. There will be little or no gain. What gain there might be will be marginal as far as development in the Atlantic region is concerned and as far as the manufacturing sector is concerned. We have a situation where the government is protecting high-income professionals as well as the multinational corporations I mentioned, which are the invisible government. Let us face it, oil companies in the United States and here, as well as banks, form a link. It is not a conspiracy but there is a definite link between the other place and the large institutions which govern our way of life. Anyone who attacks that type of incestuous relationship, for want of a better term, which has grown and which has been nurtured in this country is considered extreme. If that is so, I am happy to be called an extremist because it is time these powerful institutions were whittled down to size and put in their proper place. We have amendments to this tax bill which is presently in favour of the "well to do."

Getting back to small business and the fisheries sector, it is especially sad to see the Minister of Fisheries and Oceans bow his head and say the government had to slash $10 million from the small crafts and harbours program in order to carry out its restraint program. Where to a large extent is the slashing taking place? It is taking place in Newfoundland, Nova Scotia and the other maritime provinces.

Mr. Crosbie: Not Newfoundland.

Mr. Hogan: One and a half million dollars was slashed in Newfoundland. That is a very substantial amount for inshore fisheries. In my constituency the former government and an entrepreneur, using vehicles which had been established, succeeded in building three boats at $1 million each. Under an agreement with the fisheries minister there was to be dredging of the Glace Bay harbour this year. We expected changes but within five months they cut moneys allotted for the dredging of that harbor. The government did not consider how a cut would affect small businessmen and processing plants there.

The result was that the boats, which cost $3 million on a shared basis and which could have created jobs in the inshore fishery and in processing, cannot even get into the harbour. There are no funds for dredging harbours, but this government is now prepared to give special tax concessions to professional self-employed people. It will not look after the inshore fishermen of the Atlantic region. There is contradiction and inequity.

Surely to God there must be a majority of hon. members opposite who feel conscience-stricken about this type of thing. We could not get the former government to move in a significant way on a better redistribution of income, but how can the minister not bring forward any changes today after the release just recently by Statistics Canada showing that the number of poor, those spending 62 per cent of their earnings on food, clothing and shelter, has grown? That number has grown substantially.

I would like to quote from a study undertaken by Statistics Canada and released just three weeks ago:

> In 1978, the poorest fifth of the population, those families and unattached individuals getting less than $6,288 for the year, received 3.9 per cent of pre-tax income in the economy, up a little from 3.8 per cent in 1977, but well below the 4.2 per cent it received 11 years ago.
>
> The wealthiest 20 per cent, those with annual incomes in excess of $26,792, received 42.5 per cent of pre-tax income last year, up from 42 per cent in both 1977 and 1967.

The Carter Royal Commission on Taxation recommended that the top personal income tax rate be reduced from 90 per cent, including provincial taxes, to 50 per cent so that "economic doers" and "risk-takers" would have an incentive to earn more money. The tax rate was lowered, but some of these "economic doers" and "risk-takers" such as accountants, doctors and lawyers, felt that they needed a further break. They sought to be protected under the old Liberal bill, and now, to show that there is no difference essentially between the Liberals and the Tories, the Minister of Finance backs up what the Liberals wanted to do. We know the contributions these professionals make. Many here belong to the legal profession. There are a number of doctors and others here, but this is a time when we are demanding that people lower their expectations. The government is preaching that day in and day out, just as the former prime minister did. Surely to the Lord the people who should make sacrifices are the professionals and not the ordinary people of Canada. Surely the poor who were

mentioned in the study from which I just quoted should not have to make the sacrifices.

There is essentially no difference between the Liberals and the Tories in this matter. They want to protect large multinational corporations almost exclusively, despite new protests and the so-called reform of the Liberals, which we suspect is not genuine. We saw the Liberals in action here for a long time, and they protected large multinational corporations. The same thing is going on now. Even though the friends of the Prime Minister are in the oil industry, it seems as though he will not be doing enough for them when he dismantles Petro-Canada. Why should he have to give them special protection when the American Congress now has some seven bills before it which are attempting to establish a national oil corporation in the United States? When will there be a government in Canada which says something different?

We now have Tweedle-dee and Tweedle-dum, and there seems to be little difference between them. When they come together collectively, they can always be counted on to protect large corporate interests and certain special interests. As I have said before, there has not been a word from this government about people in the Atlantic region and small businesses whom it says it loves so much. By allowing interest rates to rise to the extent they have risen, people in the Atlantic region and in small businesses there are going to suffer greatly. Individual consumers are going to suffer greatly.

Mr. Speaker, may I call it five o'clock?

● (1700)

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

Mr. Deputy Speaker: Order, please. It is my duty, pursuant to Standing Order 40, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Mississauga North (Mr. Jupp)—Airports—Possible development of airport at Pickering—Expansion of Toronto International; the hon. member for Algoma (Mr. Foster)—International trade—Possible move of Canadian embassy from Tel Aviv to Jerusalem—Effect on trade; the hon. member for Laval (Mr. Roy)—Transport—Will government give priority to improvement of service between Montreal and Mirabel.

[*Translation*]

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

[Mr. Hogan.]

PRIVATE MEMBERS' PUBLIC BILLS

[*Translation*]

Mr. David Kilgour (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, I think it would be acceptable to proceed with Bill C-217. Bills C-209, C-213 and C-214 have already been printed, but I doubt that we are ready to discuss them today. We could perhaps get the unanimous consent of the House to proceed to the consideration of Bill C-217 and let the other bills stand.

Mr. Deputy Speaker: Is there unanimous consent that we proceed to the consideration of Bill C-217 and that all other bills preceding it stand?

Some hon. Members: Agreed.

* * *

[*English*]

PUBLIC SERVICE

VOLUNTARY RETIREMENT FOR EMPLOYEES OF FEDERAL INSTITUTIONS

Mr. Deputy Speaker: Order, please. Without precluding the consideration of the bill which is before hon. members at this time, may I be permitted to bring to the attention of the House the fact that there is a deficiency, to my mind, in the title of this bill. As hon. members know, the bill received first reading on October 24 together with a group of other bills that have been presented at the opening of this parliamentary session, which did not really give sufficient time for the Chair to see whether the bill has met all the requirements. My concern is that the title of the bill should be phrased in such a way as to cover all the provisions in the bill.

Citation 361 in Beauchesne's fourth edition confirms my contention. It reads:

(1) In framing the title care must be taken to make it wide enough to cover all the provisions of the bill,

May I also refer hon. members to Erskine May's nineteenth edition at page 465, which refers to long titles. It states:

The long title sets out in general terms the purposes of the bill, and should cover everything in the bill.

Hon. members will notice that the bill before us is meant to amend two different acts. One is the Canadian Human Rights Act and the second is the Public Service Superannuation Act. To my mind the title given by the hon. member for Grey-Simcoe (Mr. Mitges) to this bill is deficient in that the bill is presented as a new act.

My suggestion to the House is that Bill C-217 be entitled "an act to amend the Canadian Human Rights Act (age of retirement) and to amend the Public Service Superannuation Act". I believe the House should consider giving unanimous consent to this modification of the title, following which hon. members may proceed with the debate of the bill. Is there

consent from the mover of the motion and from hon. members for the suggested modification?

Some hon. Members: Agreed.

Mr. Gus Mitges (Grey-Simcoe) seconded by Mr. Nowlan moved that Bill C-217, to amend the Canadian Human Rights Act (age of retirement) and to amend the Public Service Superannuation Act, be read the second time and referred to the Standing Committee on Health, Welfare and Social Affairs.

Mr. Harquail: Mr. Speaker, I rise on a point of order. While no question was put in terms of the necessity for any vote, and you, Mr. Speaker, are satisfied with the phrasing of the title of the bill, are you also satisfied as to there being no conflict in this bill amending two acts?

Mr. Deputy Speaker: There are many precedents for this. Such bills are often called omnibus bills, and this could be one of them. I believe it would qualify.

Mr. Knowles: It is art which was finely developed by the Liberals.

Mr. Mitges: Mr. Speaker, I am indeed happy and grateful to have this opportunity to speak on a subject which I have always espoused and supported, not only in the House but in many other places and areas. I am referring to voluntary retirement and the right of every worker or individual, as he chooses and if he is physically able to do so, to work beyond the mandatory retirement age set down by the legislation.

I am fully aware of the fact that the issue of mandatory retirement has been discussed previously in the House and that many important points have been brought out. However, I should like to add to the debate by expressing my deep concern over the tremendous waste of human resources resulting from a policy of compulsory retirement, a waste both in terms of the work force and of the Canadian society as a whole.

I am distressed more particularly by the debilitating effect that mandatory retirement can have upon the individual's physical and mental health. I agree wholeheartedly with U.S. Congressman Claude Pepper when he said:

> Mandatory retirement is an extravagant waste of people. It severs productive men and women from their livelihoods, lowers their sense of self worth, and squanders their talents.

In the past it has been largely assumed that most people wish to retire at the age of 65, and further, that for reasons of physical and mental health people should retire at that age and perhaps even before they reach the age of 65. The view that people should normally retire at the age of 65 has been so widespread in our society that it has been embodied in various government acts and legislation. For instance, the Public Service Superannuation Act sets the retirement age at 65. Then there is our new Canadian Human Rights Act which prohibits discrimination on the basis of age, except in the case of the individual who is 65 or over. Apparently the Canadian Human Rights Act does not consider compulsory retirement to be a form of discrimination.

I realize that in our society with its accent on youth there is a tendency to underestimate the capabilities of people beyond middle life. However, as far as I know there is no sound scientific basis for setting retirement age at 65, or even at 70, because most people at 65 are at the peak of their mental powers. They have more experience, more balanced judgment and generally are more persistent and loyal, more tolerant and patient than their younger co-workers. If they have good health also, they are more likely to have a steady work record.

● (1710)

Considerable evidence has been amassed indicating that older workers are not necessarily the incompetent, deteriorating deadwoods that personnel managers sometimes imply. Two studies referred to by the United States senate committee on human resources made this point. A New York survey conducted in 1974 compared workers over and under the age of 65 with regard to absenteeism, punctuality, on the job accidents and over-all job performance. It concluded that older workers were about equal to, and sometimes noticeably better than, younger workers.

The University of Illinois came to a similar conclusion in its study, which reported that there was no specific age at which employees became unproductive. Also this report expressed the view that satisfactory work performance may continue into the eighth decade. The director of a creativity program in the United States found that fully 80 per cent of the most workable and worth-while new ideas were produced by employees who were over 60. Younger employees had a tendency, as he put it, to reinvent the wheel. There is no question that these studies should cause us to pause and re-examine the discriminatory practices prevalent in the whole area of mandatory retirement. We must begin to judge people on the basis of competency and not on the basis of age.

If we continue to subscribe to the age 65 policy, we will find that an increasingly larger share of our population is being considered—and are considering themselves—as second class citizens; the unproductive old. It seems to me our present focus on age 65 as the age of retirement is based more and more on tradition than on any rational motives.

Let me briefly examine the history of the age 65 policy. The modern history of a mandatory retirement and the use of the figure 65 as the magic number are both traced to Germany's famous chancellor, Otton von Bismarck. Hoping to stave off socialism in his country, the chancellor initiated the social security pension system in 1889 at which time he proclaimed 65 as the appropriate age for retirement.

Bismarck's model has been followed ever since in much of the western world. Over the years it has become ingrained in our society to the point where age 65 is considered the line of demarcation between middle age and old age. Ironically Bismarck himself was 74 years of age when he introduced his pension scheme and was at the height of his spectacular career as iron chancellor. Perhaps Bismarck's choice of 65 was quite appropriate for his time and may even have been stretching things a bit, because in Bismarck's day only a small percentage

of the population lived to be 65; life expectancy at that time was 37. Our average life expectancy today is over 71, and many more of us make it to the age of 65 in a state of better physical and sound mental health than they did in Bismarck's time. Therefore, we must ask ourselves whether it still makes sense in this day and age automatically to retire a person at 65. Is it fair to do so?

For those members who still have doubts, I would recommend that they take a look around and remind themselves that several of our colleagues in the House are well past the traditional retirement age. Personally I am grateful for the expertise that they continue to offer in our day to day proceedings. However, in this House we are fortunate in that we do not have to face the threat of forced retirement simply because we have reached some arbitrary age limit. It is only right and proper that this privilege be extended to the rest of Canadian society. Ability and not age should be the determining factor in deciding whether a person should continue at his or her job. I realize that there are many who look forward to their retirement at 65 or even earlier, but the important point is that there should be a freedom of choice.

Now let us assess some of the supposed benefits of the current retirement policy. One of the arguments pro-mandatory retirement is that the age 65 policy "frees up" scarce positions for unemployed youth. However, it has been found in studies done in the United States that the number of jobs freed by mandatory retirement appears small compared to the physical, psychological and social benefits gained by permitting the older worker who is willing and able to remain in the work force.

Also there is the argument that after 30-odd years of productive labour, society owes its older workers a number of years of blissful retirement. This may be so, but we do have a responsibility as well to those who have no desire to stop work and to the many who are able to work, need to work and want to work.

In our society where so much emphasis is placed on the work ethic, work gives form, dimension and meaning to the life of the average citizen. The American medical association has indicated that there was considerable medical evidence that the sudden cessation of productive work and earning power of an individual caused by compulsory retirement at the chronological age of 65 often led to physical and emotional deterioration and premature death. It was indicated further that few physicians deny a direct relationship exists between forced idleness and poor health, and that chronic complaints develop more frequently when a person is inactive and without basic interests. These disturbing statements alone should compel us to rethink the whole issue of mandatory retirement.

Of course, there are familiar arguments in favour of retaining a compulsory retirement policy in industry and government. One is the contention by large companies that retirement pension plans would be greatly disrupted by eliminating the retirement at age 65 tradition. This suggests to me that actuarial computations are somehow more important than the fulfilment of human lives. I totally reject such a proposition.

Such contentions also overlook the fact that where optional retirement is available and pension plans are adequate, many workers elect to retire before they reach 65. But to postulate from this that all should leave productive employment at a given age is illogical, wasteful and immoral. If as some authorities maintain we are destined to experience a shrinking national economy, then the economy itself must be economical, particularly of talent and experience.

Those are the few remarks I wanted to make. I welcome input from other hon. members. Hopefully my bill will be voted on.

Some hon. Members: Hear, hear!

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I welcome the opportunity to say a few words on the bill introduced by the hon. member for Grey-Simcoe (Mr. Mitges). Naturally I was quite pleased to hear him say that persons over 65 should not be considered as dead wood.

Some hon. Members: Hear, hear!

Mr. Knowles: Indeed, I looked around and I saw that I was not the only one smiling. Also I enjoyed his reference to age 65 as being the dividing line between middle age and old age. That dividing line shifts. When one is 20, somebody at 30 is middle aged, but when one gets along a bit that line shifts. That led me to be curious as to how old the hon. member was. I sent for the "Canadian Parliamentary Guide", and I see that he has not got his age in it. So it is not only female members of the House of Commons who try to hide their ages.

● (1720)

Speaking of old age, middle age and so on, I think a remark I heard the other day covers it very well. There are three stages of life; first there is youth, then there is middle age, and then is "My, you are looking well!"

I want to say in respect of this bill that I have no objection to its basic philosophy, namely, that older persons should have a choice whether to continue working or to retire. But there are some aspects of this campaign that concern me. Indeed, I am far more concerned about the freedom to retire early than I am about the freedom to keep on working. I will go along with the hon. member that persons should not be forced to retire at age 65 if there are contributions they can make, and I support the element of freedom that is included in that proposition. But I represent a constituency in which thousands of people work in heavy industry. They work in the railway shops, the packing plants and the steel mills, and the plea I get from them time after time when I meet them at the shop gates is: "Can you not get the retiring age down? That rat race is too much to endure until age 65". They want to retire at age 60. I look at some of them and ask them their ages, and to my surprise they are 58 or so and they look older than I think I look. I agree with them that what is more important in terms of pension policy is the freedom to retire early, rather than the campaign for freedom to go on working until one is 90 or 100.

One might say that anyone can retire when he wants to, but the freedom to retire is not a freedom unless there is economic security. That means the major concern in all of this should be to get pensions available at age 60.

I am not arguing now, as I was a few years ago, for the old age pension to be brought down from 70 to 65 for everybody on a universal basis. I am not arguing that pensions should be paid automatically to everyone who reaches age 60. But I do say that persons who reach age 60 should have the opportunity to apply for old age security and for Canada Pension Plan benefits, providing they are out of the labour market, and to retire at that point.

I realize that this will also call for increasing the amount available under old age security, and that it will call for an upward revision of the terms of the Canada Pension Plan. I think we should not stay much longer with a scheme that provides a pension based on 25 per cent of what one's earnings were. I believe we should do these things and give the lead at the government level by making pensions available at age 60 so that this would put some meaning into the concept that people should have the right to work when they want to, or to retire when they want to, within certain reasonable limits.

Let me say to my friend that I have no objection to his carrying on this campaign, one that is similar to a campaign which has been carried on in the other place in a committee headed by Senator David Croll, but the far more important issue is to get the pension age down, at least on a voluntary basis, so that our people can have real freedom as to how long they work or when they retire.

The hon. member spoke as though retirement at a fixed age, such as 65, has the effect of robbing people of something for which to live. I sympathize with the idea and I understand it, but I think it is a false notion that the only way to have dignity beyond 65 is to be at a job or remunerative piece of work. There are other things in life that people can live for, there is a far better chance for people enjoying those other things, or getting into a retired life that has meaning to it, if they retire early rather than late. I suggest that the very concern the hon. member has expressed about people having dignity in their old age can be met even better if people have a chance to retire at 60 with enough years ahead of them that they can get into pursuits and interests that give them something to live for. I do not quarrel with this campaign, but to me it takes second place to the campaign for making pensions available at age 60.

There is one other concern I feel about these efforts to delay the retirement age, and that it could lead to pressure to delay the age at which old age security is paid. It took us a long time to get it down from age 70 to 65. I do not want people jumping up with supplements to this bill and arguing that if we are going to let people work to age 67, 68 or 70, we should not pay old age security until those ages. That is something I want to see nipped in the bud. The age at which the pension is paid is high enough now and, quite to the contrary, we should be getting it down.

An hon. Member: To 29.

Mr. Knowles: My friend, the young minister, wants it down to 29. I did not think he was that old.

One should not take much time on this and I only wish to refer to one other aspect I had in my mind, and that is the discrimination that women suffer in their older years. The age when they begin to suffer discrimination starts at about 55. They have a rough enough time as it is. They get paid less when they are working and they have less in the way of retirement income to live on, and all the statistics tell that story. I suggest that if we accept this idea of people working until they are 70 or 75, it will be even harder on women.

What we really need is a pension available on a voluntary basis at a lower age. I suggest age 60, and certainly this does not represent any conflict of interest on my part because it is a long time since I was that age.

[*Translation*]

Hon. Monique Bégin (Saint-Léonard-Anjou): Mr. Speaker, I am somewhat embarrassed to speak so soon on the private bill proposed by the Progressive Conservative member for Grey-Simcoe (Mr. Mitges) because, if I may remind the House, the government of the right hon. Prime Minister said it would let certain private bills pass. We have not been advised as to the fate of this bill. If I overextend myself, please stop me because I would, of course, be glad to take part in a collective decision in favour of this bill. I will, therefore, simply start stating my position on this piece of legislation until the government indicates that it is in favour of having this bill passed tonight by all members.

The measure proposed in Bill C-217 concerns only the federal sector and in particular the public service and the agencies which seem to reflect its employment policies, and would allow any employee who so desires to continue working past age 65.

I would now like to be more specific and come back to the concept of an over-all retirement income policy. The desire expressed by Canadians at this time on the age of retirement seems to me to be conflicting or two-sided. I had an opportunity last year at about the same date to submit a brief to Senator Croll's Senate committee to which the hon. member for Winnipeg North Centre (Mr. Knowles) referred a few minutes ago.

The debate on retirement reflects two opposing, or at least different, attitudes. Some, and there are many of them, and we know them all irrespective of their party, want the government to lower the age of retirement for all to 65. Some introduce an element of choice and suggest that only those who would choose for various reasons to leave the labour market—I think that is the position of the New Democratic Party—would be entitled to a pension at the age of 60. And that is the wish of a great number of Canadians. It also has a high cost.

Other Canadians in the past few years and probably as a result of the movement that started in the United States want

to have the choice, namely, to be able to work past the age of 65, if they wish to do so. I believe that, idealistically speaking, pensions will have to become personalized, meaning that the ideal situation for me would be for the government to offer people approaching the age of retirement a number of choices instead of the mandatory universal program that we have now and under which at the age of 65 a universal pension is paid to everyone, with 55 per cent of our people in need getting a supplement called the income supplement.

• (1730)

[*English*]

A survey was made of Canadians around the age of retirement—and the government has access to this—to see how many would choose to retire past 65. Of all the people surveyed, 15 per cent expressed the desire to work past the age of 65. This was not a behavioural study, only an expression of opinion, but still 15 per cent said they would continue to work. Now, 15 per cent of all Canadians who have reached 65 is not a big proportion but it surely represents enough people that the government could move in the direction of an optional age of retirement.

I am very sympathetic with the thrust of this bill, Mr. Speaker, and would be interested in the percentage of civil servants who would be covered if the bill were passed, since it does apply to the civil service only. I should like to add, however, that any decision of the government regarding future public service personnel management of the retirement age will have a profound effect, sooner or later, on the private sector. We already know that. We should be—and I hope my English is correct—in tune with the various players in the business world or in the economy on the policy of retirement age in Canada.

Although I have been speaking for a good five minutes, I have not seen any signal from the government that the bill will pass tonight. That may be because we are all waiting for Senator Croll's report to be tabled. I think the hon. member for Grey-Simcoe (Mr. Mitges) is alerting the population to a debate that should, sooner or later, become a national debate.

In the past when we created old age pensions, and the hon. member for Winnipeg North Centre (Mr. Knowles) was a witness to and a player in the event. First, pensions were selective, then made universal; next, the age was lowered slowly from 70 to 65 and, finally, they were indexed. This, in a nutshell, has been the development over the last 25 or 30 years of the retirement policy on public pensions of Canada.

Let me take a few minutes to point out to the Minister of National Health and Welfare (Mr. Crombie), and maybe to the Minister of Finance (Mr. Crosbie) more than anybody else, the very serious concern many of us have regarding the retirement age in Canada.

It is all very well to suggest that we immediately permit people to retire when they want. If we offer a choice upward, we have to offer a choice downward as well. If, tomorrow morning, the public service were to offer the choice of staying in the public service to whatever age a person wants, provided the person is competent and capable of fulfilling the requirements of the job, then, of course, a similar mobility and option of choice should be offered for the years below 65. That is where the proposal is revealed as not so simple and easy.

It is all very well to say that important deputy ministers and top civil servants have huge pensions and at the present time can elect to retire at age 59, 60 or 61 and still live with almost as much retirement income as they enjoyed when on salary in their active life. The majority of civil servants are not deputy ministers nor VIP's in the high salaried brackets, however. The bureaucracy is made up of small people, and by "small people" I mean the hundreds of thousands of secretaries, clerks, typists, receptionists—the young men, messengers, and people in different types of occupations who, unfortunately, do not and will not benefit from the important retirement income that the public service superannuation fund provides to some.

The same applies to the private sector in even worse proportions. Lots of the so-called "small jobs"—and here I add salesladies and salesmen in stores and such categories of employment—do not enjoy a private pension like the good one the civil servant has. It becomes almost theoretical to discuss the freedom of choosing the age of retirement.

In the minutes I have left I should like to stress that if I were the Minister of National Health and Welfare, if I may put it that way, and if I saw money floating around, the first moneys that would be available—

An hon. Member: You were.

Miss Bégin: That is not for the Minister of Finance nor the President of the Treasury Board (Mr. Stevens)—they would have a fit—but other members who, if they listen with honesty to this debate, will surely see my point. When the economic situation gets better, or whenever the government has the guts to tighten its belt and cut God knows where—maybe on its commitment to the military sector or any other sector—in other words, whenever moneys are "freed" for allocation somewhere, I firmly believe that the first priority in the field of pensions should be those people actually retired, those who today are in receipt of pensions and GIS but who fall into the category of "unattached" individuals.

A strange incident happened today when a young, new member of the Conservative government told me to continue to speak of the $200 million needed for the old—that it was very good for them, the Conservatives, because it makes them look good and makes mileage out of the extravagance that I seem to be pushing by referring to "only $200 million" needed to bring the pensions of today, not for those below 65, but for those more than 65, just above the poverty line. I was quite surprised to hear that from the new member. I recognize him, but I do not know his name yet. However, I will learn it. If these people continue along that avenue, they will lose touch with real people. One cannot only listen to chambers of commerce and to representatives of any single dimension of society.

• (1740)

Some hon. Members: Hear, hear!

Miss Bégin: It is not that they should not exist but they "belong" to the minister of finance or to so-called "economic ministers". It is essential that other ministers represent other voices in the cabinet. Between these conflicting positions come programs going to the various clientele of the government.

I will repeat, but with explanations, that for the senior citizens of Canada, 55 per cent of those who get part or full GIS—which means the majority of them—are in need of an additional pension. The majority of those, which is approximately 75 per cent, are unattached individuals. Because of that, these individuals still fall below the poverty line.

Last year we increased the GIS by $300 million in order to bring those couples receiving the GIS above the poverty line. For the first time we discriminated positively in favour of the single people, those divorced, separated, and widowed who were receiving the GIS, but it was not enough. We gave them a break and brought them a little closer to the poverty line, but we are still lacking in that respect.

In Canada, a person alone used to receive half the pension a couple received. It is now well known that to live alone costs approximately 66 per cent of a couple's budget. The basic one bedroom apartment, along with the electricity bill, etc., amounts to exactly the same thing whether that apartment is occupied by a person alone or a couple. We have brought people living alone up to 55 per cent approximately of the couple's pension. That is where the $200 million is needed per year in order to bring all Canadians, already in receipt of the government pension, just above the poverty line.

To come back to the subject of the bill, which could pass easily—since it concerns only the federal public servants—it should be noted this move will have an effect on the whole retirement policy in Canada, including the private sector and numerous small and medium-size employers. It makes sense and remains in line with what is needed right now regarding the public pensions for those already over the age of 65. In other words, I think I am saying to my colleagues in the House that surely we must be in favour of this bill and also of other bills, not just for the civil service, but for all Canadians who would like freedom of choice of their age of retirement. I find that is fundamental. And surely it will be the future that we will shape in this House of Parliament for Canadians.

Of course, I take it for granted that we will not abolish universal public pensions and that indexation will be maintained fully the way it is now.

Mr. Knowles: Hear, hear!

Miss Bégin: However, if those already in receipt of pensions do not get enough, how can we start pushing the idea, which almost becomes a luxury, of one being able to choose the age of retirement, either before the age of 65 or after.

[*Translation*]

Mr. Speaker, I think I have succeeded in giving a brief outline of what I believe to be a very serious weakness in the system. It is not that I refuse to consider such a bill because I am in complete agreement with its principle and I especially hope that this principle will be extended to another area, that of the private sector. However, first of all I believe that we should urgently try to find the $200 million necessary to help single people who receive the guaranteed income supplement because they still live below the poverty line. Of course, I have said that I believe that we should maintain universal pensions, and I was very happy to note ten days ago that the right hon. Prime Minister (Mr. Clark) had confirmed in the House that the policy of the new government would be to maintain the universal aspect of old age pensions.

I could say a lot more, especially about the fact that women as well as men, but particularly women in the private sector, who work in small or medium businesses or hold part-time jobs or do not belong to a union, have historically very little entitlement to private pension plans. This is certainly a priority and I am sure that eventually Canadians will be entitled to a personalized pension plan. This is my fondest wish.

[*English*]

Hon. W. G. Dinsdale (Brandon-Souris): Mr. Speaker, it is a pleasure for me to follow two distinguished members in this debate, mentioning the hon. lady first, the former minister of national health and welfare, who speaks from experience because of her recent responsibilities and, of course completely disinterested because she is nowhere near retirement age. On the other hand, the hon. member for Winnipeg North Centre (Mr. Knowles) also speaks from great experience, and even though he has a vested interest in the subject matter of the debate, he was pressing for lower retirement rather than later retirement.

I wish to make another personal reference, about the hon. member for Winnipeg North Centre. He has certainly demonstrated that people who live and serve beyond that magical age of 65 certainly lose nothing in the process of aging, because he has been Chancellor for three successive terms of that great institution of higher education, Brandon University. He has served with distinction not only in this House but also in that extra curricular capacity.

Mr. Knowles: A university of which the hon. member is an honorary doctor.

Mr. Dinsdale: Thank you. The hon. member for Grey-Simcoe (Mr. Mitges) should be congratulated for bringing on this debate because it reflects a growing concern and pressure. The pressures with respect to age of retirement, of course, reflect the changing demography of the land. We are living at a time when the baby boom of the post-war period is in full swing. In this chamber, for example, we have seen the average age drop considerably since I first arrived here in the early part of 1951. In those days the member for Brandon, who died in office, had reached the ripe old age of 83. He did not get

into politics until he was 65 years of age. That is exactly the way it was. When I had the audacity to attempt to replace that venerable old gentleman who had served with such distinction, I was referred to as the boy politician even though I had crept over the age of 30 years.

● (1750)

Mr. Knowles: Now you are venerable yourself.

Mr. Dinsdale: Now I am venerable. However, there is a changing pressure. It will not be long. The baby boom has already gone through the system. That is why we are having so much discussion these days with regard to the demographic changes that are taking place. For example, by the end of the century 15 per cent of our population will be over 65 years of age, a substantial percentage. No wonder this debate has been precipitated here today. Pressure has come because of deliberations in the other place and because of recent legislative action on the part of the Congress of the United States.

I want to speak specifically to the bill and talk about the situation that exists at present under the Public Service Superannuation Act because, as was indicated, this is really what we are discussing today. It is possible for the mandatory age of 65 to be extended. This extension is at the discretion of the manager of the particular department under whom the employee is serving. That usually refers to the manager of the branch or the deputy minister. Usually the decision to extend the age of useful service of 65 depends upon the demand for the service or talents of the particular employee.

It is to be noted that this is only extended in cases where the maximum salary authorized to be paid as an SX-1 has not already been reached. This decision is, of course, in the hands of Treasury Board. It is not an absolute prohibition at the moment, but it almost amounts to that because in practice very few departments have used the flexibility that is permissible under the present superannuation act.

It should be noted that one of the reasons for this fair amount of rigidity in the exercise of the act is because of the problems that have already been pointed out by previous speakers, particularly the hon. lady who just spoke. The whole proposition of mandatory retirement at 65 came about when comparatively few people lived to be 65. At the time of Bismarck, or even earlier, the average longevity would be in the forties rather than the sixties. There were not too many people who lived long enough to draw a pension.

The superannuation act is quite specific with regard to the privileges and the benefits that are available to those people, even though they might be extended beyond age 65. For example, they are allowed full participation in the Public Service Superannuation plan. They enjoy the supplementary death benefit plan, the group surgical-medical insurance plan, and the life insurance features of the public service management insurance plan. However, as is common with almost all Canadian employers, coverage under the disability insurance plan or the public service management insurance plan and long term disability plan is not available to anyone over age 65.

If you contemplate removing any mandatory restriction, you have to make major changes in the social security plans applying to government employees. It should be noted, by way of observation, that it is possible for a person to be hired beyond age 65 under the existing legislation where special talents and qualifications are involved.

Everyone realizes further extensions and flexibility will have to be introduced. This matter has already been taken under consideration by the new Government of Canada. As a result of the pressure that has been outlined here, the Treasury Board secretariat, on behalf of the government as employer, is now reviewing public service policy with respect not only to the question of mandatory retirement age, but also greater flexibility in retirement ages with a view to determining whether policies might be reversed.

There is a series of other studies that are already under way which relate to this important matter. This includes the Conference Board in Canada survey of Canadian employers' views on mandatory retirement age, and the Finance, Health and Welfare study of retirement income policy for Canadians.

At this stage we are all concerned about the problem, and we are all interested in bringing public policy into line with the demands of the demographic changes that are under way. I am sure that as soon as the results of all these studies and this discussion are known, the government will take the necessary action to bring public policy in line with the actual social circumstances existing.

Some hon. Members: Hear, hear!

Mr. Stan Darling (Parry Sound-Muskoka): Mr. Speaker, it is a privilege for me to say a few words in this debate. The hon. member for Winnipeg North Centre (Mr. Knowles) is the dean of this House, not in continuous service however, because it is the previous speaker, the hon. member for Brandon-Souris (Mr. Dinsdale), who is the dean of this House when it comes to continuous service, having been here since 1951.

Some hon. Members: Hear, hear!

Mr. Darling: However, I believe the hon. member for Winnipeg North Centre has the longest service having come to this House in, I believe, 1942. He took a brief holiday from 1958 to 1962. I had the impression he came here before the Right Hon. John Diefenbaker, and that cost me a dollar because I said the hon. member was here first. I too can be classed as a senior citizen. I am one of the few members in this House of Commons who is entitled to extra indemnity because of my age. I might say the taxman gets a good bit of it back.

I commend the hon. member for Grey-Simcoe (Mr. Mitges) on bringing this bill before the House because it certainly is worth while and deserves serious consideration. As was pointed out by a previous speaker, there are a great many men and women who have attained the age of 65 who continue to work in a very worth-while fashion. In fact they probably do better than some of those many years younger. I do not believe the chronological age is all that important. I myself have worked

for a great number of years and I have not been on a 40-hour week during that entire period. I believe I still put in a pretty good week's work even though it is late in my chronological life. I can tell you, Mr. Speaker, that I hope to continue to do so for many years to come despite my age, as long as the fine people of Parry Sound-Muskoka wish to return me to this House.

• (1800)

Some hon. Members: Hear, hear!

[*Translation*]

Mr. Deputy Speaker: The hour provided for the consideration of private members' business has now expired. I do now leave the chair until eight o'clock p.m.

At six o'clock the House took recess.

• (2000)

AFTER RECESS

The House resumed at 8 p.m.

GOVERNMENT ORDERS

INCOME TAX ACT

MEASURE TO AMEND

The House resumed consideration of the motion of Mr. Crosbie that Bill C-17, to amend the statute law relating to income tax and to amend the Canada Pension Plan, be read the second time and referred to Committee of the Whole.

[*English*]

Mr. Deputy Speaker: Order. When the debate was interrupted at 5 p.m., Bill C-17 was under consideration, and the hon. member for Cape Breton-East Richmond (Mr. Hogan) had the floor.

An hon. Member: He is not here.

[*Translation*]

Mr. Lefebvre: Mr. Speaker, I am sorry, but I did not hear what you said. Could you repeat it?

Mr. Deputy Speaker: In French or in English?

Mr. Lefebvre: As you wish, Mr. Speaker.

Mr. Deputy Speaker: When the debate was interrupted at 5 p.m., the debate was on the motion for second reading of Bill C-17, to amend the statute law relating to income tax and to amend the Canada Pension Plan, and the hon. member for Cape Breton-East Richmond (Mr. Hogan) had the floor.

[*English*]

The hon. member for Burnaby (Mr. Robinson).

Mr. Svend J. Robinson (Burnaby): Mr. Speaker, my speech this evening will be my first speech as the member of Parliament for Burnaby, and it gives me a great deal of pride to be the first member of Parliament for the new constituency of Burnaby. I might add that this is the first time in the history of my province that the community of Burnaby has had its own member of Parliament.

If I might just beg the indulgence of the House for a moment, I would like to point out that Burnaby is a very unique municipality in a number of ways. Within our borders we have great diversity. We border on the mighty Fraser River and an ocean inlet. We have rich agricultural land, heavy industry, two large post-secondary institutions, many lovely residential neighbourhoods, as well as a strong commercial area. I am proud to represent the constituency of Burnaby, and I am pleased that my constituents have placed their confidence in me.

The bill before the House this evening is a bill which would amend the statute law relating to income tax, and amend the Canada Pension Plan. The bill, of course, is a holdover, in a sense, from the previous Liberal government. It basically would continue the same kinds of loopholes and inequities, in my view, that the previous Liberal government brought into effect, or wished to bring into effect before it was turfed out of office on May 22 last.

The people of Burnaby, and I am sure the people of the rest of Canada, are tired of the kinds of games which are being played with them through the economic system, and the tax system in particular. The people of Burnaby voted for a change. I was elected as their representative, and the people of Canada as a whole thought that perhaps the promises which had been made by the Conservative Party during the election campaign would be kept. However, that was not to be. There are many examples, but I point to the example of the $2.2 billion income tax cut about which this government has been strangely silent so far.

Surely the constituents of my riding and the voters of Canada have a right to expect integrity in the political process in terms of the promises which have been made. There was a number of foolish promises which were made, and the government has quite properly turned its face from them. Of course, only yesterday we saw the example of the proposed embassy move.

However, what concerns me is the fact that in this bill which is presented to us today, and which seeks to bring in some more loopholes and some more incentives, as they have been called, to the taxation system, it does nothing to deal with the basic inequities which exist within our tax structure. The share of taxation which is borne by corporate interests today is approximately 17 per cent. The share which is borne by individuals is some 41 per cent. Twenty-five years ago the

corporate share was far greater than the individual share, and surely the people of this country have a right to ask whether equity exists in a system in which the corporate sector is getting away with lower and lower taxation, and ordinary Canadians are being subjected to higher and higher taxation.

At the same time that this taxation is increasing, the government is slashing important social programs and not meeting its commitment to assist in a number of key areas. For example, there is nothing in this bill which deals with the essential concerns of people in urban areas who want some federal government assistance for urban rapid transit. Promises were made by the previous Liberal government. Those promises, as so many others, went unfulfilled. However, one would have hoped that in this bill, or in other legislation tabled at the earliest possible time, one would have seen some recognition of the fact that municipal taxpayers in urban areas cannot be expected to bear the tax load that is required to construct an urban rapid transit system.

● (2010)

The whole area of urban rapid transit has been given lip service only by members of the government opposite. They have indicated that they recognize its importance in terms of its energy consumption, and the savings in implementing a system of rapid transit, yet they have indicated nothing in terms of their willingness to deal with the serious financial problems that face local taxpayers who must finance urban rapid transit programs.

This bill will continue the present tax system which has been called, and properly so, by the National Council on Welfare, "the hidden welfare system." Loopholes and tax expenditures in the system do not assist the ordinary worker in Burnaby, the teacher, the labourer, the government employee. There is not opportunity for them. They assist primarily those persons who are making a lot of money, and a lot more money than most of us in this chamber are making. Concern has been expressed on the part of all members of the House about the size of the federal government deficit. This year it is something in the order of $11 billion, I believe, and I think we all agree that this unconscionable burden on the Canadian taxpayer must be lifted at the earliest possible time. This bill does nothing to close that gap.

We recognize, of course, that there are quite a number of serious structural changes which have to be made in our economy: the high degree of foreign ownership which plays a major role in the size of the budgetary deficit, and the fact that we are paying millions and millions of dollars in rent to foreign owners of the Canadian economy, and forgoing millions of dollars in revenues through the hidden welfare system to which I have referred.

There are some 60 deductions, exemptions, credits, exclusions, and loopholes which make up Canada's hidden welfare system, the tax expenditure budget. I think the Minister of Finance (Mr. Crosbie) deserves full credit and I commend him for suggesting that in future he will be tabling annually a proper list of the extent to which various interest groups in our society are benefiting from this welfare system. I understand he will be tabling, as is done in the United States, the level of various tax expenditures. That is good, and we welcome it on this side of the House.

Both individuals and corporations, of course, benefit substantially from the various loopholes, tax credits, and exemptions which characterize our income tax system to date. In 1973, for example, some $2.5 billion worth of these various loopholes went to corporate interests. The question of these various loopholes and tax incentives is completely separate from the fact that in some cases those people and those corporate interests which can well afford to pay are not paying their fair share of taxation. We are dealing solely with the tax base itself and how that tax base has been eroded in an inequitable manner through the various loopholes within the tax system.

Let no one be deceived. These various tax expenditures are, in every sense of the word, true spending, and one must question why it has been for so many years that the Liberal government has disguised the extent to which this spending in fact has taken place. I can give as an example the whole area of DREE grants. My own constituency has a very large corporate interest which has received substantial amounts of funding in terms of DREE grants, regional development incentive grants, as they have been called. Millions and millions of dollars have been spent under the terms of this program, and we do not know today what effect they have really had in terms of the corporate decision-making process. Would these corporations have located in those areas in any event? How many new jobs have really been created? I will give the example in my own constituency of Lenkurt Electric which received a substantial grant under the terms of a loophole, an incentive similar to those that have been continued under this bill. What they did was to open a new plant in Manitoba. Instead of creating new jobs, the plant in Manitoba was opened and, lo and behold, an entire production line in my constituency of Burnaby was shut down and many persons lost their jobs. The company, of course, continued to receive its DREE tax incentive.

It has been well established that these tax expenditures, these loopholes of which I have spoken today, are worth far more to high income earners, to the fat cats so to speak, than to middle and low income earners, and of course they are worth nothing whatsoever to those persons who are too poor to pay any income tax at all and to those many people, such as old age pensioners and others, who are living on the very edge of subsistence. There is nothing in this bill for the over two million women in Canada who are living below the poverty line, as was so eloquently shown recently in the report on women and poverty published by the National Council on Welfare.

There has been some talk in various circles that family allowances may perhaps be eliminated. I suggest that far from eliminating family allowances, we should instead close some of these inequitable tax loopholes which exist at present. There

are quite a number of these. I indicated there were some 60 loopholes, exemptions, and credits of various sorts.

One example I would give, separately from the question of corporate DREE incentives, is the example of the registered retirement savings plan. This boondoggle has been an annual tax benefit in that the benefits which accrue to those persons who are in the highest tax bracket can be as large as those which accrue to a low income pensioner from his old age security pension and guaranteed income supplement in the course of an entire year. In other words, the tax break that those persons in the top ten per cent of the income bracket receive is greater than the amount of money which we are telling our elderly people they have to live on from old age pensions and guaranteed income supplements.

The statistics are indeed disturbing. In 1976 the top 10 per cent income bracket received some 69 per cent of all benefits from the RRSP. So we see that these benefits are concentrated at the very top of the income scale, and in fact some $7 of every $10 went to the top 10 per cent of tax filers. I refer to tax filers, of course, because those persons who did not file income tax returns received nothing.

I would also draw to the attention of the House that in fact in terms of the over-all tax expenditures, the entire package of loopholes and boondoggles that exist and that are being continued by ministers on the other side of the House, by and large go to those in upper income levels and do not benefit to the same extent those persons who are middle and low income earners in our society. Of the $1.8 billion increase in tax expenditures between 1974 and 1976, only $1 in $10 went to the lower income 50 per cent of the tax filers, and $4 of every $10 found their way into the already stuffed pockets of the top 10 per cent of income tax filers.

• (2020)

One rationale which has been given for these particular incentives, as they have been called, is that we should be directing funds into certain desirable areas. No one can quarrel that there are areas in the Canadian economy which should be developed. But there has been no indication that these programs, these loopholes, have had any significant effect in terms of directly channelling money into weak sectors of the Canadian economy.

Why should it be that the rich—and I say "the rich" because they are the only persons who benefit—receive tax breaks for making films in Canada, films which may flop completely? Why should the rich receive tax benefits for drilling for oil? Why should ordinary Canadian taxpayers have to pay for Shell Oil's oil drilling programs and receive nothing whatsoever in terms of a benefit?

Why should the ordinary taxpayer in my constituency of Burnaby, or anywhere in Canada, have to pay substantial amounts of money to provide incentives for the building of apartments through the MURB program which once again is being continued by this bill? Why should the ordinary taxpayer have to pay to assist the rich to invest in various stocks and bonds?

Why should it be that the corporate sector in our country should be paid to instal pollution control equipment in its factories and places of manufacture? Why should Canadian taxpayers have to bear the burden of that kind of expense? Surely pollution control equipment is required wherever there is a hazard to the environment. Surely it is up to the corporation involved. The corporation concerned should not delve into the public purse. It should be considered as a cost of doing business.

For far too long the Inco's of this country have been dipping into the public trough, and the ordinary Canadian taxpayer has had to pay the shot for their pollution control equipment, minimal though it may be. Why should Canadians have to prop up an inefficient corporate structure in this way? Why should we have to pay for films that flop? Who can afford these so-called incentives? Not many of my constituents in Burnaby, not many people in Canada. A very small number of people will benefit from these incentives.

There are incentives in the area of dividend tax credits and so on. The government made some suggestion when it was on the campaign trail that perhaps it might remove the capital gains tax. That would be some $50 million in a giveaway to those persons who are at the very top of the income scale. Those are the people we are talking about, the top 1 per cent of tax filers. These are 1976 figures. It is the top 1 per cent of tax filers, those persons with incomes of over $40,000, who receive 99.3 per cent of all capital gains in the country. The top 1 per cent receive 99.3 per cent. Instead of removing this boondoggle, this loophole to the top 1 per cent, the wealthy 1 per cent, we should adopt the recommendations in the Carter Commission and say that a buck is a buck is a buck. We should tax capital gains at the same rate as any other income.

In closing I should say that there must be some ongoing parliamentary process whereby Canadians, through their elected representatives, can know exactly what are these legislative loopholes, these boondoggles to the rich of which so few of my constituents and other Canadians can take advantage. The same programs are being continued by the Conservative government which, in many cases, they bitterly protested when they were in opposition. It has been said before, and I say it again: progressive in opposition, conservative when it comes to government.

There have been a number of suggestions that perhaps things are getting better over the course of the years. I conclude by pointing out that income distribution has not changed significantly since 1951. I speak only of income distribution, not of wealth. In 1951 the bottom 20 per cent received 4.4 per cent of the income, and the top 20 per cent received 42.8 per cent. The most recent figures show that in 1976 the bottom 20 per cent's share had dropped to 3.9 per cent, and that the top 20 per cent's share had gone up to 44.0 per cent. The top 20 per cent is receiving ten times as much as the bottom 20 per cent, despite all the so-called income security programs which have been brought into play.

The concentration of wealth in our economy has never been adequately studied, but recent studies in the United Kingdom

show, for example, that the top 1 per cent of all income earners own over 60 per cent of the wealth in that country. The situation is no different here.

It is rather sad that we should be put in a situation of basically having the same document with the same policies from the same old bunch recycled under the name of a different minister. Surely the time has come when the people of Canada will say, "A pox on both your Houses".

Some hon. Members: Oh, oh!

Mr. Robinson (Burnaby): Surely the time will come in the very near future when Canadians will recognize that both the Conservatives and Liberals are bankrupt when it comes to economic policy. It is only by electing a New Democratic Party government that there will be any real equity, any fundamental changes which will assist the ordinary people of Canada instead of the corporate friends of the ministers opposite and of the Liberal members on this side of the House.

Some hon. Members: Hear, hear!

The Acting Speaker (Mr. Scott, Victoria-Haliburton): I must inform the House that if the minister speaks at this time he will close the debate.

Hon. John C. Crosbie (Minister of Finance): Mr. Speaker, I do not intend to give any ringing endorsement to this piece of legislation before us. This legislation will speak for itself. If it speaks at all, it will speak for itself. It arises out of the last budget of my predecessor. I can agree with many of the provisions. In any event, the law was considered to be changed in most of these items as of the date the budget was brought down. The taxpayers of Canada have been assuming that many of these provisions have been the law since November 16, 1978. Unfortunately the legislation was not brought before the House sooner. Unfortunately it was not dealt with last November or December, January, February or March before the House dissolved.

It was our duty to decide whether we should go forward with it. We decided that we should go forward with it because it would be unfair to the taxpayers of Canada not to go forward with it, in addition to the fact that many of the measures in any event will be beneficial to many taxpayers.

I want to congratulate the hon. member who just finished his maiden speech. Certainly he has a maiden pair of lungs. I can assure him of that. I am sure he will make himself heard with great distinction in this House. He already has in question period. It is always of interest to see a new young ideologue come before the House with such certainty as to what is right and what is wrong with the tax system of Canada.

Certainly I agree that we need a lot of clarification of the tax system. If we could ever get the time, certainly it would be very helpful to have a major reform of the provisions, exceptions, subexceptions and distinctions which litter the Income Tax Act so that it is a monstrosity at which one is even afraid to glance. It gives me the cold shivers and the cold shakes to even contemplate the Income Tax Act, much less the amendments we are now moving before the House. What can be done about it? If one adopted the cool, methodical, logical approach of members of the NDP, of course we would have a very simple Income Tax Act. We would just make out a cheque every year and turn our income over to the government.

Some hon. Members: Hear, hear!

Mr. Crosbie: Indeed that would have the great virtue of simplicity, but I do not know what kind of an economic system we would have in this country afterwards.

• (2030)

As for me, I prefer the system we now have, even though it is littered with many imperfections, to a system of simple perfection whereby we entrust everything to the social democrats of this country to spend as they see fit, and they know better how to spend it than the ordinary individual in this country who earns the income, the private sector which creates the income we are now spending here. I cannot say that I agree with the views expressed by that gentleman, although there is lots of area for reform and change in our Income Tax Act.

I really do not have any more to say in this connection. I do not want to arouse members of the House, because that seems to induce them to speak to inordinate lengths, as I used to do when I was on the opposition side. I simply say that if members have suggestions to make that we can adopt, we would love to adopt them. If we cannot adopt them now we will consider them for the future. As we go through this bill in the Committee of the Whole House I am sure we are going to hear some suggestions, particularly from our brethren to the—is it the right there; to my right, those left-footers over in the corner. I am sure they will have many worth-while suggestions. I hope we can give them the information that they will be seeking to prove their points. I must say that sometimes they do have a point. On that tone, Mr. Speaker, I hope we can get through the Committee of the Whole this evening, and I would urge second reading.

The Acting Speaker (Mr. Scott, Victoria-Haliburton): Is the House ready for the question?

Some hon. Members: Question.

The Acting Speaker (Mr. Scott, Victoria-Haliburton): Is it the pleasure of the House to adopt the said motion?

Some hon. Members: Agreed.

Mr. Knowles: On division.

Motion agreed to, bill read the second time and the House went into committee thereon, Mr. Laniel in the chair.

The Chairman: The House in committee of the whole on Bill C-17. Shall clause 1 carry?

On clause 1—

[*Translation*]

Mrs. Sauvé: Mr. Chairman, it is with a certain astonishment that I heard the Minister of Finance state in his opening remarks that he did not intend to give any ringing endorsement to the bill he is sponsoring in the House tonight. I was astonished and I even found that it was not very becoming for the minister to say that. I want to ask him whether he is taking responsibility for this bill or whether he is speaking to it for the sake of it. Just what is his attitude concerning this bill?

[*English*]

Mr. Crosbie: Mr. Chairman, I do not want to sink into that trap; a trap that can be sunk into. If we are presenting this bill to the House, that means we are supporting the bill. I am still entitled to say that I am not supporting it with full enthusiasm. It has not got my full enthusiasm and backing as though I was the author of this bill. I am not the author of this bill. This bill arises out of the last budget. Some sections of it I agree with enthusiastically, and in respect of other sections my enthusiasm is muted. Or course I will not be disclosing to members of the House which parts are muted and which are not. This bill has my support or I would not be introducing it, but I am not claiming pride of authorship. I am not the author of this bill.

[*Translation*]

Mrs. Sauvé: Mr. Chairman, I think the minister's answer is still more astonishing. Since he is introducing the bill, he is presumed to be the author. Yet he seems to be trying to dissociate himself from the bill in this debate. I must remind him that his feelings and enthusiasm are irrelevant and it seems to me that if he takes responsibility for a bill he should spare us his enthusiasm or his lack of it. Let him simply introduce it to the House and ask us with all the conviction he can muster to vote either for it or against it.

[*English*]

Mr. Crosbie: Mr. Chairman, perhaps the hon. lady does not understand. When this government came into office on June 5, 1979, it was faced with a situation where the previous government had introduced a budget on November 16, 1978. That budget made certain changes in the taxation laws affecting all Canadians, particularly those who pay taxes, and those provisions were set to go into effect the night of the budget. The people of Canada thereafter conducted their affairs on the basis that the provisions of that budget had become law, so that when we took office on June 5 we were faced with the situation where for December, January, February, March, April, May and June the taxpayers of Canada had assumed that the provisions in the budget of my predecessor of November 16, 1978, had become law.

As a matter of fact, there are still some thousands of tax returns from 1978 which have not yet been dealt with by the Department of National Revenue because those taxpayers chose to take an option that they be assessed on the basis of the budget that was delivered on November 16, 1978. The Department of National Revenue cannot now deal with those particular income tax returns until the House passes this particular legislation, if the House does pass it.

Some thousands of Canadian taxpayers have acted on the basis that this bill is already passed, as they were entitled to do after the budget of November 16, 1978. I therefore had the task of deciding and recommending to the government whether we should go forward with the provisions and measures that had not been gone forward with by the previous government from November 16 until the House was dissolved in March. We had to decide whether we should go forward with them. We took the responsible course that we would go forward with those provisions, that we owed a duty to the Canadian taxpayer who was conducting his affairs on the basis that the budget of November 16 meant what it said, and that these provisions would be carried into the law as had always been the case. Therefore we decided to go forward with these provisions, with two exceptions.

There are some minor changes in this legislation. We have made a change in the small business treatment for certain corporations, and I will come to that later on in this bill. In the excise and sales tax legislation there was a change. However, we made the decision that since the people of Canada were proceeding on the assumption that the budget of November 16 was in effect we would carry on and ask the House to pass it. We assumed that in undertaking that duty and responsibility the official opposition would assist us because it was their legislation and their budget we were asking the House to pass. I am still assuming that members of the official opposition will assist us.

I am not expecting that members in the other group down in the corner, members of the New Democratic Party who did not prepare the budget, who had nothing to do with it and who obviously do not agree with much of it, are going to assist or help in passing this bill at all. Nor am I expecting them to understand that I am carrying out a responsibility I did not have to carry out, or that I could have caused confusion throughout the tax system in Canada by saying last July that we were not going to carry out some of these provisions in the budget of the past Liberal administration.

We are asking the House to go forward with this legislation, which means that I am supporting the legislation. If I did not I would not introduce it to the House. I certainly have the right to say that I am doing that with some muted enthusiasm, that I am not the author of this bill, and only in some technical sense could I be called the author of it. I am carrying out a responsibility to the proper functioning of government in Canada by putting this before the House and asking the House to pass it, and that is all I am doing.

● (2040)

[*Translation*]

Mrs. Sauvé: I simply want to indicate to the minister that I understand everything, and even a little more than he does. Since he made two changes to that bill, he could have made some others. Consequently, he is the presumed author of that

bill. He gave very long explanations to dissociate himself once again from the bill he brings forward in the House without enthusiasm. I should like to make one last remark. The Minister of Finance is now fulfilling his responsibilities but without any enthusiasm, just to give the people of Canada what they expect.

The Chairman: The hon. member for Drummond.

Mr. Pinard: Can the hon. minister say why he made only two changes?

[*English*]

Mr. Crosbie: Mr. Chairman, there are a number of reasons. Some of these provisions I would support in any event. Changes in the others would cause a lot of confusion in the tax system of Canada and to Canadian taxpayers, and so on. The simplest thing to do is to pass these bills with as few changes as possible. That is what we are now asking the House to do.

[*Translation*]

Mr. Pinard: Mr. Chairman, are there any particular changes the minister could have made which would have given him reason to smile a little and be a little happier and which would have enabled him not to say to the House that he is putting forward a bill which he has to support because it is his bill but that he is not very happy to do so? Are there any changes he could have made to that bill which would have encouraged him to say that he supports it without any reservations?

The Chairman: The hon. member for Labelle.

Mr. Dupras: Mr. Chairman, I would also like to remind the minister that he could show a little more enthusiasm about introducing these tax measures. It is probably the only time they will be worth some enthusiasm because the next time he introduces tax measures in the House they will really be his own.

[*English*]

Mr. Crosbie: Mr. Chairman, I am saving my real enthusiasm for my own budget. Why should I exhibit some enthusiasm for the budget of another minister of finance in another party? I am not going to. My enthusiasm will be saved for the budget I bring down before this House, naturally.

[*Translation*]

Mr. Dupras: Mr. Chairman, in that case, I wonder why the minister does not take the trouble to tell us which provisions of this measure he finds unacceptable, which ones he does not agree with, which ones prevent him from showing some enthusiasm as expected, since he is the one responsible for them?

The Chairman: The hon. member for Drummond.

[Mrs. Sauvé.]

Mr. Pinard: Mr. Chairman, when we put questions to the minister, we expect to get some answers. If he does not feel up to answering our questions he must understand that this cannot go on very long at the committee stage. The member for Labelle has asked a very precise question: which provisions of this measure does he consider satisfying and which ones does he hesitate to endorse. It is a very simple question and it deserves an answer.

[*English*]

Mr. Crosbie: Mr. Chairman, I would have thought that the hon. gentleman on the opposite side has been here long enough to know that if I am sponsoring this bill, I am sponsoring all the clauses of the bill. I have no intention of telling him what I am enthusiastic about and what I am not enthusiastic about. I am sponsoring this bill, and the clauses go before the House with my support as they have to. I have explained why I am doing it.

Clause 1 agreed to.

On Clause 2—

Mr. Rae: Mr. Chairman, before the party opposite brays this bill through, I wonder if it might be possible to explain to hon. members present in this committee precisely what the purpose of this particular clause is, what its effect is, and what the cost is to the treasury. We have some objection to it. It provides for a partial write-off of certain charges on land which are incurred by developers. I think it would be of interest to the House to have an explanation from the minister on what is in this particular clause, rather than having these things go through without the Canadian public understanding them at all.

Mr. Crosbie: Mr. Chairman, Section 10 of the act deals with inventories. Subsection 10(1.1) deals with land included in the inventory, for example, the land of a land developer. This particular subsection provided that interest and property taxes relating to undeveloped land or included as part of the cost of the land held as inventory—such expenses will not be deductible in the year they are incurred. As a part of the cost of the land, interest and property taxes were deducted only in the year in which the land was sold. The budget proposed a change in the treatment of carrying charges on land. After November 16, 1978, such costs are to be deductible on a current basis. This is dealt with in the amendment to subsection 18(2) of the act, in clause 6 of the bill. As a result of that amendment subsection 10(1.1) of the act is no longer required. It is clause 6, however, that really deals with this particular manner.

Mr. Rae: While we are here, Mr. Chairman, could the minister tell us what this will cost?

Mr. Crosbie: About $30 million.

Mr. Rae: Thirty million. Is the minister saying that that is going to the developers of this country? Is that right?

Mr. Crosbie: This will be a tax concession to land developers so that they can deduct the carrying charges on their land.

Mr. Rae: Of $30 million?

Mr. Crosbie: It will cost the Canadian government $30 million in the full year. I should clarify that, however. It is not that they are going to get something new; they are going to get it quicker.

Mr. Orlikow: Mr. Chairman, one of the most important factors in the increased cost of living in the last 10 or more years has been the very dramatic increase in the price of housing and the cost to the ordinary citizen of buying or renting a house. In the cost of housing, the cost of land has gone up substantially more than the cost of the actual house.

If there is one group in this country that has done very well, it is the large land developers. Their profits have increased astronomically. I cannot understand why we are extending their privileges so that they need not pay taxes on money borrowed to buy land which they will not use for three, five or ten years from now. By that time the land will be worth much more than it is now. We are permitting them to do that by allowing them to charge the interest on the money borrowed as a legitimate business expense.

I cannot think of any way better calculated to encourage them to expand their operations so that they can milk the people of Canada more than they have done in the past, than the kind of amendment the minister is proposing. It is just another rip-off in the long list of rip-offs we have permitted to developers in this country.

Mr. Crosbie: Mr. Chairman, that is not the case at all. This amendment is in response to the findings of the Greenspan report. I think I mentioned Mr. Greenspan in the House yesterday. He is the Liberal lawyer from Toronto who did a report for a federal-provincial task force studying the land development process in Canada. He is supportive of the mortgage interest and tax credit plan that we have proposed. He had an excellent article on this in the *Globe and Mail* which I can recommend to hon. gentlemen. He made the finding that this should be done.

If these costs are made currently deductible, they should afford the land development industry an increased cash flow and give them the opportunity to plan and carry out more projects in Canada.

If hon. members of the NDP are interested in getting more housing, getting land developed and having Canadians housed at an economic cost, this is an amendment that they will support. It is not a rip-off, nor any of the things they have described. It is assistance to the land development industry to improve their cash flow. It is something they would have received in any event but they would have had to wait longer for it. It is not in the category of a rip-off. The same kind of tax treatment is given to developers in the United States.

By the way, Mr. Chairman, clause 6 ensures that carrying charges on land held by speculators do not get similar treatment. It is only on land held by a land developer, somebody who is developing land, that gets this treatment.

• (2050)

Mr. Rodriguez: Mr. Chairman, because the so-called developers are taking their money, going to California and investing it in other countries where they can make big bucks, I do not see how the minister can stand up and tell this House that by giving this $30 million away to these developers it will put low income Canadians into housing. The problem is not the fact that they are going to build a house, it is whether people can afford to pay for the bloody homes. That is the problem. I know this is lifting mortgage interest deductibility to new heights; it is a mortgage interest deductibility for developers. It seems to me this is one way that they can write off the cost of the money borrowed to buy the land under the guise of developing it. As far as I am concerned I do not see how that will be helpful to Canadians.

The minister said that he feels somehow morally committed to this particular budget brought in by his predecessors, and we must all keep in mind that the minister is a recycled Liberal so it should not be difficult for him to make this quantum leap of credibility. Can he tell us that if he drops that particular clause, for example, that somehow or other we will not get housing for Canadian people? I do not think he should go along with a rip-off scheme that his buddies in the Liberal party designed for their corporate friends. I think he should come clean with the Canadian people on that one.

Mr. Crosbie: Mr. Chairman, the hon. gentleman speaks with his usual moderation, and I note his comments. However, I do not believe the hon. gentleman understands the situation. If you are a real estate developer, the money does not just leap into your hands. You have to take risks, you have to invest, you have to put your money out, you have to pay interest on the money borrowed, and property and municipal taxes have to be paid. These are costs to you in your development.

If this clause is not passed the situation is this: these costs can generally only be deducted when you have made a sale of the land, that is, when you have developed it and divided it up and sold it. These costs interfere with cash flow and you can only recover them when the land is sold. This provision simply provides that you can deduct these currently. In other words, you do not have to wait until the land is sold to deduct them. You can deduct them earlier than that. All you are doing is deducting something that you had to wait a longer time to deduct. This enables you to sell your land cheaper and to sell lots for less.

It is not any rip-off. There is no crime involved. The real estate developers of this country are not all criminals, frauds or crooks—there might be one or two who are not 100 per cent, as there are in every group, but I do not see why they should be attacked as rip-off artists and all the rest just because there is a suggestion that provision should be made to help them to improve their cash flow position in order to lower the cost of developed land.

Mr. Rodriguez: Mr. Chairman, nobody said that they were doing anything illegally. It is fairly obvious that this is legalized pickpocketing.

Since the minister said all of these things, which he has described in this particular clause, have resulted in these people developing land and turning it back to people at reasonable costs, has his department done any study to see if that is happening, that land is coming into production in terms of house building at reasonable costs? All indications are that they have gone out of sight. For example, in the municipality of Toronto you cannot get a house under $70,000. Even in an area like my own, you do not touch a home for under $55,000. How can a person making $13,000 a year afford to own a home in Canada? Yet, we find that that is still one of the great incentives in this country of ours, that home ownership is still very attractive to Canadians. If that is not doing what it is supposed to do, then all we are doing is allowing legalized pickpocketing of Canadian taxpayers as a whole.

Mr. Crosbie: Mr. Chairman, as far as I know the Department of Finance has done no additional studies on this. A study was done by a federal-provincial task force headed by Mr. Greenspan, a Toronto lawyer who is very familiar with the real estate business. He studied this question, and it is his recommendation. So the hon. gentleman can relax. Everything is all right. There was a royal commission study and a report made. I do not think he needs to worry himself any more about it. Let us get this provision passed so the hon. gentleman will not have indigestion.

Mr. Rodriguez: Mr. Chairman, I think the minister has said it—there is nothing like getting Mr. Greenspan, a man who is a friend of the developers, to do the study. It is like giving the Avon route here in Kanata to the son of Sam. It seems to me that is exactly the kind of thing that concerns us on this side of the House. Since developers have been operating under this particular clause, has the minister studied the effect this clause has had on the housing market? In effect, is it doing the things that Mr. Greenspan said it would do for his friends?

Mr. Crosbie: Mr. Chairman, we have done no studies. If the House passes this provision then we will certainly be keeping an eye on it to see whether it is effective or not, and what the results of it are.

Mr. Robinson (Burnaby): Mr. Chairman, I have a couple of questions for the minister. It is interesting to note that the minister is taking his advice from Liberal economists who are friends of the real estate industry.

I spoke earlier about the question of tax expenditures. Can the minister tell this House whether he feels the $30 million which this program will be costing the people of Canada is best spent in this assistance to land developers, or does he think that perhaps the $30 million would not be better spent, for example, in making retroactive the provisions for spouse's allowance, for assisting the fishermen of Newfoundland, or perhaps assisting in defraying the costs of urban rapid transit? I ask the minister to confirm to this House that it is his view that this assistance to developers takes a higher priority than that particular aid?

[Mr. Crosbie.]

Mr. Crosbie: Mr. Chairman, that has all the appearance of a loaded question to me. I think there are many, many thousands of demands upon the revenue of Canada. If I had my way I would like to see billions upon billions spent on the needs and requirements of the fishermen of Newfoundland. If I had no one else to bother me, that is where all the money would be going. We would be putting it right into Newfoundland and forgetting the rest of the country. The first priority would be St. John's West; second, the province of Newfoundland, and after that the rest of you. That is, if I did not have to consider anything else and if I could only consider the real priority. But there are thousands of other priorities. One is metropolitan areas, and land development in metropolitan areas, urban areas, and land development across the country.

All the industries we have in this country have to be considered along with the co-operatives, the credit societies and the unions. The whole mosaic has to be considered in our taxation system. In a budget of $52,600 million—and there would be a lot more if we included the tax expenditures but I do not have the figure ready tonight—we would have to add on another $8 billion to $10 billion in tax expenditures. As a result of this particular provision, $25 million to $30 million is the amount by which federal revenues would be reduced in 1979-80. That revenue would have been lost eventually under the present system. This is only to help improve the cash flow of the land developer.

Whenever you ask should "X" have priority over "Y", I can think of a lot of "Y's" that I would like to see have priority over this, but it is a balanced taxed system and it has to be a balanced government. There are a whole lot of provisions in this tax act, and you can ask me the same questions, but everytime I will tell you I think it should be spent on the fishermen, that this would have top priority for them. However, my views cannot carry the day. We have to have a balanced system.

Mr. Robinson (Burnaby): Mr. Chairman, would the minister please indicate again, and I will ask the question again because it was not answered, whether he is prepared to agree that instead of giving $30 million to assist land developers, he is prepared to put this money into programs that would make the spouse's allowance retroactive?

Mr. Crosbie: Mr. Chairman, I thought I had just answered the question. If I have not answered the question, I apologize to the hon. gentleman. But no, I do not think it should go into retroactive payments of the spouse's allowance. I do not think it should go into retroactive payments of salaries for members of this House, or into doubling of salaries. I do not think it should go into anything else. I think it should be exactly where it is in this bill and, if we pass it, this revised treatment will reduce our revenues. We are not spending the money. It will reduce the revenues we take in by $25 million to $30 million in an attempt to help the development of land throughout Canada. Therefore, lots will cost less and developers will be

encouraged. They will get the same treatment as in the United States, and we will carry out the recommendations of a royal commission report.

• (2100)

Mr. Robinson (Burnaby): One final question, Mr. Chairman. This question was asked previously in another fashion. Can the minister tell us what evidence, if any, he has that this money which is being forgone, the $30 million, will produce the effect he says it will produce? What evidence does the minister have for that?

Mr. Crosbie: Only time will tell.

Mr. Robinson (Burnaby): Is the minister prepared to answer the question?

Mr. Crosbie: Mr. Chairman, only time will tell.

Mr. Rae: Mr. Chairman, I think there is a legitimate philosophical difference of opinion between the minister and this party.

Some hon. Members: Hear, hear!

Mr. Baker (Nepean-Carleton): We agree.

Mr. Rae: I hear from the intelligentsia on the other side that I am right. That difference is very important.

In the development industry, the picture in the minds of members opposite is obviously of a highly competitive industry which needs to be assisted in terms of cash flow, and recommends the assistance of the government and taxpayers of Canada. It is very clear from studies commissioned by Canada Mortgage and Housing Corporation that the facts are quite the reverse. The question is very fundamental—whether we give $60 million to Ford to set up a factory in Windsor, whether we give substantial sums of money in super depletion allowances to the oil industry, or whether we give speedy, exaggerated depreciation of capital cost allowances such as we are doing in the development industry.

There is a very legitimate difference of opinion on this side of the House. We say this is a very lousy way to spend public money. If we are to have a free enterprise system, let's put a little freedom back into it. Let's get you free enterprisers out of the public trough. Let's see the freedom put back in the system. Let's see that initiative and urge to provide for the competitive system.

We do not see that. We see a highly concentrated, highly oligopolistic system with a few large companies controlling more and more, whether it be land, automobiles, oil or whatever. We see those same companies coming back to the government saying, "Give us another handout, another favour, another $30 million, another $60 million, another speed-up of our depreciation." They want to wipe out their costs in two years. They do not want to pay more taxes.

We are hammering this. The minister can shake his head and others can say this is ideological clap-trap. We are not being ideological. We are looking at this increasing concentration in our society and looking at these large economic units, whether or not they have a personality, as the hon. member for Saint-Henri-Westmount, who gave us a learned discourse on corporate personality this afternoon, said. I do not care if they have a personality or not. All I know is that our tax system is being pillaged by these people.

This is a legitimate question which we will raise in this and other instances. We will insist that it be brought to the attention of the people. We will not allow the bill to go through without it being brought to their attention. If we believe in freedom of information, some of this information should come out. The Canadian people should decide whether we want to have doctors and lawyers putting money into development and not paying taxes. That is a very important question.

We want to have information on the development industry, how it works and where it goes. We are perfectly entitled to have that. With great respect to the minister, we have a different point of view. Our point of view is that it is increasingly senseless for the tax system of this country to be used to subsidize those people who should be able to stand on their own two feet. I used to think there were people in the Conservative party who had that same view, but they do not seem to be around any more. The doctrine of corporate welfare seems to have taken over from the doctrine of free enterprise.

Mr. Crosbie: Mr. Chairman, I see nothing wrong with the hon. member having his point of view, or his party having a point of view. This is good. Let us get it on the record. You are against the real estate developers being given any kind of break at all in order to lower the costs of their land. You are against them being allowed to deduct their costs in the year they incur them. They have interest costs. They pay taxes. Why should they not be allowed to deduct those costs in the year in which they incur them? It would help their cash flow. They would be able to buy raw land, develop that land and bring lots on to the market. I understand you are against that. I am in favour of you bringing out these points so that we and everyone else will know where we are opposed and where we disagree. I congratulate you for doing that. I understand your position exactly. In this case you are not correct, but it is a legitimate difference.

Mr. Rose: For the edification of the minister, and for clarification as far as this party is concerned, we are not ignorant of the fact that land costs need to be lowered. What we are concerned about is that despite the gifts out of the public treasury to a fat cat group of developers, we have seen no evidence that the cost of land has been lowered over the years as a result of this.

Large developers control most of the land around our major cities. Viable farmland is constantly being threatened. These are among the most profitable corporations in our country, so profitable that they have money to invest outside our country, yet this government and the members of the official opposition are constantly rushing around in almost feverish disarray to

give them more tax benefits. That is what we find unacceptable.

We are not against lowering the cost of land. The minister has already admitted he has no evidence, although he claims this might bring down the cost of land.

I see the government whip. He is making all kinds of rude, obscene gestures as he waddles his way back and forth behind the curtains. Has he ever stood up in this place and made one knowledgeable comment? Not since I have been here, and I have been here as long as he.

What we are concerned about is not whether the government gives the real estate industry some $30 million as a gift for past favours or whatever, but does it or does it not lower the cost of land in this country? Will the purchaser of land receive a direct benefit from this? If the minister can assure us of that, we will be very pleased to vote for this clause.

Mr. Crosbie: In my opinion, Mr. Chairman, the man or woman who purchases the land will have a benefit from this. It is not just for the developer. It will help development and those who buy lots. That is our opinion. We will have to wait and see if it has that effect.

Mr. Orlikow: Mr. Chairman, I find it interesting that the minister continues to tell us the developers need this extra benefit or incentive in order to operate; that they need to improve their cash flow. We are told they are paying their fair share of taxes.

After we started discussion on this clause, I walked over to the Parliamentary Library to get a book which I would recommend to the minister, entitled "The Developers", by James Lorimer. I want to put on record some of the facts this author obtained from public records that are available. Let me refer to some paragraphs in this book. Mr. Lorimer said, and I quote:

● (2110)

—developers who own income properties are able to avoid paying corporate tax on the profits they make in all the various aspects of the land development business.

They do this precisely through the kind of proposal we find in the bill we are discussing. Mr. Lorimer goes on to illustrate what he means in the following way. He says:

Following its own prescription, Daon—

That's one of the big land developers around the city,

—declared profits of $21,558,000 in 1977. It paid no corporate tax at all on these profits. Cadillac Fairview declared profits of $31.5 million in 1977 and paid taxes totalling $1.7 million, an effective rate of tax of about 6 per cent. On declared profits of $8.6 million in 1976, Trizec paid a minuscule $130,000 in tax.

He says:

Since it was established, the land development business has benefited from an arrangement that means that most developers do not now and never have paid substantial amounts of corporate tax on their profits. The actual rate of tax paid by the industry over all is much less than 10 per cent, probably 5 to 6 per cent. Most other industries, of course, pay corporate tax on profits in the range of 40 to 50 per cent.

[Mr. Rose.]

That is precisely the point we are trying to make. Nobody in this party calls the developers criminals, as the minister tried to imply a few moments ago. The developers are doing only what they are permitted to do under the law, and if we have governments which are stupid enough to permit them to pay corporate tax of less than 10 per cent, then, of course, they are going to take advantage of the laws we pass. And going to a lawyer who was appointed by another party when it was in power, going to a lawyer who has intimate connections with the real estate and development industry, seems to me the last place to which a government should turn for advice, not the first place. It is like inviting a fox into a chicken coop and asking him to protect the chickens.

Mr. Lorimer goes on to give a few more illustrations. I should like to put part of what he says on record.

Daon is one developer that reports both its operating profit and its appraisal surplus profit every year. In 1973, Daon reported that it had accumulated appraisal surplus profits totalling $17 million. In 1974, the figure was $21 million, up $4 million in the year. By 1976, the amount was $55 to $60 million, an appraisal surplus profit of about $35 million in two years. In 1977 it was $126 million meaning an appraisal surplus profit of an amazing $66 million that year. Daon's operating profit in 1977, for comparison, was $21.5 million.

The same would be true of Trizec and Genstar and all the other financial wizards who have entered the housing development market and who are making their profit, taking it out of the hide of the ordinary citizen who is trying very hard to do the things he is told every day on the radio, on television and in the newspapers, that he should do—buy a decent, comfortable house for himself and his family.

Keep in mind what the developer does. He goes to the suburbs, he goes to the farmland around a city. I can speak with some personal experience of this, because while Winnipeg has not grown as much as Toronto, Vancouver, Calgary or Edmonton, I know that about a quarter or a third of the people living in houses in my constituency were not there when I was first elected. There were no houses; there were empty fields. There were farmlands there when I was first elected, and that is not so long ago.

Mr. Lorimer calculates that the developer who buys the raw land and puts in the sewers, the water and so on, is making a profit in most cities in Canada of about $20,000 on each lot by the time he sells. Who is paying that money? It is the home purchaser who has to pay—anywhere from $60,000 for a moderately priced home in most Canadian cities to $80,000 or $90,000 or $100,000.

People are putting themselves into debt for their whole lives because of the high cost of housing, and one of the major factors in the high cost of housing in this country is the developer. The developers have done very well, thank you; they have been treated very generously by the people and the governments of Canada. Yet we find the minister coming to this House today and telling us: we have to try to persuade them to do a little more so we are going to give them another tax concession, another $20 million. I say to him that this will not show up in the cost of housing because it has probably been 20 years since there was a year in which a house did not

cost between 5 per cent and 10 per cent more than it cost in the previous year.

The minister is compounding the mistakes of former ministers. He is following in the footsteps of former governments. We in the New Democratic Party are not surprised, because we have always felt there is no difference between the Liberals and the Conservatives; the minister is merely demonstrating in this clause that we are correct. What he is saying is that we ought to give more concessions to people who have already done very well. We believe there are better ways, more direct ways, of providing housing for people at prices they can afford than by giving further, and unnecessary, concessions to developers.

Mr. Crosbie: The hon. gentleman cited as his authority Mr. Lorimer. I seem to have heard his name before; I think he belongs in the pantheon of NDP saints and it is therefore no more apt for him to call on Mr. Lorimer as his authority than it would be for me or the former minister of finance to call on Mr. Greenspan—it is one man's opinions against another's, it is one study against another. All I can say to the hon. member is that he has made the point he wants to make well, but we just don't happen to agree with him.

Mr. Orlikow: I do not want to prolong this debate, but I say to the minister that he and I may, of course, disagree as to the conclusion we draw from factual material—the hon. gentleman will undoubtedly disagree with Mr. Lorimer about what we ought to do. But the figures I quoted from Mr. Lorimer's book were obtained from official records of the companies concerned, annual reports which the companies publish showing the profits they make, the taxes they paid, the surpluses, the undistributed reserves, and so on.

If the minister wants to disagree with Mr. Lorimer or with the conclusions we draw, that is quite legitimate, but I do not think he should suggest that the figures I have cited are not based on the facts. The figures I used and which I cited from Mr. Lorimer's book are based on the records the companies have made public.

• (2120)

Mr. Murphy: Mr. Chairman, from what I have heard so far, I understand that the minister does not like to hear from experts, whether they be Liberal or people who support my party. Perhaps I can give the minister a concrete example of how he can do something to help lower the cost of housing. Maybe I can use an example in the city of Thompson. The minister should know that city well because in April of 1978 he went there and gave a good nominating speech for the incumbent Conservative candidate. Over at Government House the other night I thanked the minister for that speech because I think it gave me at least 3,000 votes.

Mr. Knowles: Was that the pussycat speech?

Mr. Murphy: That was the pussycat speech, a very famous speech.

Since the minister knows the city of Thompson so well, he should also know that there is land banking in that city. We have had it ever since the city became a city. As a result, two years ago, in the face of all the cost of developing a lot in the north we were in a position to sell our lots for $8,700. Try to do that in other cities. Try to do it where the government is giving developers all this money. It cannot be done.

Do not bring in Liberal policies. Do not bring in policies which are just as bad as Liberal policies. Bring in something new, something which has been tried in such places as Thompson. Do something for the people of this country. Do not give us a bunch of boloney. I would not use the words of the hon. member for Nickel Belt. Give us the truth, something we can really use to lower the price of houses.

Mr. Gray: Mr. Chairman, the minister has pointed out that the provision we are now discussing is in this bill to permit the deduction of interest and property taxes on land held for development or resale by taxpayers in the ordinary course of their business. I would be interested in knowing just how much these interest expenses will be increasing in the next year because of the higher interest rates which have come into effect since the Conservative government took office and, as a result, what the additional revenues lost to the federal government will be because of the higher deductions which will be claimed by developers because of these higher interest costs.

Mr. Crosbie: Mr. Chairman, if the hon. gentleman would ask the hon. member for Saint-Maurice what those figures were when he was minister of finance and when he was originating this bill—and interest rates went up 3.25 per cent during 1978—I dare say he would find that the figures would come out about the same because interest rates have gone up 3.25 per cent in 1979 just as they went up in 1978 when the hon. gentleman was in my position. I think the hon. member should be able to get that information quite easily.

With respect to the suggestion of the hon. member for Churchill, the purpose of this change, which was recommended by the Greenspan task force and which caused this change in the law making the law as it was before, was to help the small developer. This is a provision which is to help small developers in Canada, not large developers. Large developers do not need any help. They already have ample cash flow. They can already do very well. This is a provision to help hundreds and hundreds of small developers in Canada get the cash flow necessary to carry on their businesses. If hon. gentlemen are against the small developer, they should vote against this provision.

If hon. gentlemen are against this provision, let us have a vote on the matter and settle it one way or the other. We believe it is necessary and legitimate and that it will help the small developers of Canada.

Mr. Gray: Mr. Chairman, is the minister telling us that he does not have figures he can give us at this time regarding the revenue lost to the government which will be created by the increase in interest rates since his government took office? It is

not enough to tell us what happened before the election. Let us hear what has happened since the minister took office. That is what we have to talk about now.

Mr. Crosbie: Mr. Chairman, I do not have the figure. How could I possibly know how much real estate development there will be this year, how much activity there is going to be, what loans are going to be like, what property taxes they have to pay, or how much they are going to have to pay in interest? If interest rates have gone up, and we know they have, presumably their interest costs will be a bit higher, and the figure here might not be $25 million to $30 million. It might be a bit more; I have no way of knowing.

I am not a fortune teller, so I cannot answer that question, as the hon. member knows. He thinks he is making some clever point about interest rates. He knows that interest rates have gone up because we have no reasonable alternative. He has not been able to suggest a reasonable alternative, so what is the point of his question? The point of his question is that the hon. gentleman thinks it is smart. Well, fine. If he thinks it is smart, he has made his point.

Mr. Gray: Mr. Chairman, there is a reasonable alternative. It is the one which was presented by his leader on March 2 when he spoke as leader of the Progressive Conservative Party. He said that a Progressive Conservative government would bring interest rates down. I suggest that the Minister of Finance and the Prime Minister ought to get together. I think they are both in the inner cabinet; or have we missed something? Is the Minister of Finance no longer in the inner cabinet? Surely the officials in the department at the time this budget was presented made some forecasts of the revenue effects. It is my understanding that they do that with respect to all proposals in a budget. Surely it is possible to update those forecasts. Can the minister not give us the information?

Mr. Crosbie: Mr. Chairman, the estimate which was prepared by the department is that it might cost $25 million to $30 million, and I think that is still a good estimate, despite the increases in interest rates. So, I stick by the estimate, $25 million to $30 million.

Mr. Gray: Mr. Chairman, I just want to note that while the minister wishes to stick by that estimate, I am sure that some elementary calculation by his officials will show that the revenue lost to the Canadian taxpayer will go up substantially because of the interest rate increases which have gone into effect since the minister became Minister of Finance.

Mr. Rodriguez: Mr. Chairman, first I must comment on the arrogance of the Minister of Finance. I know that that was the favourite tune hon. members opposite sang when they were in opposition. They sang about the arrogance of the government across the way at that time, yet I find the minister's attitude arrogant and disinterested. He asks us to get on with it, pass the thing and "Let's go". He tells us not to enter into any meaningful discussion about the implications of this $30 million handout. I think that is very important to keep in mind.

When the Minister of Finance sat on the opposition benches and as he, the happy hacker, and a few others, were official critics of the finance portfolio, they all condemned this budget when it was presented. They even introduced motions of non-confidence. Now the minister is responsible for the finances of this country, and he starts off by saying he wants to be known as Mr. Tough Guy and no more Mr. Nice Guy. This is his first chance to be the Mr. Tough Guy who is concerned about the shekels of this country. Why does he not say to his corporate friends in the development world that they cannot have this $30 million and that it is not in Canada's best interests at the moment? We have a stagnant housing market because of interest rates. Therefore, in effect, we should not be giving the minister's corporate friends something we cannot afford at this time. When the minister gets tough with little people, he has some credibility.

I want to call a spade a spade. We know well that the real estate developers in the city of Toronto wasted considerable amounts of money for the Tory campaign in the last federal election. In effect, that is where that interest lies.

It is not that the minister thinks that for eight months the government went on the old budget and he feels morally committed to continue it. Good heavens, the Conservatives waged a whole campaign against unemployment insurance changes. They were down in eastern Canada arguing against the Liberal government's changes in Bill C-14. When they came to power, the first thing the Conservatives did was to allow the changes to go into effect. How can that be called credibility? How can we say that the Canadian people should not look at this House of Commons as a pile of hypocrisy? The minister has the reins of power in his hands. He can be Mr. Tough Guy with Trizec. The minister says this is for little developers. How can we separate the little developers from the big developers?

Mr. Rae: With a crowbar.

Mr. Rodriguez: My colleague, the hon. member for Broadview-Greenwood, says, "With a crowbar".

An hon. Member: You can't pry them apart.

Mr. Rodriguez: In effect we are getting a concentration of developable land in few hands, and in many parts of this country there is no legislation to protect farmland. There are no laws to ensure that farmland is protected. That is a very important problem, and I challenge the Minister of Finance to show how tough he is. There is more than just this $30 million. There is a whole pile of giveaways in this bill which we will be dealing with in Committee of the Whole tonight. I want the minister to live up to the image of Mr. Tough Guy he has cast for himself. I want to see him go to town on these particular giveaways in this budget.

Mr. Foster: Mr. Chairman, the Minister of Finance indicated that the benefits of this tax concession for developers would go to small developers. I wonder if he is aware of the fact that most of the major oil companies, with the tremendous revenues

they have been generating this year in the United States and Canada, are going into housing developments, and whether he has taken that into consideration. Proposals have already been made by the Conservative energy caucus, by the Canadian Petroleum Association, and last evening by the Premier of Alberta, that they want to move energy prices up dramatically. The Premier of Alberta suggested that they go right to world prices this next year.

● (2130)

In the United States, with the rapid increase in energy prices, the oil companies have shown profits of up to 211 per cent over the same quarter in the last year. This is building up as the rapid increase takes place. Is any other consideration being given to the fact that large amounts of these petro revenues will be syphoned off into urban and land development and whether it is really in the best interests of the country to be giving special concessions to oil companies which are generating these huge revenues?

In the third quarter of this year we see that the profits of oil companies have gone up from 38 per cent to 66 per cent for four of the majors. All the argumentation that has been brought forth regarding increased oil revenues is that it is going to be ploughed back into the high Arctic and the frontier areas, and it seems to me that if that is not going to take place we can hardly justify the massive increases in the price of crude oil and products from the refining processes.

I wonder if the minister has taken that into account in putting before the House tonight this special concession for land development, whether an excess profit tax will be brought in if the government goes ahead with the massive increase in the oil price of $3, $4, $7 or $8, as has been suggested by his caucus and by the Premier of Alberta. Can the minister tell us just what has been taken into account in that regard?

Mr. Crosbie: It is the first time I have heard any suggestion that oil moneys are behind this clause in the bill. This clause originated in the budget of November 16, 1978, which was brought by the hon. member for Saint-Maurice. Whether he had in mind the oil industry at the time he brought it in, whether he had it in mind that oil money was going to go into the real estate development market, I do not know. It has not crossed my mind for one minute that this was a sinister plot for the oil industry to get some tax concessions. I certainly never imagined that.

What it is is that real estate developers up to now were only allowed to deduct the cost of interest on their loans and the cost of property taxes when they had sold the land in question. When they have sold the land in question, they are allowed to deduct these as costs. They have to carry it the rest of the time, so it is an added burden on them. Small real estate developers, as was found by the Greenspan inquiry, had to carry that burden, which interfered with their cash flow. Their business is developing lands and lots for sale, and therefore interest and municipal taxes are a legitimate expense of that business. This clause proposes that those taxes and interest expenses be recognized as ordinary expenses and that they be allowed to deduct them on an annual basis, which would help their cash flow position.

Clause 66 in the bill ensures that the current charges held by speculators be maintained and that they do not benefit from that kind of treatment. If you just bought some land hoping it will go up in value and if you hold on to it for a few years, you will not get this treatment. But if you are in the business of developing real estate, it is legitimate. If you are a speculator, you will not get it.

I know of no evidence or suggestion that this will in any way be of help to the oil and gas industries, or that the revenues will have anything to do with them. This provision is to help the small real estate developer improve his cash flow position. If there is a better way of developing real estate, that is fine. Perhaps hon. gentlemen opposite believe the government should develop it all. They believe in the state doing it. That is an option, but it is not an option we will take. When hon. gentlemen take over, when they get the reins into their hands, the old reins in their paws, they can eliminate the private real estate development industry, do away with it, squash it flat, knock it out, make sure it cannot survive, make sure it has no cash flow, make sure only the state and public agencies have the ability to carry on real estate development. When that time comes, they can do so, but at present for the most part it is in private hands in Canada, and this is a legitimate amendment to help the small real estate developer.

I do not know how much more reasonable I can be about it. If hon. gentlemen opposite want to vote against it, I say, fine, vote against it, and those who want to vote for it, let them vote for it, and those who want to discuss it, let them discuss it. In no way are we trying to force this thing through. We could not do it any way, and therefore it is a dialogue and I am delighted to hear from the hon. gentlemen. I wish I had realized I had the reins in my hand. There are a lot of things I would have done if I had known it then.

Mr. Rae: Mr. Chairman, there must have been a reason why, as the minister has told us, the situation has now reverted to the way it was before. Can the minister tell us the reason why the situation was changed and now it has to be brought back? Was there some purpose in the earlier change?

Mr. Crosbie: I cannot tell the hon. member, except that the Liberal administration had it one way before and they changed it to another way. Then they introduced a budget reverting back to the original way. My colleague, the hon. member for Saint-Maurice, is not here to help me with this bill. Where is he when I need his assistance?

Some hon. Members: Oh, oh!

Mr. Knowles: It's your baby now.

Mr. Rae: Has it occurred to the minister that perhaps he is helping more by staying away than by being here?

Obviously we are going to vote against this clause and against clause 6—I do not think it is a secret to the minister—but I want to put the minister on notice that, first of all, we

look forward to intensive study by this government as by the previous government, on the question of inflation in land prices. We look forward with eager anticipation to the minister's coming to this House and telling us what the inflationary developments in land have been over the past years, and we look forward with eager anticipation to his confirming his thesis that he is giving assistance to a highly competitive industry and that the immediate impact of these measures will be to reduce the cost of land to the average Canadian consumer, and of course, this will be reflected to lower housing costs which we can also anticipate as a result of the proposals.

Earlier we had spoken about the nature of the development industry and the concentration in the housing industry. The minister is saying that here he is giving something for the smaller developer. That is not what is happening because there is no selectivity here, and this is the problem with the whole tax spending system. There is no selectivity, no direction of tax dollars, no control over whether this provision will have the effect the minister says he wants it to have. It is going to everybody.

● (2140)

I would be willing to place a moral wager with the minister that the result of this measure will be that the amount of concentration in the development industry will be increased and not decreased, as sure as it snows in the wintertime. If the minister thinks he will increase competition in any industry by giving a tax incentive which applies right across the board, he is dreaming. If he did it in the car industry, he would be laughed out of Detroit, Windsor, Oakville and Oshawa. If he is serious about increasing competition in our society, he would not be serving under a Prime Minister who in a May, 1979, interview in *Executive* magazine said that competition was not a priority of the Conservative government, that competition was being put on the back burner by his government. It was not something which was causing him a great deal of concern. I do not think competition is something which gives this government concern at all.

The minister is shedding crocodile tears when he talks about giving help to the small developer. He is not being realistic about the structure of the development industry. He is kidding himself and members of his party if he thinks this will do anything for the little person or the little developer in our society. It will not work that way. I think the minister should realize it.

Mr. Murphy: Mr. Chairman, earlier on in reply to a question the minister referred to the fact that for some reason we wanted government ownership of the land. That is what we were talking about when giving an example of how land can be cheaper in northern cities, even without the type of giveaway the minister is presently presenting. I should like to remind the minister that the mayor of Thompson is a Conservative, that the majority of the council is Conservative. He should know. He met them all. Those people do not want to privatize our land. They know what is a good deal. They do not have to sell everything to private ownership. They want to find good, cheap land for the people of Thompson. I wish the minister had the same concern here.

In reply to a question which I did not ask, the minister said that he was helping small developers by the presentation being made at this time. Does the minister have the facts at his disposal to prove that this is not another giveaway to large corporations? Can he prove that it will not do what the hon. member for Broadview-Greenwood said? Will it not help to increase the concentration of ownership? Does he know the incomes of the developers who are presently using this giveaway? Does he know what the breakdown is?

Mr. Robinson (Burnaby): Mr. Chairman, I have a question for the minister. He has indicated his concern with the small developer, as he calls him. Can the minister indicate to the committee what proportion of the entire land development industry is made up of what he calls small developers? If the hon. minister is so concerned about small developers and not the big ones, can he indicate whether he is prepared to introduce an amendment to this particular provision so that it will apply only to small developers?

Mr. Crosbie: Mr. Chairman, this clause stands by itself. What is correct for one developer is correct for another. The people that this will help most are the small developers, because they have more difficult cash flow problems than the few large developers. As to what the respective numbers are, I would have to make an educated guess. I would say there are many thousands of small real estate developers in Canada and that there are a few dozen large developers. That is my guess. I do not have the statistics here. I did not come supplied with them tonight. I do not know whether we could even obtain them. There are many thousands of small developers. The large developers would number in the dozens. The numbers do not matter because we are amending the law for all real estate developers so that they can deduct on an annual basis legitimate business expenses for developing their land.

Mr. Fulton: Mr. Chairman, I have sat here listening with some interest over the past hour or so. A couple of matters popped into my mind. A lot of people in my riding have been without housing for some time. Under neither previous administration or this one, the federal government has not made any distinctive attempt to deal with the housing situation nor with any ongoing income supplements such as unemployment insurance.

Looking back at the comments made by a number of members on the government side and the comments just made by the minister that there are a few thousand developers, why do we not put it in a nutshell so that the Canadian public can understand? Why do we not say that the government is planning to send out cheques to every developer in Canada for $10,000 or $15,000? But the people who need $150 or $160 every two weeks from their unemployment insurance do not get it from the very same government. I think we should deliver the facts to the Canadian public and be quite frank. It is not for small developers. It is not necessarily for big developers. It is for all of them. It is very, very obvious to me

that it is patronage. Let us put it in cheque form and mail it from the House today. I think we are quibbling on a clause which should not be passed in a country which is facing economic difficulties.

Mr. Robinson (Burnaby): I have a couple of questions which have been opened up by the great concern expressed by the minister for the small developer. What does the minister mean by a small developer? How big is small?

The Chairman: The hon. minister.

Mr. Robinson (Burnaby): The hon. minister is not answering the question.

An hon. Member: Was that a question?

Mr. Robinson (Burnaby): Since the hon. minister does not seem to know how big is small when he talks about small developers, aside from the numbers involved—and there may be many thousands—what proportion of the development industry in terms of percentage do these so-called small developers actually hold? I know in my own constituency of Burnaby over 80 per cent of the development land is controlled by the five big land development companies. What proportion in terms of percentage do these so-called small developers occupy of the land development market?

Mr. Crosbie: How big is small? How small is big? How big is little? How little is big? The hon. member's guess is as good as mine. We could adopt the definition of small business and say that real estate companies are less than the definition of a small business in the Income Tax Act; that that is a small developer. That would probably be suitable.

I really do not see the rest of the point of the hon. member. If the hon. gentleman has five big developers in Burnaby or wherever it is, and if he does not have any small ones, that is unfortunate. I am sorry. I know down in Newfoundland we have a lot of small developers. We do not have too many big ones. But we are not as big as British Columbia. We are little. Where British Columbia is big, we are little. Where it is great, we are small. What is small? What is great? The small is greater than the big in my opinion in the province of Newfoundland.

Mr. Robinson (Burnaby): Mr. Chairman, the people of Burnaby will be interested to hear that this proposal does nothing for them, but helps the big developers in Burnaby.

I ask the minister whether he is prepared to limit this particular benefit to small developers, however he defines them? Is the minister's answer "No"? The minister says no.

An hon. Member: It should be answered for the record.

Mr. Rodriguez: Mr. Chairman, I just want to get down to specifics with the minister. Can he name a small developer that would go out of existence if he did not get help from this $30 million handout? Can he name one small developer?

I think the minister said that the developer does not have to sell the property, that he does not have to sell the land in order to enjoy the write-off. Can he confirm that? Will he get it before the sale of the land or after the sale of the land?

Mr. Crosbie: I cannot name one small developer that will go out of business if this does not pass. No, I am afraid I cannot do that. There are hundreds of people who will get their building lots hopefully at lesser prices if this goes through, because the land developers' costs will be a bit less and the cash flow will be a bit better. I would suspect there would be hundreds, if not thousands, who might be helped to buy lots. Could the hon. member remind me of his second question?

Mr. Rodriguez: Do they receive the benefit of this concession after the sale of the land?

Mr. Crosbie: No, no. That is the purpose of this concession, as the hon. member calls it. The way it works is that these companies are in business. Every year they have their accounts as they have their year endings. Every 12 months they have a financial statement, they have their revenues and their expenses, and each year they have the interest on the inventory of land. They have their tax expenses in relation to that land although they have not sold the land yet, and they would be allowed to deduct that as a present current expense. That is the only difference. Under the present system they can only deduct those kinds of costs as they sell the land out of their inventory. This helps them with the cash flow situation. They would still have this deduction at a point in time. It is just that they get the deduction at an earlier point, as long as they continue to stay in business.

● (2150)

That is the way I understand it to work. Perhaps I am all wrong, but I think that is how it works. All we are doing here would be allowing them to get this deduction earlier than they are now able to get it, unless they are able to turn over their inventory of land every year. Of course, a lot of them are not able to do that and they have it longer than that.

The Chairman: Shall clause 2 carry?

Some hon. Members: Agreed.

Some hon. Members: No.

Clause 2 agreed to; yeas 35; nays, 12.

Clauses 3 and 4 agreed to.

On clause 5—

The Chairman: Is the hon. member for Broadview-Greenwood rising on clause 5?

Mr. Rae: I am standing in respect of clause 5, Mr. Chairman. Could the minister explain this clause?

Mr. Crosbie: I will try it once. This section 15 of the act deals with a number of shareholder benefits. This particular amendment affects income bonds and income debentures. It is

a technical amendment and is not directly related to the major change proposed in the budget in the treatment of those income bonds and term preferred shares dealt with in clause 6. The two subsections that would be affected by this amendment refer to "annual or other periodic amount payable on an income bond". The amendment substitutes the words "interest or dividends" for the expression "annual or other periodic amounts". The change is to clarify the scope of the two subsections. It ensures that only the dividend or the interest and not any repayment of the principal will be treated as a dividend in the hands of the recipient. That is what the change is about.

Mr. Knowles: What does it mean?

Mr. Crosbie: That's a good question. It is to ensure that you cannot get repayment of the principal, but that you can only get under this section of the act the dividend or the interest, and the repayment of the principal of an income bond or a term preferred share is not treated as interest or dividend.

Mr. Rae: I do not want to make a long speech on this subject, Mr. Chairman, but—

An hon. Member: But I will.

Mr. Rae: The hon. member for Saint-Henri-Westmount gave an interesting speech this afternoon, some of which I agreed with and some of which I disagreed with, and the minister commented on the complexity of the Income Tax Act.

I will be quite blunt with the minister. My concern is that this House sitting as a Committee of the Whole is unable to understand what it is passing. The minister reads out of his brief from his officials. I do not blame him for that. If any one of us on this side were in his chair we would be in exactly the same position, but he is unable to explain to the Canadian taxpayer in simple words the meaning of the changes on which we are all voting. I am not prepared for my part, and I cannot speak for any other member of my party, to accept this package. I am very reluctant to say "ready; aye, ready" to a series of amendments that are extremely complex, which can hardly be understood, and even when we read them with the Income Tax Act are almost impossible to comprehend. Many of us do not understand the instruments that are being described.

The average Canadian does not know what a term preferred bond or an income bond is, and does not have a clue as to what they are or precisely what we are voting on. I am not ashamed to profess ignorance, and I think it would be healthy if all members of this House asked: what the hell is this instrument we are talking about and what are we doing here? I think we all might learn something from this exercise. We are going to end up putting in several pages of amendments to the Income Tax without being able to justify to our constituents what we have been doing. I think we owe it to ourselves to have an explanation as to why we are saying "ready; aye, ready" to a bunch of clauses which have gone through the Department of Finance and which have not been sifted through or homogenized by the Minister of Finance. I think we deserve that process of homogenization by him.

Mr. Crosbie: Mr. Chairman, let me try again to homogenize. The amendment is to replace the expression "an annual or other periodic amount" with the expression "an amount paid as dividend". This has been the wording in this clause, in line with other provisions of the act, and it is to ensure that this subsection does not apply to any repayment of the principal amount of the security. It could be argued, for example, that the annual repayment of principal on a sinking fund issue would constitute "an annual or other periodic amount", and would thus qualify as a dividend. In other words, if this wording is not changed there is a possibility of a mistake in interpretation, and when you pay an annual amount on principal on a sinking fund issue that could be taken to mean "annual or other periodic amount", treated as a dividend and received by another corporation exempt from tax in their hands. The note goes on to suggest that as such a repayment would be exempt from tax in the hands of the corporation, and the corporation would have a loss on the disposal of the income debenture, and this result is clearly unintended. This amendment now before the committee is proposed to do away with the possibility that this unintended effect could occur. It is to clarify this. It is a technical amendment to the act which only lawyers could draft, and I doubt that most of them could even understand it.

Clause 5 agreed to.

On clause 6—

• (2200)

Mr. Rae: Mr. Chairman, I want to indicate to the minister that, as I said before, we look forward to the evidence, which was so lacking with the Liberal government and which we consistently looked for, to deal with the problem of concentration in the land and housing industry. We needed a series of clear proposals that would deal with the problem of concentration.

The one point the minister made that I want to respond to, Mr. Chairman, is that somehow we are going to march Canada into some totalitarian future, where all Canadians would wear the same clothes, where there would be no diversity and the state would do everything. That is not the point. The point is that some resources, such as land, might be publicly owned—owned by municipalities, by provinces, by co-operatives, and some might be owned privately. We are the party that wants diversity; we are in favour of diversity. All we are saying is that this determination to give everything to the private sector is a guarantee that there will be concentration and not diversity.

It is precisely because we want diversity in the housing industry, because we want things to be owned by the provinces, by the cities, by co-operatives, by trade union co-operatives, by many many different kinds of groups, that we believe there must be an active public sector—an active government. Merely giving a series of tax benefits to private corporations

and private developers does not deal with the problem. It will not lower the price of a single piece of land, and it will not be passed on to the Canadian consumer.

There is no free market that is working in the Adam Smith world which seems to inhabit the minds of hon. gentlemen opposite. It does not exist and it is not working.

May I call it ten o'clock, Mr. Chairman?

The Chairman: Order, please. It being ten o'clock it is my duty to rise, report progress, and request leave to consider the bill again at the next sitting of the House. Is it agreed?

Some hon. Members: Agreed.

Progress reported.

* * *

BUSINESS OF THE HOUSE

Mr. Lefebvre: On a point of order, Mr. Speaker, I should like to know if the hon. member for Burlington or some other member on the other side of the House could tell us if the government intends to bring forth Bill C-17 again tomorrow and if it will be followed by Bill C-18 and Bill C-3, as appears on today's order paper.

Mr. Kempling: Mr. Speaker, it is the intention of the government to proceed tomorrow with Bill C-17 in Committee of the Whole. Should that bill be completed we will probably move to Bill C-18. In any event, we will give plenty of notice if we are going to move to Bill C-18. I rather suspect, though, that we will spend the better part of tomorrow on Bill C-17.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

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

AIRPORTS—POSSIBLE DEVELOPMENT OF AIRPORT AT PICKERING—EXPANSION OF TORONTO INTERNATIONAL

Mr. Alex Jupp (Mississauga North): Mr. Speaker, on October 25 I asked a question of the Minister of Transport (Mr. Mazankowski) arising from the southern Ontario multimodal passenger studies. My question related to the possible expansion of the Toronto International Airport and maintenance of the lands at Pickering. I would like to take this opportunity to expand upon my concerns on this matter and the concerns of my constituents in Mississauga North.

The Minister of Transport gave his assurance "that there will be no decision taken on any airport expansion without full consultation with the municipalities involved." I very much appreciate this assurance, Mr. Speaker, for it is all that my constituents as neighbours of the airport could reasonably expect. We recognize that the ultimate decision on the future role of the present airport must be based largely on the national and the regional interest. All we say is that we wish to have the opportunity to provide input to the decision-making process because, as neighbours, we must live with the consequences of such decisions.

• (2205)

Hon. members will appreciate that living beside Canada's busiest airport is not an unmitigated blessing. Many of the homes in Malton, Cooksville, and Streetsville were built before the airport was located on its present site in 1937. Many others were built within the present airport affected areas of Peel region and Etobicoke before the airport was declared an international airport in 1954.

Last year the Toronto International Airport experienced over 270,000 flights, on an average of about 740 flights per day. For citizens living directly under the flight paths, the environmental damage, particularly in the summer when people are outdoors and windows are open, is more than a simple inconvenience. The noise, especially when only one runway is used for prolonged periods, because of wind conditions, is hazardous both to conversation and one's nerves.

As well, Mr. Speaker, the airport is subject to restricted use during the period from midnight to 7 a.m. However, many people have noticed that these restrictions are honoured more in the breach than is the observance, with the result that their sleep is disturbed.

The major issue of environmental concern, especially to citizens living north and south of the airport, is the possibility of an additional runway. I am pleased, therefore, that the study finds the existing runway system will likely be adequate through to the late 1980s, subject to certain changes in traffic management, procedural measures, and a constraining of general aviation.

The reason that the prospect of a fourth runway is of such concern to these citizens is that the necessary flight paths would affect the homes of some 80,000 people. Many of these citizens have lived in their homes for twenty years and more on the assumption of a certain degree of neighborhood quietude. The construction of a fourth runway in the foreseeable future would be hazardous to their health, to say nothing of my health, and that of my colleagues, the hon. member for Mississauga South (Mr. Blenkarn) and the hon. member for Brampton-Georgetown (Mr. McDermid).

I think it is generally recognized that the question of a third terminal is a different matter. The decision on terminal capacity, as the study reports, can be deferred for a few months. My concern is that the decision be based on the present structural viability of the facilities as they now exist and not be contingent in any way on any additional runway facilities. We appreciate as well that additional terminal requirements will require internal structural changes in parking facilities, baggage handling, ground transportation, and traffic manage-

ment. I do not anticipate any serious objections on any such improvements, again as long as they are integrated into the present runway system of the airport.

We in Mississauga North are the first to recognize the vital importance of a viable airport to our community. The airport provides direct employment to 12,000 of our citizens, and secondary employment to many more thousands. As well, many citizens have chosen to live where they do because of proximity to the airport, and others work for companies that are located in Mississauga because of the location of the airport. The Toronto International Airport is important, therefore, to the economic well-being of Mississauga. We are also conscious of the technological improvements in each generation of aircraft, which have resulted in less noisy aircraft engines. Aircraft design engineers forecast even quieter aircraft in the future. It is against these considerations, Mr. Speaker, which we hope the future decision on the airport will be weighed.

In conclusion, I would like to say a few words about the lands at Pickering. I am delighted that the study recommends maintenance of these lands to protect the long-range option of developing a major airport at Pickering. The justification of the former government for the selection of Pickering is a decision which is now very open to question, when one considers the allegations by Walter Stewart in his book "Paper Juggernaut: Big Government Gone Mad". Nonetheless, the taxpayers now have an investment of over $110 million in the lands at Pickering. It is imperative that the long-range options, which Pickering provides to the Ministry of Transport, not be jeopardized. Whatever is done with the lands over the next several years, whether they be used for agricultural or park purposes, it is important that those options be kept open for the future.

• (2210)

To sum up, Mr. Speaker, I applaud the preparedness of the Minister of Transport to seek out a suitable vehicle whereby local consultation can take place. We do not need any more studies on our transportation in southern Ontario. The walls of the ministry are white with studies undertaken by the previous government. What we now need is dialogue, consultation, and then decisions to be followed by actions based on the long-term interests of the country, the region and the affected communities.

Mr. Otto Jelinek (Parliamentary Secretary to Minister of Transport): Mr. Speaker, I share some of the concerns expressed by the hon. member for Mississauga North (Mr. Jupp). Let me first provide some background information regarding the discussion paper jointly released by the Minister of Transport (Mr. Mazankowski) and the minister of transportation and communications of Ontario.

This paper, called "Southern Ontario Multimodal Passenger Studies", was released to the public on October 15. What I would like to emphasize here is that, first, we have completed a joint study with the province to produce this paper, thus assuring their very valuable participation from the start and their concurrence with the method used to arrive at decisions in the future. With the province, we have insisted that the paper be released publicly so that all interested parties, whether they be municipal authorities, other government groups, representatives of road, rail or air transportation interests, the academic community, or whatever, be given ample time to review the studies and submit comments. This process has been under way since October 15. I want to be sure everyone interested has had a chance to voice their view, and that this view has been taken into account in the decision-making process.

In this regard, the minister will be announcing in the very near future the make-up of a vehicle which will allow all interested parties, be they municipalities, citizens groups, etc., to be heard and express their views.

This brings me to a very important aspect of the work to date. I am sure we all realize that there are many expenditure options to consider inproviding a passenger transportation system in southern Ontario, including large or small improvements in every mode. It seems to me that we should, as the studies to date suggest, look carefully first at how we can maximize the use of existing facilities to foster fiscal restraint as much as possible, something the previous government ignored, to say the least. We must at the same time keep our eyes on other objectives like conserving energy, encouraging economic development, and protecting the environment. Some of these objectives conflict. However, I am certain that it is wise to retain as much flexibility as possible with respect to the type and timing of transportation expenditures. That is why the Minister of Transport hesitates to throw out any options until full consultation is achieved. The minister wants to be sure every mode of transport is given a fair, effective and efficient role.

I can assure the House and the hon. member that we will not give up any short or long-term option until we, with the province, along with the municipalities and other interested groups, have evaluated the consequences of such a decision and come up with the best course of action.

The Minister of Transport has been assured that no major decision need be taken regarding the Malton facilities or Pickering land for six to 12 months. Within that time we are providing for the public consultation process mentioned earlier, the evaluation of comments, review and updating most recent forecasts of traffic, a closer look at cost of various incremental improvements in corridor rail, bus, STOL, etc.

I might add, Mr. Speaker, that the various options for the future management of Pickering lands are being analysed and the results of the analysis will form part of the decision-making process.

The Acting Speaker (Mr. Scott, Victoria-Haliburton): Order, please.

INTERNATIONAL TRADE—POSSIBLE MOVE OF CANADIAN EMBASSY FROM TEL AVIV TO JERUSALEM—EFFECT ON TRADE

Mr. Maurice Foster (Algoma): Mr. Speaker, last Wednesday I put a question to the Minister of State for International Trade (Mr. Wilson) on whether the estimate which had been made recently by some experts as to the amount of trade opportunities which had been lost due to the government's plan to move the Canadian embassy in Israel from Tel Aviv to Jerusalem actually amounted to some $5 billion. The minister indicated at that time he was not able to respond precisely to that estimate. I hope he will be able to do so tonight.

● (2215)

He went on in the course of the discussion that day to indicate that there were no studies of a general nature which he could make available to the House—no such studies had been done. I found that strange because that was the day on which we were starting to debate the freedom of information bill and I thought that since it was being introduced he would surely want to make those studies available. If they were not available it seems incredible we would have this situation where billions of dollars worth of trade opportunities were being lost to Canadian businessmen and the department had not carried out studies. I hope the minister will be tabling those studies tonight, knowing full well that eventually we will have the freedom of information bill and that they will be available at that time in any event.

It was interesting that two days later the hon. member for Ottawa-Carleton (Mr. Pépin) suggested to the Secretary of State for External Affairs (Miss MacDonald) that perhaps the question of the foreign policy review of the Middle East situation could be separated from the question of the location of the Canadian embassy in Israel. The minister indicated that this could not be done because Mr. Stanfield had to complete his study, he had to travel across the country and engage in further consultations and finally make a recommendation. But yesterday the Prime Minister (Mr. Clark) did another flip-flop and announced he would be doing exactly what the member for Ottawa-Carleton had recommended, that is, dividing the two questions, with Mr. Stanfield making his report in January on foreign policy review, and the embassy staying in Tel Aviv.

I think we should look back over that sorry four months of confusion and loss of sales to Middle East countries. Back on April 13, 1978, the hon. member for Rocky Mountain as he was at that time, said:

> In this country we have companies like Atco which have succeeded in this kind of world market despite the obstacles that governments have put in their way. We would get behind more Canadian companies that have the experience and expertise to serve these markets.

It is incredible how they have got behind Atco, for instance, because they have been sitting with a potential sale to the Middle East worth some $10 million. That deal has been in limbo for the past four months. If that is the way the Prime Minister is getting behind a company, we certainly would not want him to get any closer to them.

It seems to me that what we have to concern ourselves with now is how long term the effects will be. We know that Iraq has an embargo against oil coming into Canada which varies between 15,000 and 30,000 barrels a day. We know that a company in British Columbia, Zenith Steel Fabricators, announced over the weekend that it had lost a $43 million order from one of the Middle East countries. Will those sales be retrieved? We know that Bell had a $3.5 billion order with Erickson and Phillips, and we know that Erickson and Phillips have been asked to extend the contract but Bell has not. All these questions will be answered in the long run, but when we have a government which is facing a $7 billion deficit this year in foreign trade and a suggested $10 billion deficit next year, surely this is a very sorry record for a government which came to power saying it was going to help private enterprise, to help business.

We have a minister of trade who was too late going to the Argentine to get that contract for $1.8 billion for Canadian industry. Now he has to start to try to recoup this estimated loss of $5 billion worth of trade with the Middle East, and we will be very interested and hoping that he will be successful in that, because it means a lot to Canadians in terms of exports, dollars, and jobs.

● (2220)

Hon. Michael Wilson (Minister of State for International Trade): Mr. Speaker, I appreciate very much the advice and information the House has been provided by the hon. member. Let me just comment briefly on the trade picture with which we are faced today. This did not happen just over night. This is something which has been developing over a long period of time, and it must be stopped right now. That is one of the reasons this government has identified one person to work solely on the problem of our trade picture.

Let me first get to the specific question the hon. member raised. I said at the time he asked his question, and I say again, that no over-all studies of this particular aspect of the movement of the embassy to Jerusalem have been undertaken. There have been summaries of conversations by me and by officials in the department on the particular experiences of people in the Middle East, of contracts that they are working on and of the relationships we have with Arab clients. These are confidential matters. They are confidential statements. I said that I do not propose to make them public, and I say it again. These are confidential, and if we make these studies public we are not going to receive the benefit of the information these people gain in their work in the Middle East.

I would like to dispute the statements the hon. member made in connection with lost business. During the course of the period since the early part of June when the statement was made by the Prime Minister (Mr. Clark), we have had the summer months. There have been two holiday periods in the Arab countries. As a result, not a lot of business was done over there, so it is fortuitous that this happened at that time, but it is also a fact of life.

I might point out that during the course of this period business has been going on. Contracts have been signed. Merchandise exports to Saudi Arabia in August totalled $11.5 million; to Algeria, $15.5 million; to Libya, $2 million; to Egypt, $3.2 million; to Kuwait, $1.1 million; to Iraq, $9.1 million; and so on. So, business is being done and will continue to be done with that part of the world.

I am confident that the businessmen of this country will move quickly to secure the business that they have been negotiating over the past few months. Negotiations have been continuing, and I am confident that they will move quickly and recover any ground which might have been lost during that period.

The hon. member mentioned ATCO—

The Acting Speaker (Mr. Scott, Victoria-Haliburton): Order, please. I regret to interrupt the hon. minister, but his time has expired.

[*Translation*]

TRANSPORT—WILL GOVERNMENT GIVE PRIORITY TO IMPROVEMENT OF SERVICE BETWEEN MONTREAL AND MIRABEL

Mr. Marcel Roy (Laval): Mr. Speaker, last Wednesday I asked the Minister of Supply and Services (Mr. La Salle) whether the government would give priority to the improvement of ground transportation between Mirabel and Montreal when he meets with his Quebec colleagues on November 5 next. I mentioned, Mr. Speaker, that this matter was an urgent and necessary priority and that the construction of a public transit system between Mirabel and Montreal would provide jobs.

The minister explained to me that there were other projects among his priorities but some Liberals considered rapid transit between Mirabel and Montreal more important than Place Guy Favreau. I am one of those who have always advocated public interest in that area rather than the other project.

At any rate, I would repeat for the benefit of hon. members that we want to hear the recommendations and submissions of the Quebec government, after which we will decide.

Mr. Speaker, this answer concerns me due to the indifference shown by the PQ government and during the time allotted to me I will try to show why I am concerned about the outcome of the project to make Mirabel airport a profitable operation.

Mr. Speaker, if I may I will refer to a statement made by municipal affairs minister Tardif, in an item published in the newspaper *La Presse*, who is in favour of a subway line to Laval rather than a metropolitan express system. He points out that the Quebec government has already done its part to connect the two airports efficiently. Mr. Tardif is of the opinion that the central government must assume responsibility for the metropolitan express system if it feels that it is a priority. So we see exactly the attitude of the Parti Québécois government and how indifferent it is to this project.

• (2225)

I have here in my hand the official report of the Debates of the National Assembly of April 27, 1977, when transport minister Lucien Lessard mentions it once again, and I quote:

It should also be remembered that it is up to the Department of Transport of the federal government to make Mirabel profitable.

Once again mention is made of the lack of interest on the part of the Quebec government in making the metropolitan express system a profitable undertaking.

Mr. Speaker, another attitude worries me even more, considering the situation in the byelection in Prévost, where the Liberal candidate, Mrs. Solange Chaput-Rolland, gave priority in her program to the development of the Mirabel airport and specifically the metropolitan express system while the PQ candidate, Mr. Harvey, was again totally indifferent to its importance.

It is a matter of showing how one must never get discouraged. You have to persist and persevere when you are in earnest about as important a matter as that on the development of the Mirabel airport. I have here, Mr. Speaker, letters dated December 11, 1974, from the Chamber of Commerce of Ville-de-Laval, asking me to continue my efforts toward achieving that objective; so I am speaking here of something that goes back five years.

I have in front of me another letter from the joint commission on urban development for Sainte-Thérèse centre, and this was done in co-operation with my colleagues in the region. First, the hon. members for Terrebonne (Mr. Comtois), Labelle (Mr. Dupras), and Duvernay (Mr. Demers), and myself have tried to meet with the aldermen, the city councillors, the mayors, in order to gain their support to develop this project. I have received a resolution from the joint commission on urban development, dated May 13, 1977, supporting hon. members' action concerning the development of this type of road transportation system.

I have here another resolution which says that Mirabel affords Montreal the opportunity to remain one of Canada's large urban centres, and which comes from eight executive presidents of the Trucking Association of Quebec Inc.; it also supports fully the development of this means of transportation between Mirabel and Montreal. I have still another resolution from the Mirabel Chamber of Commerce dated June 20, 1977, supporting this project, by unanimous approval of its members. And there is support from Rosemère, Sainte-Thérèse and Blainville which are all in favour of developing this metropolitan express system as a way of stopping the accumulation of huge deficits for this airport.

Here is more evidence, Mr. Speaker, and not the least; it is a statement made by the minister, Mr. Mailloux, at a weekly

luncheon at the Chamber of Commerce of Montreal which says, and I quote:

Mr. Mailloux indicated that the government of Quebec—

—the Liberal government of the time—

—expressed its general agreement with the principle of building a rapid transit system between Montreal and Mirabel, according to the main lines of the report, provided there is adequate financial participation from the various levels of governments.

Mr. Speaker, on December 5, in Montreal, the Liberal caucus of the area of Montreal met with the executive of the city of Montreal. At this joint meeting which had been organized by my colleague the hon. member for Terrebonne and myself, Mayor Drapeau emphasized for cabinet members as well as ordinary members the necessity to build a metropolitan express system to develop Mirabel airport. In view of all these testimonies, Mr. Speaker, and the indifference of the PQ government, I feel that this project should be given top priority in order to limit the deficit of the Mirabel operation. I feel also that the Minister of Supply and Services, who represents a constituency north of Montreal, should support the efforts of his colleagues of the former government to develop Mirabel airport. If the minister remains indifferent to this request, Mr. Speaker, I am sure that the voters will not soon forget it.

● (2230)

[*English*]

Mr. Otto Jelinek (Parliamentary Secretary to Minister of Transport): Mr. Speaker, although the hon. member directed his original question to the Minister of Supply and Services (Mr. La Salle), it concerns transport and that is why I am taking the liberty as Parliamentary Secretary to the Minister of Transport to reply to the hon. member. I am surprised that after all the years he has been in the House he does not realize this matter concerns transport primarily.

I can assure the hon. member that indeed consultation will take place with the Quebec government, the city of Montreal, as well as other municipalities and interest groups on any matters pertaining to Mirabel and other areas in the province of Quebec, just as consultations will take place with other municipalities and cities in other parts of Canada before any decisions are made by this minister.

Also I should like to answer the hon. member's question related to ground transportation service between Mirabel and downtown Montreal via Laval. Since the Mirabel airport opened in 1975, there have been adequate bus transportation services provided between Montreal and Mirabel. The Montreal Urban Community Transport Commission has been providing service from the CN central station to Mirabel and from Dorval to Mirabel. The Laval Transport Commission has been providing a service from the Henri-Bourassa metro station to Mirabel. This service carried 83,000 passengers in 1978, of which more than 90 per cent were Mirabel employees.

The level and the quality of service provided by these two transport commissions, the MUCTC and LTC, is very adequate, especially if we consider the actual level of patronage at Mirabel and the characteristics of the airport users who are mainly international passengers with flying time of many hours. Within the context of international travel the extra time required to travel by bus from Mirabel to Montreal, approximately 15 minutes, is minimal indeed when compared to the more than $100 million it would cost to implement a Montreal-Mirabel highspeed rail system at this time. Therefore, the outlay of an expenditure in the area of $100 million, especially in this time of restraint, would be difficult to justify. I want to remind the hon. member of that fact. As for any service of this nature, ways of improvement are constantly the subject of examination and analysis, which is something the previous government did not take the time to do. With respect to this specific issue, I might add that provincial, municipal and federal officials are presently studying means to improve the downtown terminal.

Also the hon. member for Laval asked if it is the minister's intention, when he meets with the Quebec government, to consider that service as a priority. The hon. member may be assured that the minister recognizes the importance of an appropriate ground transportation system to Mirabel, particularly in the future, and that necessary steps will be taken in due course.

The Acting Speaker (Mr. Scott, Victoria-Haliburton): The motion to adjourn the House is now deemed to have been adopted. Accordingly, this House stands adjourned until tomorrow at two o'clock p.m.

Motion agreed to and the House adjourned at 10.34 p.m.

HOUSE OF COMMONS

Wednesday, October 31, 1979

The House met at 2 p.m.

● (1405)

ROUTINE PROCEEDINGS

[*English*]

FINANCE

INCREASES IN INTEREST RATES—REQUEST CENTRAL BANK PROVIDE REPORT ON ADVERSE EFFECTS ON ECONOMY—MOTION UNDER S.O. 43

Hon. Herb Gray (Windsor West): Mr. Speaker, I rise under the provisions of Standing Order 43. In view of yesterday's admission by the Minister of Finance (Mr. Crosbie) to the House of Commons finance committee that his government's policy of raising interest rates almost in lock-step with United States rates will have depressive effects on the Canadian economy, in view of the fact that this interest rate policy will impose additional costs on Canadian taxpayers, for example because of the higher Canada Savings Bond rates which will have to be paid, and the necessity for substantially greater unemployment insurance and welfare payments, and in view of the Conservative government's promise to bring more openness to the budget-making process, and in particular to make financial forecasts and estimates available to the public, I move, seconded by the hon. member for Notre-Dame-de-Grâce (Mr. Allmand):

That this House order the Minister of Finance to issue a directive to the governor of the Bank of Canada to provide to the House the results, in detail, of the Bank of Canada's analysis of the effects of the increases in interest rates since May 22, 1979, on jobs, economic growth, housing and food costs and the number of consumer and small business bankruptcies over the coming year.

Mr. Speaker: The presentation of such a motion for discussion at this time can be done only with unanimous consent. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

[*Translation*]

FREEDOM OF INFORMATION

REQUEST GUIDELINES BE ESTABLISHED RESPECTING ACCESS TO GOVERNMENT INFORMATION—MOTION UNDER S.O. 43

Hon. J.-J. Blais (Nipissing): Mr. Speaker, pursuant to Standing Order 43, I seek the unanimous consent of the House to move a motion on a matter of urgent and pressing necessity.

In view of the fact that the President of the Privy Council stated recently that Canadians would be unable to avail themselves of the provisions of the Freedom of Information Act for at least six months, which means one year; that the House has reacted positively to this bill; and taking into account the fact that these provisions are merely making compulsory what can already be made on a voluntary basis, I move, seconded by the hon. member for Kenora-Rainy River (Mr. Reid):

That the House urge the Government of Canada to direct all federal civil servants to comply with the principles of the bill and, to facilitate their task, to issue forthwith guidelines and an index system.

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

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

[*English*]

CANADIAN BROADCASTING CORPORATION

RADIO REPORT OF SPEECH OF LEADER OF THE OPPOSITION—MOTION UNDER S.O. 43

Mr. Edward Broadbent (Oshawa): Mr. Speaker, I have a motion that is appropriate to this particular date. I would like to move a motion, under the provisions of Standing Order 43, concerning an important matter of irresponsible journalism. Therefore, I move, seconded by the hon. member for Mission-Port Moody (Mr. Rose):

That, while noting that today is Halloween, this House condemns CBC radio for the frivolous Halloween hoax it indulged in when it reported this morning that the Leader of the Opposition actually wants to defeat the government at this time.

Some hon. Members: Hear, hear!

S.O. 43

[*Translation*]

EXTERNAL AFFAIRS

GARRISON DIVERSION PROJECT—REQUEST PRIME MINISTER DISCUSS QUESTION WITH PRESIDENT CARTER—MOTION UNDER S.O. 43

Mr. Irénée Pelletier (Sherbrooke): Mr. Speaker, under the provisions of Standing Order 43, I request the unanimous consent of the House to move a motion relating to a matter of urgent and pressing necessity.

In view of the fact that many organizations in Manitoba have already stated their opposition to the Garrison project, and that a great many citizens have already voiced their disagreement to the government of that province as well as to the federal government, in view of the fact that the International Joint Commission which is made up of representatives of the Canadian and American governments has indicated very clearly to the American government the concern of Manitobans about this project going any further, and in view of the fact that the most impartial studies have clearly demonstrated that carrying on this project would have a disastrous impact on the economy and especially on the ecology of southern Manitoba, I move, seconded by the hon. member for Winnipeg-Fort Garry (Mr. Axworthy):

That among the priority items which will be discussed with President Carter next week the Prime Minister include the serious economic and ecologic problem faced by Manitoba residents because of the Garrison project.

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

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

● (1410)

[*English*]

NORTHERN AFFAIRS

CONDEMNATION OF GOVERNMENT FOR INACTION ON COPE AGREEMENT—MOTION UNDER S.O. 43

Mr. Rod Murphy (Churchill): Mr. Speaker, I rise, under the provisions of Standing Order 43, on a matter of urgent and pressing necessity.

In view of the fact that the Committee for Original People's Entitlement agreement should have been signed today, in view of the fact that the Treasury Board has obviously reneged on providing the financial compensation which is due under this agreement, and in view of the fact that the native people in the western Arctic are entitled to the financial compensation due under this agreement, as well as to surface and subsurface rights on the land they have lived on for generations, I would move, seconded by the hon. member for Oshawa (Mr. Broadbent):

That this House condemn the action of the Conservative government in reneging on the COPE agreement.

Mr. Speaker: Is there unanimous consent to the introduction of such a motion?

Some hon. Members: Agreed.

Some hon. Members: No.

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OFFICIAL LANGUAGES

SECOND LANGUAGE AND MINORITY LANGUAGE EDUCATION—MOTION UNDER S.O. 43

Hon. Warren Allmand (Notre-Dame-de-Grâce): Mr. Speaker, I rise, under the provisions of Standing Order 43, to ask leave to move a motion on a matter of urgent and pressing necessity.

In light of the answer given on October 29 by the Secretary of State to the hon. member for Ottawa-Vanier (Mr. Gauthier) that the government would not require an accountability clause in its new federal-provincial agreements with respect to the use of federal funds for second language and minority language education, I would move:

That this House require the Secretary of State to delay the implementation of the new federal-provincial agreements on minority and second language education until there has been a complete examination of the manner in which former agreements were carried out and how the money was spent.

Mr. Gauthier (Ottawa-Vanier): I second that motion.

Mr. Speaker: Introduction of such a motion would require unanimous consent. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

FINANCE

COMPLAINTS OF UNFAIR GOVERNMENT COMPETITION—MOTION UNDER S.O. 43

Mr. Peter Stollery (Spadina): Mr. Speaker, I rise, under the terms of Standing Order 43, on a matter of urgent necessity.

In view of the fact that the present administration stands for open and consultative government, and in view of complaints of unfair government competition, I move, seconded by the hon. member for Labelle (Mr. Dupras):

That the Minister of Finance meet with the president of the Canadian loan shark association.

CANADIAN BROADCASTING CORPORATION

NEWS ITEM ON LOCATION OF CANADIAN EMBASSY IN ISRAEL—MOTION UNDER S.O. 43

Mr. Jim Fleming (York West): Mr. Speaker, I rise, under the terms of Standing Order 43, on a matter of urgent and pressing necessity.

In the light of a news report on CBC national news last evening that the Secretary of State for External Afairs (Miss MacDonald) had suggested the disastrous foreign policy to move the Canadian embassy from Tel Aviv to Jerusalem might have done some good by giving Canada "such a high profile abroad", I ask leave to move, seconded by the hon. member for Windsor-Walkerville (Mr. MacGuigan):

That this House urge the Secretary of State for External Affairs to inform the House as soon as possible whether or not the next move to further enhance Canada's profile internationally will be to sell the profitable parts of Petro-Canada to Libya.

Some hon. Members: Oh, oh!

* * *

THE ENVIRONMENT

CALL FOR STRICTER REGULATION OF OIL TANKERS—MOTION UNDER S.O. 43

Mr. Andy Hogan (Cape Breton-East Richmond): Mr. Speaker, I have a motion, under Standing Order 43, on a matter of urgent and pressing necessity.

Since the owners of the *Kurdistan*, a British tanker which spilled 7,000 tons of its oil cargo into the Cabot Strait of Nova Scotia, are placing a bill of $7 million against the federal government, and since Nova Scotia has been the victim of both the *Arrow* and the *Kurdistan* oil spills, I would move, seconded by the hon. member for Sault Ste. Marie (Mr. Symes):

That the departments of transport and environment tighten up sharply on the administration of the regulations and the adherence of oil tankers to them, in view of the nearness of winter.

Mr. Speaker: Introduction of such a motion for debate at this time can be done only with unanimous consent. Is there unanimous consent?

Some hon. Members: Agreed.

An hon. Member: No.

• (1415)

ORAL QUESTION PERIOD

[*English*]

THE CANADIAN ECONOMY

OIL PRICES—REACTION OF PROVINCES TO POSSIBLE INCREASES

Right Hon. P. E. Trudeau (Leader of the Opposition): Mr. Speaker—

An hon. Member: Hold that tiger.

Mr. Trudeau: —I have a question for the Prime Minister, but first I wish to express my agreement with him when I saw him and a member of his party smell—smile—

Some hon. Members: Oh, oh!

Mr. Trudeau: Mr. Speaker, I withdraw that allegation. But they did smile at the motion under Standing Order 43 of the Leader of the New Democratic Party, because it certainly is much easier for him to describe as a hoax something which otherwise would force him to take the responsibility of siding with the official opposition.

Some hon. Members: Hear, hear!

Mr. Trudeau: My question to the Prime Minister has to do with the increasing concern and disarray which has been spreading across the country since Premier Lougheed's statement about the unilateral setting of oil prices. I only have to refer to Premier Buchanan of Nova Scotia who described it as absolutely disastrous, and the finance minister of Manitoba who expressed total disagreement.

Yesterday the Prime Minister told us that he had not time to read Premier Lougheed's speech. Now that he presumably has, could he assure us—an assurance he was not quite able to give us yesterday—that the policy of his government would not permit the unilateral setting of prices of petroleum products across Canada by one province?

Right Hon. Joe Clark (Prime Minister): Mr. Speaker, we have not yet received, and I gather there was not in fact, a text of that speech. We are still trying to get—

Mr. Chrétien: Slow communications.

Mr. Clark: —a copy of the transcript.

Mr. Chrétien: It was on the air.

Mr. Clark: My understanding is that the full speech indicated general agreement with the rate of progress which has been made in moving the country toward some agreement on an energy package. I certainly believe that we are moving toward some agreement on an energy package, so I think it is not likely that the country will have to face the prospect of an attempt by the government of Alberta or any other province to set energy prices unilaterally.

Mr. Nystrom: Answer the question.

Mr. Trudeau: Mr. Speaker, the Prime Minister keeps living in the hope that there is no real threat. I believe he was doing that when he withdrew the referendum bill which would have permitted us to answer Premier Lévesque's threat.

Now the Prime Minister tells us that there is no threat from Alberta. I am asking him what his policy is. He did indicate that he would not contemplate using declaratory power or emergency power. I just remind him that one of his predecessors in office, Mr. Diefenbaker, used declaratory power for as simple a matter as the NCC.

The question of the energy policy of the government in the coming winter is a matter of national urgency and importance. Can the Prime Minister tell us that as against the Alberta unilateral policy of setting prices his government will, if necessary, use the tools at its disposal to prevent a unilateral setting of prices by Alberta?

Some hon. Members: Hear, hear!

Mr. Clark: Mr. Speaker, the Leader of the Opposition continues to deal in hypothetical questions—

Some hon. Members: Oh, oh!

Mr. Clark: —but I will answer his hypothesis. Naturally, if the need exists, the Government of Canada will protect the national interest; but I can express to the Leader of the Opposition and to the country my confidence that it is going to be possible to get agreement on an energy package without the Government of Canada having to use extraordinary, unilateral powers.

Some hon. Members: Hear, hear!

Mr. Trudeau: Mr. Speaker, first the Prime Minister told us he had not seen Premier Lougheed's speech two days ago, nor a transcript of it. Now he describes the Alberta policy as hypothetical. It is not hypothetical; it is a statement the Prime Minister can verify.

However, more importantly, is it not the Prime Minister who is dealing in hypothetical situations? Can he not accept the fact that there is an agreement now with the government of Alberta? It was negotiated by our government when it was in office. It will last until July 1 next. Why is this government reopening the whole pricing policy? Why is it not telling the Canadian people that they can have a winter of energy peace, that the government will take a few weeks or months to get its act together, and this confrontation is absolutely unnecessary since there is an agreement in place for a $1 increase on January 1. Why does the Prime Minister not say that that is the agreement which will stay at least until July 1?

● (1420)

Some hon. Members: Hear, hear!

Mr. Clark: Mr. Speaker, there is no confrontation—

Some hon. Members: Oh, oh!

[Mr. Nystrom.]

Mr. Clark: There is some shouting from the other side of the House from people who are perhaps having difficulty getting through to their leader in the normal way and are now shouting at him.

Some hon. Members: Hear, hear!

Mr. Clark: It is probably the case that the former prime minister would have used a news report from Vancouver as an excuse for having the federal government invoke unilateral power arbitrarily. This government will not do that, because we believe we can achieve agreement by agreement among the provinces, and we expect to be able to make progress on that very shortly.

Some hon. Members: Hear, hear!

Mr. Clark: The former prime minister asks why we do not delay this decision. One of the differences between this government and the government he headed is that this government does not delay tough decisions.

Some hon. Members: Hear, hear!

An hon. Member: Yes, such as decisions about moving the embassy to Jerusalem.

USE OF WORD "CONFRONTATION" IN SPEECH OF PREMIER OF ALBERTA

Hon. Allan J. MacEachen (Cape Breton Highlands-Canso): Mr. Speaker, the Prime Minister says there is no confrontation. I would refer him to the words of the Premier of Alberta, who said recently to 900 Progressive Conservatives, referring to this problem, "you and I are in confrontation." So there is a confrontation, if the Prime Minister does not realize this.

In view of the words of the Premier of Alberta, talking about confrontation, in view of the evident dissatisfaction expressed by the Premier of Ontario, in view of the disastrous scenario painted by the Premier of Nova Scotia—all adding up to a chaotic, embittered, confused situation in federal-provincial relations—I should like to ask the Prime Minister whether this situation was carefully stage-managed by the government in order to implement the pledge made in the Speech from the Throne that "my ministers are making every effort to change the climate of federal-provincial relations".

Right Hon. Joe Clark (Prime Minister): Mr. Speaker, the reason it is necessary for this government to continue to make progress before a change in the climate of federal-provincial relations is that, as the question just asked indicates, the former government took every occasion they could to engender confrontation in this country.

Some hon. Members: Hear, hear!

Mr. Clark: The interest of this government is not in finding people to fight with in Canada but, rather, in working out with the provinces of Canada agreements which in this case will move this nation toward energy self-sufficiency.

Some hon. Members: Hear, hear!

Mr. MacEachen: Mr. Speaker, the Prime Minister is, of course, living in a dream world because he talks about hope and consensus, when the Premier of Alberta said that price increases and negotiations in 1973, 1974 and 1975 "have been like kindergarten compared to talks in 1979". So that is the analysis of the Premier of Alberta, who talks about confrontation and about the kindergarten that existed, which implies a very favourable atmosphere.

May I ask the Prime Minister, who is the key player in these negotiations: if he has refused to extend the existing agreement with the provinces for another year—which would be sensible—he must have some idea in his mind as to what kind of a proposal he is putting before the provinces. Would he tell the House, and probably relieve the anxiety expressed in the Atlantic provinces, whether the country and the Atlantic provinces can be assured at the present time that the Prime Minister is not proposing a substantial increase in oil prices which, in the words of Premier Buchanan, would be disastrous for the Atlantic provinces?

• (1425)

Mr. Clark: I must say, Mr. Speaker, that the hon. member has done his best to weave together a question drawing out of context various quotations by various premiers on different subjects.

Some hon. Members: Oh, oh!

Mr. Clark: He is doing the best he can to bring some order to that kindergarten over there. Certainly I can give to the Premier of Nova Scotia, through this House, the assurance that there will be full consultation with that government prior to any agreement on energy prices; that there will be, as part of the package, a series of programs to help regions of the country where the increases may cause some momentary difficulty to overcome those problems; that, indeed, we are moving this country toward a position where it will be possible for the government of Nova Scotia and other governments with resource capacities to find federal government support, to find private sector support, to find the investment necessary to bring their own resources on stream and to contribute themselves to the development of energy self-sufficiency in this country.

Some hon. Members: Oh, oh!

Some hon. Members: Hear, hear!

INQUIRY WHETHER PRIME MINISTER HAS DISCUSSED WITH PREMIER OF ALBERTA CONTENT OF PREMIER'S REMARKS

Mr. Edward Broadbent (Oshawa): Mr. Speaker, I have a question for the Prime Minister. Given the extraordinary nature of the statement attributed to Premier Lougheed more than 36 hours ago, in which he was asserting that his government would take unilateral action in setting prices for a fundamentally important commodity like oil, and saying to Canadians in other provinces that they can like it or lump it, can the Prime Minister explain to the House why in the last 36 hours he has not telephoned Premier Lougheed to verify the accuracy of these comments and, if they were accurate, to make it clear on behalf of the people of Canada that they were unacceptable to the Government of Canada?

Right Hon. Joe Clark (Prime Minister): Mr. Speaker, let me make it clear that in my judgment—

Some hon. Members: Oh, oh!

Mr. Clark: Hon. members opposite can, if they want, try to create national panic and national concern by quoting out of context statements made by the Premier of Alberta.

Some hon. Members: Oh, oh!

Mr. Clark: I can repeat to the House of Commons my view that there is no likelihood, no danger of unilateral action by the government of Alberta. I can repeat to the House of Commons my assurance that if the national interest were seriously jeopardized, this government would use the instruments available to it to protect that national interest, although I do not think that will be necessary. I can indicate that I have not yet been in touch with the Premier of Alberta—

An hon. Member: Why not?

Mr. Clark: Because I want to see the transcript of what he said. I expect to be in touch with him and other premiers shortly. I expect that we will be able to make progress by agreement, not by unilateral action on either side, toward the accomplishment of an energy package for this country.

Some hon. Members: Hear, hear!

Mr. Broadbent: Mr. Speaker, the Prime Minister said that we on this side are quoting out of context comments made by Premier Lougheed. I would like to ask him how he knows that, if he has not even found out what the premier said.

Some hon. Members: Hear, hear!

Mr. Broadbent: How does he know we are quoting out of context? I cannot see anything other than the sheerest ignoring of responsibility on the part of the Prime Minister, to come into the House two days in a row without verifying with the crucial premier, in terms of energy resources in the country, the accuracy of some extraordinary statements which were attributed to him.

I would ask him to answer the crucial question put by the Leader of the Official Opposition: At this point, when an agreement already exists on the pricing of oil which would take us to next July, why is this government embarking upon a course of action that will do harm in terms of jobs and harm in terms of the cost of living to every person who lives in this country?

Some hon. Members: Hear, hear!

Mr. Clark: Mr. Speaker, the reason we have entered into discussions with the provinces of Canada regarding the bringing into place of an energy package is that we think it is prudent and necessary for the national government to plan ahead. If we do not plan ahead, if we do not make decisions now which will serve the future, then we will truly jeopardize the longer-run interest of this country by leaving Canada too exposed to foreign sources of petroleum.

Some hon. Members: Hear, hear!

• (1430)

Mr. Broadbent: A final supplementary, Mr. Speaker. I read the Prime Minister as saying that the oil companies need more money: there cannot be any other conclusion.

Some hon. Members: Oh, oh!

Mr. Broadbent: I want the Prime Minister to answer, because the Leader of the Opposition posed a straightforward question. I tried to repeat it and the Prime Minister simply came out with rhetoric.

Considering that the oil companies, or the majors, made a 55 per cent increase in profits this year, and considering that any oil price increase will produce—according to various government department estimates—a loss of, not hundreds but thousands of jobs in Canada, as well as boosting the cost of living, why does the Prime Minister not provide the increase in price he is aiming for but rely on Petro-Canada to do the essential job in resource development for us in the north?

Mr. Clark: Mr. Speaker, it is our view that there does have to be an increase in energy prices in this country, not to yield new profits to the companies but, instead, to make it more possible for more companies—and, we would hope, more Canadian companies—to bring new Canadian supplies on stream, to make it more possible for substitution of fuel uses so we can begin to bring into practice significant conservation measures; and to make it possible for this nation, a nation which is blessed with a plenitude of resources, to move toward self-sufficiency instead of following the policies adopted by the former government, supported by the New Democratic Party, which would have had us drift into increasing dependence on unstable foreign sources.

Some hon. Members: Hear, hear!

* * *

[*Translation*]

RESEARCH AND DEVELOPMENT

USE OF FUNDS FOR RESEARCH PROGRAM

Mr. Eudore Allard (Rimouski): Mr. Speaker, my question is for the Minister of State for Science and Technology. In view of the fact that in May, 1978, the government of the time announced a program to increase research programs from 0.9 to 1.5 per cent of the gross national product by 1983, and since the present government has upped this objective to 2.5 per cent of the gross national product by 1985, can the minister inform the House whether he will be implementing this proposal, and since universities and research programs are feeling the squeeze due to cutbacks, can he advise the House as to his intentions regarding this new program?

Hon. Heward Grafftey (Minister of State for Science and Technology): Yes, Mr. Speaker. I would like to take this opportunity to thank the hon. member for a very interesting question. It is true—

Some hon. Members: Oh, oh!

Mr. Grafftey: I do not see what is so funny. I am just being polite. We have considered the matter very closely. As for the 2.5 per cent mentioned by the hon. member, it remains a challenge for this government, and we have also examined the situation within government. I want to inform the hon. member that we intend to make a very interesting announcement in the near future.

* * *

[*English*]

FISHERIES

COD FISHING BY LARGE TRAWLERS IN GULF OF ST. LAWRENCE—PROTEST BY INSHORE FISHERMEN

Mr. William Rompkey (Grand Falls-White Bay-Labrador): Mr. Speaker, my question is for the Minister of Fisheries and Oceans and has to do with his decision to allow vessels over 100 feet, owned by large corporations, back into certain areas of the Gulf of St. Lawrence to fish cod.

In view of the mounting protest, particularly among inshore fishermen in the maritime provinces and Quebec, but apparently shared by others—including certain Atlantic ministers and fisheries officials—and in view of the fact that the Standing Committee on Fisheries and Forestry last night adopted a motion by my colleague, the hon. member for Gloucester, to hear tomorrow from certain interest groups who have grave concerns about the effects of this decision, I want to ask the minister if he will now reconsider his decision, or at least delay it until the standing committee has had a chance to hear from the parties who are affected by the decision.

Hon. James A. McGrath (Minister of Fisheries and Oceans): Mr. Speaker, this matter was dealt with fully in the committee last night. My decision still stands, and I am prepared to stand by that decision. My answer to the hon. member is "No".

Mr. Rompkey: Mr. Speaker, in view of the story in this morning's Halifax *Chronicle-Herald* that a proposal will be submitted to the Atlantic Groundfish Advisory Committee calling for a phasing-out of the trawlers in the next few years, and in view of the fact that this position is apparently supported by the majority of governments in the Atlantic area, does

the minister not feel that his decision flies in the face of the direction in which most of the Atlantic provinces want to move, and will he now heed the cries for help from the inshore fishermen in that area and reconsider his decision?

Mr. McGrath: Mr. Speaker, I have no such recommendation from the Atlantic Groundfish Advisory Committee. If such a recommendation did come before me, naturally I would give it the consideration it would justly deserve. But, Mr. Speaker, I would say again to the hon. member and to the House that the decision to allow offshore trawlers into the Gulf was one that was not taken lightly.

However, it is interesting to note that when these 100-footers were banned from the Gulf in 1976 because of the condition of the stocks, or the threat to the stocks, there was a clear understanding given to them at the time that they would be allowed back in once the stocks had fully recovered. That is now the situation, Mr. Speaker, and we are allowing the 100-footers back in the Gulf, at least for the next two months.

[*Translation*]

INQUIRY WHETHER DEPARTMENTAL OFFICIALS AWARE OF FISHERY PROBLEM IN GULF OF ST. LAWRENCE

Mr. Herb Breau (Gloucester): Mr. Speaker, I wish to put a supplementary question to the Minister of Fisheries and Oceans.

When he says that now the situation is just about back to normal in the Gulf, he carefully avoids mentioning that most of these big trawlers belong to big corporations which will probably catch 100,000 metric tons of codfish this year outside the Gulf of St. Lawrence. So they did not really need to come back into the Gulf. Is the minister telling us, in view of the fact that last night in committee he acknowledged that he was not really aware of all facts regarding the possible damages that these big trawlers could do to the natural habitat in the Gulf, in the 4T zone of the Gulf and mainly to the crab hatcheries, that all the fishermen, all the Atlantic provinces associations which are opposed to their comeback and do not agree with these scientists, I repeat, is he actually telling the House that—

Mr. Speaker: Would the hon. member put his question.

Mr. Breau: Is the minister saying that these thousands of fishermen do not actually know what they are saying and that the scientists in his department know better than they do?

[*English*]

Hon. James A. McGrath (Minister of Fisheries and Oceans): Mr. Speaker, I want first of all to tell the hon. member that the owners of these trawlers are good corporate citizens of this country, good taxpayers employing Canadians in their fish plants. That seems to be something the hon. member tends to forget.

Certainly, the hon. member knows from the evidence presented to the committee last night that the decision to allow the 100-footers into the Gulf to fish for the 6,000 metric tons that were added to the TAC was taken after the scientific data came in, and after I had received advice that this was the way to go. We explained it last night in the committee, and it will be explained in the committee again tomorrow. I do not know what more I can do for the hon. member.

[*Translation*]

CATCH OF MATURE CODFISH—EFFECT ON FUTURE STOCKS

Mr. Alexandre Cyr (Gaspé): Mr. Speaker, I have a question for the Minister of Fisheries and Oceans. Was the minister duly informed by experts, before taking his decision, that this year these big trawlers will catch four to five-year old cod about 15 inches long, and that in three or four years it will prevent the Quebec fishery industry from catching higher quality cod, thus preventing a better performance of the Quebec fishing industry?

[*English*]

Hon. James A. McGrath (Minister of Fisheries and Oceans): Mr. Speaker, I would remind the hon. member, again, that these trawlers are now fishing in 4T zone for the same cod stock that they traditionally fished for in 4VN. He also knows, Mr. Speaker, that we have observers on these trawlers to ensure that there will be no excess juvenile fish caught. The hon. member knows full well that all precautions are being taken and will be taken to ensure that we do not, in fact, interfere with the inshore fishery either on the North Shore of Quebec, the Magdalens, or in the Gulf.

[*Translation*]

CODFISH CATCH BY LARGE TRAWLERS IN GULF—GOVERNMENT POSITION

Mr. Alexandre Cyr (Gaspé): Mr. Speaker, I want to put a supplementary question because the minister did not answer my question. Before deciding to let large trawlers of 100 feet or more operate in the Gulf of St. Lawrence, did his scientific advisers tell him that by June 30, 1979, those large trawlers had caught 50 per cent more cod during last season in the 200-mile fishing zone of the Atlantic Ocean?

● (1440)

[*English*]

Hon. James A. McGrath (Minister of Fisheries and Oceans): Mr. Speaker, that is the case; and the hon. member also knows that catches for inshore fishermen have also increased. As the stocks recover, catches also increase. On the basis of the recovery of the stocks, the decision was made to allow the 100-footers back in the Gulf during the months of November and December, when there is no inshore activity in the first place.

Oral Questions

ROLE OF MINISTER IN FISHERIES' DISPUTES

Hon. Roméo LeBlanc (Westmorland-Kent): Mr. Speaker, I certainly gave no undertaking, when the large trawlers were removed from the Gulf of St. Lawrence, that they would be allowed to return. In fact, I made it very clear that because we had opened the 200-mile limit to them, from which they reaped great benefits—

An hon. Member: Order.

Mr. LeBlanc: Don't you want to hear the information?

An hon. Member: You were defeated.

Mr. Speaker: Order. If the hon. member has a question, would he please put it.

Mr. LeBlanc: Does the minister not feel that in the absence of organizations which represent inshore fishermen, and in the presence of so many "good corporate citizens" who sit on the advisory committee, it is his responsibility as minister to represent those who have no voice on fisheries' advisory groups and to make sure their interests are protected, instead of protecting the interests of those who have already been well served by the resource?

Hon. James A. McGrath (Minister of Fisheries and Oceans): Mr. Speaker, if there was not an undertaking given, there was certainly an understanding that the 100-foot boats would be allowed back into the Gulf. I would say to the hon. member—who is a former minister of fisheries and should know better—that the inshore fishermen are represented on the AGAC committee where the decision was made.

Furthermore, I did, indeed, consult with the inshore fishermen. I went to the North Shore of New Brunswick, met with representatives of the fishermen there and we had a full airing of the subject, as we did last night in committee and as we will again tomorrow in committee when the same representatives appear before it.

Mr. LeBlanc: Mr. Speaker, the fishermen are represented, but if one looks at the names of the 15 or 20 representatives they will see that only one or two can be designated as inshore fishermen; and even at that, many of them represent 65-foot boats, not the small, 50-foot boats and under. I would like to say to the minister—

Some hon. Members: Order.

Mr. Speaker: Order, please. Would the hon. member put his question.

Mr. LeBlanc: May I ask the minister if he has any documents to show that there was an understanding or an undertaking that the fleet which was excluded from the Gulf would ever be allowed to return?

Mr. McGrath: Mr. Speaker, it is my understanding that such a commitment was made. If I am wrong, I will be the first to admit it. I will undertake to see if that information is available, and it will be tabled tomorrow at committee. I remind the hon. member that there were full consultations—and he knows that—before this decision was taken.

[Mr. McGrath.]

* * *

NUCLEAR POWER

PROPOSED U.S. NUCLEAR POWER PLANT NEAR B.C. BORDER—GOVERNMENT ATTITUDE TOWARD POSSIBLE DANGER TO CANADIANS

Mr. Mark Rose (Mission-Port Moody): Mr. Speaker, my question is addressed to the Secretary of State for External Affairs. In view of the fact that a huge nuclear power plant is proposed for Sedro Woolley, in Washington's Skagit Valley, and since the site chosen is only 35 miles from population centres in British Columbia totalling almost one million people and should an accident ever take place massive environmental and evacuation problems would likely be encountered, what is the government's attitude toward the building of this nuclear power plant so close to our border? Is it one of official approval, disapproval, or indifference?

Hon. Flora MacDonald (Secretary of State for External Affairs): Mr. Speaker, this is a concern that has been expressed to me by many members on this side of the House as well as members in the opposition parties. While it is impossible for Canada to determine where the United States, or interests in the United States, will locate their nuclear power plants, nevertheless we have raised this subject with officials of the U.S. State Department.

Mr. Rose: Mr. Speaker, I am pleased to hear the reply of the minister, although she was not very specific as to the type of response the government made to United States officials. Since next week there will be hearings and a referendum held in the Skagit Valley, in Skagit County, to determine whether or not to withdraw the re-zoning of this particular plant for a number of environmental reasons, and in addition there is an intervention—

Mr. Speaker: Order. Is the hon. member intending to put a supplementary question?

Mr. Rose: I was just getting to it, Mr. Speaker. I am sorry, but I must have been infected by what I heard here earlier.

I want to ask the minister, since at this moment the only thing that is helping us at these hearings is an executive order, signed by Jimmy Carter, requiring an environmental impact study, does the government plan to be present in any official capacity at these hearings next week?

Miss MacDonald: Mr. Speaker, at the moment I cannot tell the hon. member whether or not there will be any official representation. There has not been a decision taken on that matter.

AIRPORTS

IMPROVEMENTS AT EDMONTON INTERNATIONAL

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, in order to repair the indifference and studied neglect of the operational conditions at the Edmonton international airport, could the Minister of Transport tell us what work has been done, what work is being done, and what is being contemplated in the near future?

An hon. Member: Put it on the order paper.

Hon. Don Mazankowski (Minister of Transport): Mr. Speaker, the answer is that very much has been done.

Some hon. Members: Oh, oh!

Some hon. Members: Hear, hear!

Mr. Chrétien: You found a job for Marcel.

Mr. Mazankowski: Since June 4 the plans have been well under way for the $20 million expansion and renovation to the existing airport facility. Air Canada has announced its intention to proceed with a new air cargo terminal. Just last Sunday I had the pleasure of opening the interim freight clearance facilities—

Some hon. Members: Oh, oh!

Mr. Mazankowski: —which will go a long way—

An hon. Member: When was it built?

Mr. Mazankowski: It was built last month, for the information of the hon. member. It will go a long way in providing convenience and comfort to transborder traffic. We have re-covered one of the major runways and we are in the process of putting together plans for improving the parking facilities at the Edmonton international airport.

* * *

[*Translation*]

NATIONAL UNITY

QUEBEC REFERENDUM—REQUEST FOR EXPLANATION OF STATEMENT OF MINISTER OF SUPPLY AND SERVICES

Hon. Jeanne Sauvé (Laval-des-Rapides): Mr. Speaker, my question is for the right hon. Prime Minister. Would he explain to the House what the Minister of Supply and Services meant when he said in Montreal, where he was talking about the pre-referendum campaign in Quebec, that since the position of the Tories was not exactly similar to Mr. Ryan's position, the Conservative members should avoid participating in the referendum debate under the federalist umbrella?

Right Hon. Joe Clark (Prime Minister): Mr. Speaker, that is not at all what the minister said in Quebec. He said that there are diverging opinions between the Liberal party at the provincial level in Quebec and the Progressive Conservative Party of Canada. I suppose there are some, as well, between the Liberal Party of Quebec and the Liberal Party of Canada. But he also said that there is an agreement between the federalists in Quebec who are under the Liberal banner at the provincial level and those in Quebec who are under the Progressive Conservative banner at the federal level as far as their participation is concerned in favour of the renewal of federalism in the province of Quebec.

QUEBEC REFERENDUM—INQUIRY RESPECTING FUTURE POSITION OF GOVERNMENT

Hon. Jeanne Sauvé (Laval-des-Rapides): Mr. Speaker, I have a supplementary. As this statement was made a few days ago and as the situation is rather serious in the province of Quebec where we have a premier claiming now that all he wants is a new agreement on the constitution, can the Prime Minister tell us where the Progressive Conservatives will stand in that pre-referendum campaign, if they do not campaign by the side of those who are for the preservation of federalism? He does not have to consult the minister sitting next to him on this matter and he can tell me, even out of the context of the minister's statement, whether they are going to campaign on the "yes" or on the "no" side.

Right Hon. Joe Clark (Prime Minister): Mr. Speaker, there will be participation. The question has a bearing on the activities of the Progressive Conservative Party which I lead, and I must answer that there will be a participation of the Quebec fighting wing of the Progressive Conservative Party under the umbrella of the committee which was organized to support federalism in the province of Quebec. The role of the federal government will be to show Quebeckers that after the May 22 election there is now in Ottawa a government which is open to the aspirations of the people of Quebec, a government which is not a captive of the status quo, which is prepared and able to demonstrate changes of attitude toward the provinces on the matter of lotteries, of the jurisdiction over natural resources—in short, a government which is prepared to work with the federalists of the province of Quebec to renew federalism in Canada.

Mr. Speaker: The hon. member for Notre-Dame-de-Grâce.

Mrs. Sauvé: Mr. Speaker, I would have another supplementary. As Mr. Ryan is not, as far as I know—

Mr. Speaker: Order, please. The hon. member for Notre-Dame-de-Grâce.

● (1450)

[*English*]

GOVERNMENT POLICY ON SOVEREIGNTY ASSOCIATION WITH QUEBEC

Hon. Warren Allmand (Notre-Dame-de-Grâce): Mr. Speaker, not only did the Minister for Supply and Services make such a statement, but he was supported by the minister in the Senate who is responsible for CIDA. Both of them said they did not know whether they would vote "yes" or "no" on the question put by a separatist government in Quebec.

Some hon. Members: Shame!

Some hon. Members: Oh, oh!

Mr. Allmand: Does this mean that the Conservative party has no position on sovereignty association, and do I understand the Prime Minister to say that the militants of his party are free to support whatever side they want on this question?

[*Translation*]

Hon. Roch La Salle (Minister of Supply and Services): Ask me the question and I will answer yes or no.

[*English*]

Some hon. Members: Oh, oh!

Right Hon. Joe Clark (Prime Minister): Mr. Speaker, first of all, I am not sure what the former minister understood.

Some hon. Members: Oh, oh!

Mr. Clark: There is a great deal of shouting from across the way on this question, as on so many. There is no question at all that the Progressive Conservative party is determined to work toward the strengthening of the federal system and to work toward a victory for federal forces in the province of Quebec.

Some hon. Members: Hear, hear!

Mr. Clark: That will be done most concretely by a new national government demonstrating that the old attitude, the attitude in which every issue was a cause for confrontation between the government of Quebec and the Government of Canada, is over. There is a new national government in Ottawa that is prepared to treat the provinces as partners, knowing that that is the only way in a country like this in which we can ensure the security and the strengthening of our federal system.

Some hon. Members: Hear, hear!

Mr. Allmand: Mr. Speaker, the Prime Minister has not answered the question. He has left open the possibility that Conservative party members will vote "Yes" in a referendum on a question put by a separatist government, and the minister just said that was a possibility. Will he say categorically in this House, as official policy of the Conservative Party in order to please some separatist supporters in Quebec—

Mr. Lalonde: And his two ministers.

[Mr. Speaker.]

Mr. Allmand: Yes, and his two ministers.

Some hon. Members: Shame!

Some hon. Members: Oh, oh!

Mr. Allmand: —whether the Conservative party will favour a policy where their militants will be free to vote "Yes" or "No" on that referendum question?

Some hon. Members: Hear, hear!

Mr. Clark: Mr. Speaker, the representatives in this House of the Liberal party of Quebec, federal division—I emphasize that—become more desperate and irresponsible every day.

Some hon. Members: Hear, hear!

Mr. Clark: There is no question at all that members of the Progressive Conservative Party of Canada, including ministers and including members of Parliament in the province of Quebec, will work toward the development and strengthening of federalism.

Some hon. Members: Hear, hear!

Mr. Clark: The hon. member should know, as certainly some of his colleagues from the provincial Liberal party know, that there is an open question as to the nature of the question that will be put by the government of Quebec.

It is my expectation that that question will be phrased in such a way that members of the Progressive Conservative Party will want to vote against that question. That is my expectation of what will happen—but I have not seen the question proposed by Mr. Lévesque: perhaps the hon. member has.

* * *

AGRICULTURE

FATTY ACID IN MARGARINES—PUBLICIZING OF BRAND NAMES

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, if I could switch to the Minister of Agriculture and ask him a question, I have here a study done last summer by Alpha Laboratories, Toronto, for the Canadian Dairy Commission, released in August on the fatty acid composition of margarines. The results of the test show that over half the brands of margarine sold in this country contain trans-unsaturated fatty acids that are potentially dangerous for people who are concerned about heart disease.

The brand names of those companies have not been made public. My question is: why are the brand names not made public, as they are in the United States; and will the minister make sure that we get a list of those brand names so that people with heart concerns will know about them?

Hon. John Wise (Minister of Agriculture): Mr. Speaker, in response to the hon. member's question, this matter was brought to my attention yesterday. The information I have to

this point in time would indicate that it would be an internal study. However, what concerns me is the fact that it was financed by public funds. Even though the results were issued previously—I believe, back in July—I am not certain whether or not it would be possible or, indeed, proper for us at the moment to release the brand names.

Some hon. Members: Shame!

Mr. Wise: I am checking that. Personally, I would have no objection whatsoever, but I ask for the co-operation of the hon. member in order that I may check on the legal technicalities with reference to the release of the brand names.

Mr. Nystrom: Mr. Speaker, we are supposed to have an open government, so I take the minister at his word, that he has no objection to releasing the brand names and that they will be forthcoming.

* * *

HEALTH

FATTY ACIDS IN FOODS—DANGER TO HEALTH—REQUEST FOR STUDY

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, I now have a question for the Minister of National Health and Welfare. In view of the fact that the director of food and nutrition for the American Medical Association said a few days ago that the problem of trans-fatty acids—which are unnatural acids; that is, not in their natural state—has become one of the major problems in the United States concerning health, and in view of the fact that their consumption has gone up from four grammes per day to about ten grammes per day because of the modern human diet, would the minister of health now be prepared to commission some money so that a study can be done as to the effect of these fatty acids on the human body?

Hon. David Crombie (Minister of National Health and Welfare): Mr. Speaker, I thank the hon. member for his question. Indeed the department is concerned about the matter which the hon. member has raised. It is not a new concern of the department. We are most pleased to be able to monitor—as we have done so far—and, in consultation with the Minister of Agriculture, we will be dealing with the particular matter raised earlier and will continue to investigate the matter as it affects the human diet.

* * *

AIRPORTS

EXPANSION OF MOUNT HOPE, HAMILTON, AIRPORT—GOVERNMENT POSITION

Mr. Geoff Scott (Hamilton-Wentworth): Mr. Speaker, my question is directed to the Minister of Transport regarding a much-too-long delayed expansion of Hamilton civic airport at Mount Hope.

Some hon. Members: Oh, oh!

Mr. Chrétien: That was asked two days ago.

An hon. Member: That was another airport.

Mr. Scott (Hamilton-Wentworth): In view of concern expressed by several mayors of Hamilton and the surrounding communities on behalf of many thousands of my constituents who have been faced for years with uncertainty about whether the airport would expand and, if so, in which direction, could the minister give the Hamilton-Wentworth area a clear indication of the kind, and direction, of expansion that his ministry is looking at—and how soon will it happen?

An hon. Member: What a set-up.

An hon. Member: More, please.

Some hon. Members: Oh, oh!

Hon. Don Mazankowski (Minister of Transport): Mr. Speaker, the question of improved airport facilities at the Hamilton international airport—

Some hon. Members: Oh, oh!

An hon. Member: Read your notes.

Mr. Mazankowski: The Hamilton national airport is certainly a matter that is under active consideration. I want to assure the hon. member that, unlike the former government, we will not talk about it for ten years: we will act upon it very quickly.

Some hon. Members: Hear, hear!

Mr. Munro (Hamilton East): You had better get in the inner cabinet very fast.

* * *

[*Translation*]

INCOME TAX

INQUIRY WHETHER PERSONS AFFECTED BY EXPROPRIATION AT MIRABEL AIRPORT WILL BE EXEMPT FROM INCOME TAX ON EX GRATIA PAYMENTS

Mr. Robert Gourd (Argenteuil): Mr. Speaker, given the fact that the Minister of National Revenue will soon meet with spokesmen for the expropriated owners at Mirabel, could he tell the House whether he intends to follow the example set by his provincial counterpart and exempt from the income tax all the total compensation ex gratia payments which were made to these people?

[*English*]

Hon. Walter Baker (President of the Privy Council and Minister of National Revenue): Mr. Speaker, the hon. member, the former solicitor general, and I have had meetings with respect to this matter. I indicated at that stage that I was not prepared to do that. However, I did indicate that I did not think the view of the minister should settle such an important matter.

I understood we had an agreement that the matter would be referred to the Federal Court of Canada, where the very important issue for these people at Mirabel could be decided judiciously rather than ministerially and arbitrarily.

* * *

● (1500)

[*Translation*]

LABOUR DISPUTES

INQUIRY WHETHER GOVERNMENT IS READY TO SUPPORT RECOMMENDATIONS OF COSSETTE REPORT

Mr. Jacques Olivier (Longueuil): Mr. Speaker, my question is for the Minister of Labour. Yesterday in answer to a very serious question from the hon. member for Louis-Hébert he said that unfortunately, when it comes to labour relations, the dismissal or lay-off of workers or the loss of jobs by workers is like a death penalty. I want to ask him whether he is willing to support the recommendations of the Cossette report which was released to both parties and particularly whether he is willing to intervene personally to find an amicable arrangement between both parties.

[*English*]

Hon. Lincoln M. Alexander (Minister of Labour): Mr. Speaker, I am pleased that the hon. member wants to get involved in this matter: I commend him for it. However, he must appreciate that the inquiry was called for by the Maritime Employers' Association as well as the International Longshoremen's Association, two locals. It was at their request that Labour Canada brought forward this inquiry.

As I indicated earlier, the report was released to the parties affected and, of course, all we can do at this time is to sit back and wait until we hear from the parties. It is not my role now to indicate to the parties what they should do; they are the ones who asked for the report; they are the ones who asked for the inquiry in order to determine what was going to happen with longshoremen and checkers as a result of the very hazy and uncertain position, in terms of employment, in the future. The report is now in their hands. As soon as I hear from them I will be able to determine just what further steps I can take, or even should take.

[Mr. Gourd.]

[*Translation*]

INQUIRY WHETHER GOVERNMENT READY TO IMPLEMENT RECOMMENDATIONS OF CARROTHERS REPORT

Mr. Jacques Olivier (Longueuil): Mr. Speaker, I certainly understand the answer given by the Minister of Labour but I would like to remind him that the Carrothers report was tabled a month ago and to help him recall the facts—I remind him that the report dealt with surplus manpower and lay-offs at Inco in Ontario. Is the minister willing to consider the introduction of legislation which would require notice regarding the intention of an employer to lay off people before the labour representatives have had time to act upon those major steps before they are taken? The problem, Mr. Speaker, is that the employees involved learn about their lay-off at the last minute. Therefore, I ask the minister if he is prepared to implement the Carrothers report published two months ago and yet to be released by the minister, in the way he intended, because some people in Quebec City have now lost their jobs and have been laid off due to that situation?

[*English*]

Hon. Lincoln M. Alexander (Minister of Labour): Mr. Speaker, the hon. member has brought to my attention another report. He is talking about the Carrothers report which dealt with redundancies and lay-offs. I can advise the hon. member that, after consultation with affected parties, it is this government's intention to introduce legislation which would require notice under part III regarding an intention of any employer which would perhaps lead to redundancies and lay-offs.

In answer to the hon. member's question, there is some concern by this government with regard to the report, and we intend to take action as soon as possible.

* * *

[*Translation*]

POINT OF ORDER

MR. ROY (BEAUCE)—RIGHT TO BE RECOGNIZED IN THE HOUSE

Mr. Fabien Roy (Beauce): Mr. Speaker, I rise on a point of order. I noticed earlier that you made a wise decision in recognizing the hon. member for Rimouski (Mr. Allard)—

Mr. Speaker: Order.

Mr. Roy (Beauce): I understand this is the first time one of my colleagues was recognized during question period. Am I to understand this is a decision that could apply in coming days, that we might be recognized in future during question period immediately after a spokesman for the NDP? Second, I would like to ask, if that is going to be your decision, whether that includes also the attitude that is going to prevail in parliamentary committees, because just yesterday I asked to be recognized in a parliamentary committee, the Standing Committee

on Finance, Trade and Economic Affairs, and I was denied that right, and I even have a note to the effect that I was even refused the right to speak at the meeting as a member of the Social Credit Party of Canada. Mr. Speaker, in view of those facts, I would like to ask you today whether you can inform the House of your intentions regarding your attitude during the coming days, the coming weeks and the coming months of this Parliament with respect to our right to be heard in this House.

Mr. Speaker: Order. The hon. member for Beauce (Mr. Roy) rose on a point of order concerning the rights and privileges of hon. members of the Social Credit Party of Canada here in the House with regard to their participation in the oral question period. The choice of who will rise is left exclusively to the discretion of the Chair. It is always my duty to guide the participation of hon. members during the oral question period in a manner that is fair to all hon. members in the House. The actual order of participation, the time of participation, the form or actual participation and the manner in which the members share the time of the House are always left to the discretion of the Chair. I have never shirked that duty. I have always endeavoured, to date in this Parliament, to recognize the hon. members of the party of the hon. member for Beauce who sought the floor. I have always tried to recognize them in a way that was fair to other hon. members in the House. I shall always continue doing exactly the same thing. With regard to the decision on recognizing an hon. member from the Social Credit Party of Canada, the party of the hon. member for Beauce, right after an hon. member from the New Democratic Party every day, that too is a matter for the Chair to decide. It is always up to me to decide. Of course, hon. members of the Social Credit Party of Canada have the right here, like all other hon. members, to take part in the oral question period. But, it is up to me always to decide whether, when allotting them a fair share of the period, I am to recognize them at 2.30, 2.40 or 2.50 each day. That is the situation the Chair must face each day. I shall therefore discuss the matter, as I have always done when there were difficulties in the past, with the leaders of the other parties in an attempt to come to an agreement. If there is agreement among the parties of the House on how to solve the problem, the matter is simpler. If there is no agreement, however, then it is my responsibility to settle the issue.

Committee Report

ROUTINE PROCEEDINGS

[*English*]

ECONOMIC COUNCIL OF CANADA

TABLING OF ANNUAL REVIEW

Right Hon. Joe Clark (Prime Minister): Mr. Speaker, I would like to lay upon the Table in both official languages copies of the sixteenth annual review of the Economic Council of Canada.

* * *

FINANCE, TRADE AND ECONOMIC AFFAIRS

CONCURRENCE IN FIRST REPORT OF STANDING COMMITTEE

Mr. Hal Herbert (Vaudreuil) moved that the first report of the Standing Committee on Finance, Trade and Economic Affairs, presented to the House on Wednesday, October 24, 1979, be concurred in.

He said: Mr. Speaker, the motion for concurrence before the House today refers to the first report of the Standing Committee on Finance, Trade and Economic Affairs. The report was tabled in the House on October 24 by the hon. member for Vancouver Quadra (Mr. Clarke) who is chairman of the Standing Committee on Finance, Trade and Economic Affairs. I should like to read the substance of that report.

● (1510)

Your Committee met on Tuesday, October 23, 1979, and agreed to express its dismay that none of the ministers or officials of the departments and agencies whose estimates were referred to this committee were able to appear before the committee at eight o'clock p.m., Tuesday, October 23 and recommends that the House formally remind all ministers and their officials that they are primarily servants of Parliament and owe Parliament and its committees their priority attention in view especially of the commitment of the new government to give a greater role to Parliament and its committees.

That motion was proposed to the committee by the hon. member for Windsor West (Mr. Gray), and it was proposed because of the difficulty which had been experienced by members of the Committee on Finance, Trade and Economic Affairs in finding ministers or departmental officials who were prepared to appear before the committee on that particular evening, Tuesday, October 23.

I should say that the subcommittee had authorized the clerk to contact the various ministries, and I should name the ministers who were contacted. I might say also that the Standing Committee on Finance, Trade and Economic Affairs is probably one of the busiest standing committees; there is always a tremendous amount of legislation before it in addition to the estimates of three departments—Finance, Trade and Commerce, and National Revenue.

When it was found impossible to have the Minister of Finance (Mr. Crosbie) appear before the committee—hon. members will recall his stating in this House that he was not prepared to appear before the committee until after the committee had seen and questioned the governor of the Bank of Canada—the committee members looked for an alternative, bearing in mind that they had to study the estimates of three different ministries.

The alternatives were the minister who sits in the other place, the Minister of Industry, Trade and Commerce and Minister of State for Economic Development (Mr. de Cotret), or, if he could not attend, the Minister of State for Small Businesses and Industry (Mr. Huntington), or, if he could not attend, the Minister of State for International Trade (Mr. Wilson), or, if he could not attend, the President of the Privy Council and Minister of National Revenue (Mr. Baker). There were four ministers, if the Minister of Finance was going to continue to refuse to appear that evening, or, as the motion reads, the departmental officials of those departments.

As an individual I find it astonishing and most regrettable that in a committee which is so busy, a committee which wanted to continue to discuss very important topics, the government was not prepared so to organize itself that one of the responsible ministers could attend. I want to point a finger particularly at the Minister of National Revenue because he is also the leader of the government side in this House. It fell on his shoulders, therefore, to ensure that at least one of the ministers was available to appear before the committee.

In my opinion the motion is one of censure on the government for its failure to ensure that the committee was in a position to do its job. I sincerely regret that, because of the lack of time available to one of the most important committees of this House, we were unable to question the minister responsible for industry, trade and commerce or the two ministers of state allied with that ministry. This motion for concurrence has been brought before the House in order to emphasize the point that in difficult times such as we are facing today, when it is so important to question ministers on their new policies, it is most regrettable it should have been found impossible for any one of four ministers or any officials of the ministries represented by those ministers to appear before the committee. Regretfully, therefore, I bring before the House this motion for concurrence.

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

Mr. Bob Rae (Broadview-Greenwood): Mr. Speaker, I think the hon. member for Vaudreuil (Mr. Herbert) has raised a very important question, for two reasons, first of all because of the way in which the Standing Committee on Finance, Trade and Economic Affairs has to conduct itself because of the pressure from the cabinet on the members of the committee from the back benches of the Conservative party and, second, because of the rather extraordinary position in which we find ourselves because the Minister of Industry, Trade and Commerce and Minister of State for Economic Development (Mr. de Cotret) does not sit in this House. As his counterpart in the New Democratic Party I do not have the opportunity to ask that minister any questions with respect to government policy. I might point out that in addition to his other responsibilities he is chairman of the economic committee of the inner cabinet and therefore the most influential member of the cabinet with respect to economic policy. In these circumstances it is extraordinary he should not be in this House. In fact I would be happy to resign my seat if he cares to come to Broadview-Greenwood and face the electorate in an election.

[Mr. Herbert.]

Some hon. Members: Oh!

Mr. Rae: It is up to him to decide whether he wishes to do so. I say that in all sincerity. Since he is not in this House he has an even greater obligation to all members of the committee, regardless of party, to make his time available to the committee and to appear in the very limited period we have in which to do our work.

I join with the hon. member for Vaudreuil in expressing my concern, and bring once again to the attention of the House the fact that the chief economic adviser to the Prime Minister (Mr. Clark) is not a member of this chamber, the difficulty in which this places members of the opposition and, in particular, members of this party which does not have any representation in the Senate.

It is high time the chief economic adviser to the government was a member of this House. The least he could do would be to make himself available when a committee is meeting and when it has a very tight schedule before it because of the workload it is carrying. He should at least have the courtesy to appear before it. We are moving in ways which are an affront not only to the committee but to democracy itself, and it is worth taking a little time to draw attention to this aspect and, once again, to underline the absurdity of the chief economic adviser to the cabinet not being a member of this House.

The present arrangement constitutes an affront to members of the House of Commons and places members of this party, in particular, in a difficult position because they are not in a position to question him to find out what his policies are, how he feels about the interest rate, how he feels about the effects on trade and development, how he feels about industrial strategy, and how he feels about the general direction the government is taking. It is ludicrous that this gentleman is not a member of this House and that he is not presenting himself for election in the by-elections which are being held. In all sincerity I offer, if he wants to come down to Broadview-Greenwood and contest that seat, I will gladly resign, contest it, and take him on.

• (1520)

Mr. Baker (Nepean-Carleton): That is a temptation.

Mr. Speaker: Does the House adopt the motion?

Some hon. Members: Agreed.

Motion agreed to.

* * *

[*Translation*]

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. David Kilgour (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, the following questions will be answered today: Nos. 45, 175, 179, 215, 221, 289 and 369.

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

[*Text*]

MEDICAL RESEARCH COUNCIL

Question No. 45—**Mr. Orlikow:**

1. Who (a) is the president (b) are the vice presidents of the Medical Research Council?

2. What is the annual salary in each case?

Hon. David Crombie (Minister of National Health and Welfare): In so far as the Medical Research Council is concerned:

1. (a) Dr. René Simard, M.D., D. Sc., F.R.C.P. (C)

   (b) One position, currently vacant.

2. (a) $62,000–$67,000 per annum, for a full time appointment.

   (b) No salary attached to the position.

GENERIC DRUGS

Question No. 175—**Mr. Herbert:**

1. Was a study made of possible cost savings resulting from the use of generic drugs?

2. Does the government intend to promote the use of generic drugs?

3. Has the increased use of generic drugs affected (a) research and development in Canada (b) the proportion of drugs manufactured in Canada compared to imported drugs?

Hon. Ron Huntington (Minister of State for Small Businesses and Industry): In so far as the Department of Industry, Trade and Commerce is concerned:

1. The government, through the Department of Consumer and Corporate Affairs, has undertaken an internal assessment of the cost savings resulting from the use of drugs produced under compulsory licencing provisions of the Patent Act.

2. The government is interested in making available to the consumer drugs of the highest quality at the lowest possible price. To encourage such activity, modifications to the Patent Act were enacted by parliament several years ago with the objective of increasing drug market competition to allow the consumer to benefit from lower drug prices consistent with the maintenance of quality standards.

3. (a) No published statistics exist to indicate whether research and development in Canada has been affected.

   (b) Although no official information has been published which compares domestic drug manufacture to drug imports in finished dosage form, it is estimated that over 95 per cent of all drug products used in Canada are manufactured into dosage form here.

RESEARCH GRANTS

Question No. 179—**Mr. Herbert:**

For the fiscal year ended March 31 (a) 1978 (b) 1979, by province, what was the amount spent by the Medical Research Council in the form of research grants?

Hon. David Crombie (Minister of National Health and Welfare): In so far as the Medical Research Council is concerned: Expenditures from Vote 60 (Grants and Scholarships) for the support of research in 1977-78 and 1978-79, by province, were:

Province	Year ending March 31, 1978	Year ending March 31, 1979
British Columbia	$ 3,844,824	$ 4,434,562
Alberta	4,608,129	5,015,887
Saskatchewan	1,534,705	1,359,679
Manitoba	3,673,523	4,735,043
Ontario	20,059,593	21,701,474
Quebec	18,189,234	20,342,219
New Brunswick	—	—
Nova Scotia	1,896,094	2,365,338
Prince Edward Island	—	—
Newfoundland	659,804	825,521
Sub-Total	54,465,906	60,779,723
National Organizations	189,893	211,896
Outside Canada (training awards)	2,062,201	2,010,381
Total	$56,718,000	$63,002,000

SMALL BUSINESSES AND INDUSTRY—NUMBER OF EMPLOYEES

Question No. 215—**Mr. Herbert:**

How many (a) permanent (b) term employees were on the Ministry of State for Small Businesses and Industry's payroll on March 31, 1979?

Hon. Ron Huntington (Minister of State for Small Businesses and Industry): In so far as the Department of Industry, Trade and Commerce is concerned:

(a) Number of permanent employees that were on the Ministry of State for Small Businesses and Industry payroll was 11 as of March 31, 1979.

(b) Number of term employees that were on the Ministry of State for Small Businesses and Industry payroll was two as of March 31, 1979.

HEALTH INSURANCE PLANS

Question No. 221—**Mr. Caouette:**

Did the government invest money in the health insurance plans administered by the provinces during the fiscal years 1968-69 to 1978-79 and, if so, what was the amount in each year?

Hon. David Crombie (Minister of National Health and Welfare): Contributions to the provinces and territories under the Hospital Insurance and Diagnostic Services Act, the Medical Care Act, 1966-67, and the Federal-Provincial Fiscal Arrangements and Established Programs Financing Act, 1977, were as follows:

Fiscal year	In millions of dollars
1968-69	$ 844.8
1969-70	1,115.8
1970-71	1,483.8
1971-72	1,794.8

Order Paper Questions

1972-73	1,983.5
1973-74	2,248.4
1974-75	2,703.6
1975-76	3,282.4
1976-77	3,758.0
1977-78	4,990.8
1978-79	5,704.0

CONSUMER AND CORPORATE AFFAIRS—PARKING LOTS

Question No. 289—**Mr. Herbert:**

Is the Minister of Consumer and Corporate Affairs aware of complaints that in some parking lots the entry clocks are kept from five to seven minutes slow, thus sometimes doubling the posted charge and making it difficult for the patron to contest the calculation of time at the exit station?

Hon. Allan Lawrence (Solicitor General and Minister of Consumer and Corporate Affairs): Yes, I am aware of such complaints. My officials in weights and measures have and will continue to investigate these complaints. Recently one such complaint here, in Ottawa, led to prosecution and conviction on four charges.

Although a rather extensive survey of parking meters and parking lots showed a very high compliance rate for these services, we continue to carry out an ongoing program of surveillance on service and facilities provided on the basis of time, and this program includes clocks at parking lots.

OLD AGE SECURITY OFFICE

Question No. 369—**Mr. Cossitt:**

1. Are those persons handling telephone inquiries at the Department of National Health and Welfare's Old Age Security Office in Quebec City able to speak in both official languages?

2. Is the government prepared to investigate a complaint by the honourable member for Leeds that on March 2, 1979, his office staff telephoned the Old Age Security Office's Main Switchboard Number in Quebec City, and could not receive any satisfactory communication in the English language without being referred to the director or his immediate staff?

3. Is the government prepared immediately to see that the public are in future served in both official languages at the Quebec City office?

Hon. David Crombie (Minister of National Health and Welfare):

1. Yes.

2. It is the income security programs branch policy to refer all calls originating from the offices of members of Parliament to the director's office, thereby ensuring the action required, as well as strengthening communication lines between the department and all members of Parliament. It is for this reason that the member's staff was referred to the director's office.

3. See reply to part 1.

[Mr. Crombie.]

[*Translation*]

QUESTIONS PASSED AS ORDERS FOR RETURN

Mr. David Kilgour (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, if question No. 183 could be made an order for return, because the answer is too lengthy to be printed in *Hansard*, that return would be tabled immediately.

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

[*English*]

Mr. Speaker: If it is the pleasure of the House that question No. 183 be deemed an order for return, the return will be tabled forthwith. Is that agreed?

Some hon. Members: Agreed.

[*Text*]

INDUSTRY, TRADE AND COMMERCE—CONTRACTS UNDER PAIT PROGRAM

Question No. 183—**Mr. Herbert:**

1. For the fiscal year (a) 1974-75 (b) 1975-76 (c) 1976-77 (d) 1977-78, under the Department of Industry, Trade and Commerce Program for the Advancement of Industrial Technology (PAIT), what was the number and total value of contracts (i) between $0 and $20,000 (ii) between $20,001 and $50,000 (iii) between $50,001 and 100,000 (iv) between $100,001 and 500,000 (v) $500,001 or more (vi) in total?

2. For the same years, what were the expenditures of the Department under the Program for the Advancement of Industrial Technology (PAIT) in (a) the Textile and Consumer Products Branch (b) the Agriculture, Fisheries and Food Products Branch (c) the Chemicals Branch (d) the Electrical and Electronics Branch (e) the Machinery Branch (f) the Resource Industries Branch (g) the Construction and Consulting Services Branch (h) the Transportation Industries Branch (*i*) all branches?

3. For the same years, by province and territory, what was the total in grants and contributions by the Department under the Program for the Advancement of Industrial Technology (PAIT) or any successor program under the Enterprise Development Program (EDP)?

Return tabled.

[*English*]

Mr. Speaker: Shall the remaining questions be allowed to stand?

Some hon. Members: Agreed.

* * *

MOTIONS FOR PAPERS

Mr. David Kilgour (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, notices of motions for the production of papers Nos. 29 and 31 are acceptable to the government. Notices of motions for the production of papers Nos. 18 and 23 are acceptable to the government subject to the authorization of the government of Quebec.

Does Your Honour wish to deal with those questions at this point?

Mr. Speaker: Is it the pleasure of the House that notices of motions for the production of papers Nos. 29 and 31, which have been indicated as being acceptable to the government, be deemed to have been adopted?

Some hon. Members: Agreed.

Mr. Speaker: Subject to the reservations expressed by the parliamentary secretary is it the pleasure of the House that notices of motions Nos. 18 and 23 be deemed to have been adopted?

Some hon. Members: Agreed.

PUBLIC WORKS—TENDERS

Motion No. 29—**Mr. Herbert:**

That an Order of the House do issue for copies of all regulations and instructions dealing with the publication of tender calls in the Department of Public Works, including all references to the amount and form of deposits that may accompany such tenders.

Motion agreed to.

IMMIGRATION—SOUTH EAST ASIA

Motion No. 31—**Miss Nicholson:**

That an Order of the House do issue for copies of all form letters now used by the Department of Employment and Immigration in South East Asia when seeking to confirm family relationships in connection with sponsored immigration applications.

Motion agreed to.

LAKE OF TWO MOUNTAINS—WATER LEVELS

Motion No. 18—**Mr. Herbert:**

That an humble Address be presented to His Excellency praying that he will cause to be laid before the House copies of the agreement signed by the government and the government of the province of Quebec relating to water levels in the Lake of Two Mountains and the participation by each government in control measures.

Motion agreed to.

DEPARTMENT OF TRANSPORT—NEGOTIATIONS WITH THE QUEBEC GOVERNMENT ON PUBLIC TRANSPORTATION

Motion No. 23—**Mr. Herbert:**

That an humble Address be presented to His Excellency praying that he will cause to be laid before this House copies of all minutes of meetings, documents, telegrams and letters held or dated since May 22, 1979, relating to negotiations between the Department of Transport and the government of the province of Quebec on public transportation.

Motion agreed to.

Mr. Kilgour: Mr. Speaker, would you be so kind as to call notice of motion for the production of papers No. 13?

Income Tax Act

CROWN CORPORATION—FORESTRY RESEARCH

Motion No. 13—**Mr. Herbert:**

That an order of the House do issue for a copy of the latest report on the feasibility of establishing a Crown corporation or other body to carry out forestry research.

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

Mr. Fraser: Mr. Speaker, the document requested does not exist. I therefore ask the hon. member to withdraw his motion.

Mr. Herbert: Transfer for debate.

Mr. Speaker: Transferred for debate.

Mr. Kilgour: Finally, Mr. Speaker, I ask that the other notices of motions for the production of papers be allowed to stand.

Mr. Speaker: Is that agreed?

Mr. Baker (Nepean-Carleton): Mr. Speaker, I rise on a point of order. I hope it has not escaped the attention of the House that when the first four motions for the production of papers were called the motions were granted. With regard to the fifth one called, the minister said the document does not exist. I hope the importance of that approach has not escaped hon. members.

Mr. Knowles: Keep it up.

Mr. Baker (Nepean-Carleton): We will do our best.

Following upon that, Your Honour will recall that the hon. member for Algoma (Mr. Foster) raised a question as to who would be answering in the House for the Northern Pipeline Agency, and I indicated to him at that time that I would be doing so for the time being. I wish to inform the House that the member of the government who will be answering in the House of Commons to questions relating to the Northern Pipeling Agency will be the Minister of State for International Trade (Mr. Wilson).

Mr. Speaker: Is it the pleasure of the House that the remaining notices of motions for the production of papers be allowed to stand?

Some hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

INCOME TAX ACT

MEASURE TO AMEND

The House resumed from Tuesday, October 30, consideration in committee of Bill C-17, to amend the statute law

relating to income tax and to amend the Canada Pension Plan—Mr. Crosbie—Mr. Laniel in the chair.

The Chairman: When the committee rose last evening clause 6 of the bill was under consideration. Shall clause 6 carry?

Some hon. Members: Agreed.

Mr. Knowles: On division.

Clause 6 agreed to.

Clauses 7 and 8 agreed to.

On clause 9—

Mr. Rae: Mr. Chairman, this is the first opportunity I have had to congratulate the parliamentary secretary publicly on his appointment. His riding neighbours my own, and we represent very similar districts in the east end of Toronto. I want to congratulate him on his appointment.

I want also to ask him a question with respect to clause 9. Can he explain it? We, and particularly the hon. member for Winnipeg North will be asking questions with respect to tax breaks and credits for research and scientific development. I wonder if the parliamentary secretary could tell the house the cost to revenues of the proposals contained in clauses 9 and 10, which I think should be taken together. If he could explain that to the House perhaps the hon. member for Winnipeg North will have some more detailed questions.

Mr. Ritchie (York East): Mr. Chairman, first I would like to thank the hon. member for Broadview-Greenwood for his courtesy in welcoming me to this role and to the House this afternoon. I appreciate that very much. As he has said, we are neighbours and represent very similar ridings, but this does not prevent us from having slightly different political philosophies.

As to the nature of the amendment in clause 9, the amendment ensures that a special deduction which already exists for research and development expenses for hobby farms will be extended not only to the normal expense deduction but also to the special additional allowance for scientific research introduced last year. This permits a hobby farmer to deduct both the normal 100 per cent for research expenses and a special 50 per cent deduction for increased research expenses whether or not his farming operation is profitable.

The hon. member asked me about the cost in terms of revenue given up under clauses 9 and 10. I will have to inquire whether we have a figure on that. I am informed that for both of these two clauses the revenue effect is likely to be very small indeed. Clause 10 deals with a technical amendment and the major cost under R and D proposals in the bill is in a later clause to which we will come, which is clause 40.

● (1530)

Mr. Orlikow: I understand that research and development have not been undertaken to a large extent by hobby farmers. I have been told by farmers I know that hobby farmers are usually city people who partly want to get away from the rush of living in the city and partly are looking for a way to pay less income tax and so live on a farm but do not farm seriously. Is there a suggestion implicit in this clause that hobby farmers are involved in any serious research and development and, if so, what evidence is there of that fact?

Mr. Ritchie (York East): May I say to the hon. member that, first of all, research and development have to be real or they do not qualify, and in fact some so-called hobby farmers do extensive research in, for instance, breeding of farm animals and perhaps even of plants.

The Chairman: Shall clause 9 carry?

Some hon. Members: Agreed.

Clause agreed to.

Clauses 10 to 13 inclusive agreed to.

On clause 14—

Mr. Rae: Mr. Chairman, I wonder if the parliamentary secretary could explain this particular clause. I am not clear on it and I wonder if it could be cleared up.

Mr. Ritchie (York East): Mr. Chairman, this clause was designed to prevent the artificial creation of capital losses. Section 85(4) of the act stipulates that no capital loss is recognized where a taxpayer disposes of a property to a corporation which he controls. If the taxpayer owns shares of the corporation acquiring the property, the disallowed loss is added to the cost of his shares and will serve to reduce any capital gain on their ultimate disposal. Where the taxpayer does not own any shares of the corporation, the disallowed loss is added to the cost of the property to the purchaser corporation. In effect, the property in these circumstances is rolled over, that is, its cost to the corporation is equal to its cost in the hands of the taxpayer prior to the transaction. Subclause 14(1) is relieving and corrects a technical deficiency in the provision described.

Subclause 14(2) is a consequential change related to the changes to subsection 13(7.1) of the act. This change provides uniform treatment for the investment tax credit claimed by a co-operative corporation for purposes of computing capital gains on the depreciable property.

Mr. Chairman: Shall clause 14 carry?

Some hon. Members: Agreed.

Clause agreed to.

On clause 15—

Mr. Rae: Mr. Chairman, I would like to hear an explanation of this clause from the parliamentary secretary. I know it has been the cause of a great deal of litigation and concern with respect to termination payments, and I wonder if he can tell us what the government is trying to do in this clause.

Mr. Ritchie (York East): Mr. Chairman, the amendment requires the inclusion in income of certain amounts received on the termination of employment. Such amounts are referred to,

of course, as termination payments. The definition of this expression is provided in section 248 of the act as amended by clause 65 of this bill. Generally, a termination payment is defined as the equivalent of a six months' employment income. This amount is to be included in the taxpayer's income. Damages in excess of six months income will continue to be exempt from tax. The tax-free status of damages has led to considerable abuse. Many taxpayers, on leaving employment, have sought to convert taxable salary or wage income to exempt damages for wrongful dismissal. The amendment will curtail the opportunity for abuse of this kind by requiring the inclusion in income of damages received by an employee for wrongful dismissal to the extent that they represent up to six months salary.

Mr. Rae: This is a good example why I think the government party owes it to itself to explain what is happening because, as the parliamentary secretary has just described, what was going on in the marketplace was an abuse. As the parliamentary secretary knows, we had an anomalous situation where certain kinds of termination payments were regarded as income and were taxable, and in order to avoid this fact, many individuals who were being terminated were arranging to conduct litigation—there is no other way of putting it—against their employers in order to receive damages in lieu of termination payments. Damages following from certain decisions of the tax appeal board and from the federal court were exempt from taxation.

I think this is of interest to members of Parliament and it is something of which they should be aware because this is something which has gone on in the marketplace. There has been an abuse, someone has spotted a loophole, which has become wider and wider, and now the government has chosen to close it, wisely so and I am glad they have done so. All I am suggesting is that it is sometimes helpful that instead of just braying our agreement with these clauses we should try to explain them to the people so that when they come to look at our debates, if they ever do, they see that some things are being explained. Certainly I do and the hon. member for Mission-Port Moody (Mr. Rose) does as well, so at least we have cleared that up.

The Chairman: Is clause 15 agreed to?

Some hon. Members: Agreed.

Clause agreed to.

Clause 16 agreed to.

On clause 17—

Mr. Rae: I would like to ask the parliamentary secretary to explain this clause, and perhaps later I will have some comments to make on it.

Mr. Ritchie (York East): Mr. Chairman, the hon. member will be glad to know that this is a relieving amendment. It is consequential upon the recent changes in the Unemployment Insurance Act, 1971. It applies where an individual receives unemployment insurance benefits in a year and has income for the year in excess of a stated limit. Under the amendments affecting unemployment insurance, the recipient in these circumstances is required to make a repayment of 30 per cent of the excess portion of his unemployment insurance benefits when he files his income tax return for that year. Such a repayment has been separately defined in the Unemployment Insurance Act, 1971, as a benefit repayment to differentiate it from ordinary recoveries of overpayments of unemployment insurance benefits. Under the existing law, any repayment of a benefit is deductible only in the year in which it is repaid. The amendment permits the deduction of the benefit repayment for the year in which it relates. Ordinarily, that will be the year preceding that in which it is paid.

Mr. Rae: I think that the relieving aspects of it are important, but it is also important to know that the government would not have had to bring in this piece of legislation if it had not brought in Bill C-14 which became the unemployment insurance amendments to which we in this party took such strong exception and to which so many members of the Conservative party, most notably the hon. member for St. John's East, now Minister of Fisheries and Oceans, took such exception in the House and in committee when he was one of the critics on the bill. So I think it is important for people to recognize that the reason for this is that the government has decided, and so have the Liberals, that unemployment insurance will no longer be treated as insurance, that in fact those individuals who made more than $22,000 are going to be forced to repay their unemployment insurance to the government.

• (1540)

Albeit that this is relieving legislation, it is important for people to be aware of the fact that were it not for the original legislation passed by the Liberal party, now concurred in by the Conservative party and by the regulations promulgated and concurred in by the Minister of Employment and Immigration, it would not have been necessary for the government to bring in this so-called relieving legislation.

The Chairman: Shall clause 17 carry?

Some hon. Members: Agreed.

Clause agreed to.

The Chairman: Shall clause 18 carry?

Some hon. Members: Agreed.

Clause agreed to.

On clause 19—

Mr. Rae: I am simply unclear on this, Mr. Chairman. I wonder if this clause could be made clear. It may not be possible, but I wonder if it can be done.

Mr. Ritchie (York East): Mr. Chairman, as the hon. member knows, there are four parts to this particular change. Because it is a technical matter I think I will give the explanation in reasonably full terms.

This and the clause which follows are of interest to resource companies in the mining, oil and gas industries. Section 66 provides for the deduction of Canadian and foreign exploration and development expenses. Also the section defines a Canadian resource property, principal business corporation and shareholder corporation of a joint exploration company. This clause makes a number of amendments to section 66 of the act.

In the first place it introduces a requirement for joint elections where Canadian exploration and development expenses incurred after 1971 and before May 7, 1974, by one company called a predecessor corporation are transferred or carried over for deduction by another corporation, a successor corporation or a second successor corporation. This election is designed to avoid disputes which have arisen in the past between taxpayers as to whether these so-called succcessor corporation rules are to apply. The election ensures that both the transferor and transferee agree that these special rules are intended to apply. A similar change is proposed for the transfer of Canadian exploration expense in section 66.1 of the act and Canadian development expense in section 66.2. As I understand that, it is to ensure that two people are not claiming the same deduction for expenses.

The second change in section 66 extends the deduction with respect to the exploration and development expenses of a successor corporation. These expenses are deducted only against the income of the successor corporation from the properties transferred to it from a predecessor corporation. The change will permit these expenses to be deducted from certain reserves transferred by a predecessor corporation which arose in connection with the sale of resource property.

There are two more provisions. A third change to this section of the act will clarify that the right to store petroleum, natural gas or other related hydrocarbons is a "Canadian resource property" as defined. This change ensures that both the vendor and the purchaser of a resource property receive similar tax treatment. An amendment to Bill C-37 clarifies that this rule only applies to underground storage rights. I believe Bill C-37 was introduced after the budget of the previous Parliament. The purchaser will include the cost in his cumulative Canadian development expense, and the vendor will deduct the proceeds from the balance of his unclaimed Canadian development expense.

The final change to section 66 is to remove the references to syndicates or associations in the definition of foreign exploration and development expenses, etc. Under our tax law there is no tax status for a syndicate or association. Therefore these words are rather irrelevant.

Mr. Rae: This takes us into the area which I thought we would get into. Certainly we will get into that area by the time we reach consideration of clause 20. I gave notice to the minister yesterday that we intended to debate these issues. Before getting into debate, I should like to ask the parliamentary secretary if he can tell us what underground petroleum, natural gas and other related hydrocarbon storage sites there are currently in Canada. How many are we talking about? What are we talking about here?

[Mr. Ritchie (York East).]

Mr. Ritchie (York East): Mr. Chairman, the number of those which exist and are in use at the moment is relatively small. They are mostly natural cave formations. As the hon. member will know, there is considerable debate about the wisdom in the future of having major storage facilities at this point, for instance, as a potential reserve for the Atlantic provinces. But at the moment there are very few in actual use.

Mr. Rae: I take it that the cost to the treasury of this additional write-off would be minimal? Is that what is being said?

Mr. Ritchie (York East): At the present time it would be and only if there was a great need that was fulfilled in the future would it ever be of significant size.

Mr. Rae: I might just take this opportunity to ask the parliamentary secretary if he can give us the cost, as we get into this clause and the next one which deals with exploration expenses, drilling allowances and so forth. Can he give us the cost not only of this particular measure but also the cost of all resource development measures contained in the budget?

Mr. Ritchie (York East): So far as clause 19 is concerned, the cost is negligible. As I interpret it, it is only for the underground storage which we have just been discussing. If anything, the other clauses save revenue or save disputes about revenue. I will search for an answer as to the cost in relation to clause 20. I do not have it at my fingertips at the moment.

Mr. Skelly: I should like to ask a question referring to clause 19.(6) on page 15. Do I understand it correctly that there is a deduction available, that deductions are being provided for oil companies and other resource corporations for foreign exploration and development expenses?

Mr. Ritchie (York East): Mr. Chairman, that is true. Such a deduction is allowed but only to the extent of foreign income, not as a net deduction from Canadian income.

Mr. Skelly: In this particular clause foreign income is accumulated with Canadian income. Dealing with foreign income, companies can make a deduction based on their expenses and development costs in a foreign area. It seems to be working as an incentive. We are concerned about very large earnings of oil companies within Canada at the present time. This almost provides an incentive to remove funds from this country to develop resources in other areas of the world, yet we are providing a deduction for them against income earned. No matter where it is earned, we are taxing income that a company has accumulated. We should be looking at ways of discouraging multinational oil companies working within Canada from earning windfall profits, exporting those profits to develop in more profitable areas of the world, and then providing an incentive to save through our Income Tax Act.

● (1550)

Mr. Ritchie (York East): Mr. Chairman, the first thing I am sure the hon. member would wish to recognize is that we are talking about Canadian taxpayers; we are not talking about non-Canadian taxpayers. Secondly, this is a normal arrangement, not just for oil companies and mining companies but for any kind of business which operates abroad. It is normal for these businesses to have their legitimate expenses deducted before taxable income is calculated. There is nothing novel, new or different about this.

Mr. Skelly: Mr. Chairman, whether or not it is novel or new, a couple of days ago we were asked to authorize the Government of Canada to borrow $7 billion to cover, in my opinion, losses in revenues through the tax savings that these corporations and businesses in other stronger sectors of our economy, including banks and oil companies, have been able to realize. I am very concerned that this literally provides an incentive to a very important sector of our economy to invest money earned in this country in foreign markets. I feel the government's policy will make this investment even more profitable, particularly when we think of the increase in the cost of energy and things along that line. These companies are going to extract more profits from the people in this country, and the incentive in this particular paragraph will encourage foreign investment, especially in areas where it is more profitable, and we are going to allow them to deduct their expenses from income when we should be attempting to protect that capital that is generated within this country and see that it is used strictly for Canadian purposes.

Mr. Ritchie (York East): Mr. Speaker, it would appear that the hon. member is arguing that while Canada is host to investment from abroad it should never itself invest abroad. That is not a principle I find very attractive in terms of the Canadian economy. If we are going to permit Canadians, individuals, companies or otherwise, to invest abroad, before we tax the earnings they make as a result of that enterprise which yields tax revenues to Canada we should at least allow them to deduct their legitimate expenses. If we do not, certainly Canadians will not invest abroad.

Mr. Skelly: Mr. Chairman, we should also protect and make sure that capital generated within this country is used to develop it. I have heard members on the opposite benches moan and groan about having to raise interest rates in this country because capital is flowing out. Instead of protecting the capital we have here, clauses such as this tend to encourage that capital to flow out. What I would suggest is possibly a re-examination of this kind of logic. We should in fact be attempting to protect capital within this country, especially in important areas such as resources and energy.

The other question the parliamentary secretary referred to relates to Canadian taxpayers. We have a long history littered with Canadian taxpaying firms that are controlled by companies in other countries which have in fact made determined efforts to drain their profits out. We know of dividend payments, interest payments, and the hiring of expensive services outside this country. What we have now is investment capital from some of these transnational corporations going one way, with the dividends and other benefits going another, without much of it arriving in Canada to achieve this nation's goals.

Mr. Rose: Mr. Chairman, before the parliamentary secretary replies to my colleague perhaps I may be permitted to ask whether this paragraph allows companies, such as Inco which was on strike for many months, almost a year, to invest in such celebrated democracies as Indonesia and Guatemala through tax arrears, or overdue payments on taxes allowed by the Canadian government? This is also the clause which allows them to invest overseas and claim business expenses before paying taxes.

Since most resource companies, certainly the oil companies, are not celebrated as companies paying massive taxes, because they have so many tax breaks of this kind, would the parliamentary secretary indicate if it is possible for his assistants at the desk to tell us what kind of income Canada receives in income tax from investment in foreign corporations or foreign resource industries overseas?

Mr. Ritchie (York East): Mr. Chairman, it might be worth pointing out to the hon. member and his colleague that we are dealing only with technical amendments here. We are not altering anything that bears on the points being raised about foreign investment. With regard to the questions about the principle of foreign investment, I think I have already responded to them as straightforwardly as I can.

Mr. Rose: Be that as it may, Mr. Chairman, I realize it does tend to put the parliamentary secretary at a considerable disadvantage when questions such as this are raised, particularly when he feels they really are not relevant to the matter before us. We disagree with that. If it is possible for the hon. member to provide those answers I think some of us would be very grateful.

Whether those on the opposite side like it or not, this House is a platform for the expression of concern on the part of Canadian people regarding a great many general policy matters. While we on this side of the House do not want to prolong this unduly, we would like to have those answers. I know that our colleagues in the Liberal benches cannot be expected to ask many questions about this as it is their legislation and obviously they approved it. I note that members on the other side also approved it. We think that is rather nice because in the province I come from we do not have the problem of a minority government. We pushed the Liberals and the Conservatives into one camp a long time ago, and they are called Social Credit.

If it is possible I would like to find out the extent of these business exemptions that are offered, in order to compare them with the kind of income we get from these companies. The hon. member has said they are taxpayers, and I would like to know what kind of income we get from the these Canadian businesses investing in other countries such as Guatemala where labour is two bits an hour. Perhaps we could then see whether all this nonsense about these clauses is really worth it.

Mr. Ritchie (York East): Mr. Chairman, I am not certain whether it is possible to find definitive answers to that kind of question. The hon. member should be aware that life is considerably more complicated than his question suggests. For instance, much of the capital for these foreign investments may be raised abroad. I know, for instance, that when Canadian companies go to the United States they usually find it much more attractive to raise capital in the United States than here in Canada where it costs more. This is often true, so that to the extent this takes place, some of the force of the question is at least undermined. I will undertake to see what I can find out by way of information on the questions raised, and if I can find anything concrete and useful I will be glad to report back.

Mr. Rose: Mr. Chairman, I have one final point I should like to put to the parliamentary secretary. I say to the parliamentary secretary that nothing in life is simple, especially something as complex as the Income Tax Act. Let me share with him the view that Canadian companies often raise their money for foreign investment in the foreign country in which they operate. This is also true of U.S. companies that come here. Very often the value of investment capital coming to this country is not nearly as great as we are sometimes told, and that is because of the fact that Canadian banks and other financial institutions help American subsidiaries to grow by providing the money in this country. I am sure the hon. member, through his past role and profession, is well aware of that.

Mr. Taylor (Bow River): Mr. Chairman, I would just like to offer a suggestion—

● (1600)

The Chairman: Order. I have recognized the hon. member for Dauphin.

Mr. Ritchie (Dauphin): Mr. Chairman, we have been constantly lectured by Third World countries that we are not doing enough for them. With regard to the mine in Guatemala which the hon. member just mentioned, it seems to me that we have contributed substantially to development in that country. Even though the wages may only be two bits an hour, they are still greater than what they were before. At any rate, in many cases these companies are taken over by those Third World governments, and they end up with the assets which Canada has contributed in the development of the country.

Mr. Taylor (Bow River): Mr. Chairman, if a Canadian company is working in a foreign country and earns certain money as a result, then certainly the Canadian government should not be taxing that company on the money earned. The company has already paid the taxes to that country in which the money was earned and, therefore, it would amount to double taxation and discourage Canadian companies from investing in other countries. I do not think that it has anything to do with the matter of money earned in Canada, but that it does have something to do with the money earned in another country. I think that it is only proper that a Canadian company not be taxed twice.

Mr. Munro (Esquimalt-Saanich): Mr. Chairman, the comments raised by the hon. member for Comox-Powell River suggest to me that he is under the impression that this particular clause refers to earnings or profits. On reading the clause and the notes on the opposite page, it seems to me that it refers to expenses. Could the parliamentary secretary clarify this matter? Is this clause merely adding the underground storage feature as one of the charges a Canadian company would incur in this foreign operation and saying that it would be deductible for income tax purposes, not as profits? Already they are charged with respect to right, licence or privilege to drill, and now we are dealing with the charges that would be incurred by the company for storing any of the petroleum or gas which might be discovered in the course of exploration. Could the parliamentary secretary confirm that it is really costs incurred, or am I misreading the clause myself?

Mr. Ritchie (York East): Yes, Mr. Chairman, it is costs incurred.

Mr. Skelly: Mr. Speaker, I would like to address my remarks, within the context of this particular discussion, to the previous speaker. He suggested that we might be double taxing corporations which are removing investment capital from this country that we desperately need and that we are attempting to protect. Are we encouraging corporations that have developed the resource-based economy in this country and neglected the processing resource and, therefore, the income potential and the job potential within the country, to do the same thing in other countries?

What we are foisting on many other developing nations are these transnational corporations, which have not gone the full distance with the Canadian people considering the type of benefits the parliamentary secretary is continuing to bestow upon them. These companies have not gone into processing and manufacturing, thereby extending the benefits which would accrue to the people in this country. Instead, these companies are now going out into cheaper areas in the world and perpetrating the same kind of development, developing the resources and exporting them. Therefore, these countries also are not seeing the kind of development which Canada would like to see for itself.

What I am suggesting is that this is not only causing a flow of capital out of our country, but it is enhancing the kind of development which many of us would not like to see other developing nations go through. Many people would like to see their economies in a full, rounded manner and not strictly for the benefit of these transnational corporations. Through income tax and other mechanisms which we have provided, we are encouraging these companies to do just that, instead of fulfilling their social responsibilities which they have as citizens.

Clause agreed to.

On clause 20—

Mr. Rae: Mr. Chairman, this is the clause on which we would like to hear the figures. Before I indicate to the government in full what our concerns are, because they do affect a very vital matter, I wonder if the parliamentary secretary could give us the figures on the cost of extending the date from 1979 to 1982.

Mr. Ritchie (York East): Mr. Chairman, as the hon. member has just pointed out, the principal effect of this clause is to extend the date of the 100 per cent write-off provision for Canadian exploration expenses for individual and non-principal business corporations. That provision originally applied until June 30 of this year. It was extended by the previous minister of finance by a remission order to the end of this calendar year. The provision would be extended by this bill to December 31, 1981.

The effect is to permit a 100 per cent write-off in the first year of those expenses. In that sense it is a tax deferral because what is written off in the first year cannot be written off in subsequent years. The effect, I am informed, in the first year is to postpone some $80 million of revenue.

Mr. Rae: The question one must ask is, deferred until when? The parliamentary secretary knows that these things are accumulative and are continually deferred as time goes on. Therefore, there is no reckoning day that one could predict. What will happen is that it will continue to be deferred as exploration continues.

There is a very basic question here, and it relates to the question of oil prices, the question of the relationship between our manufacturing sector and our resource sector, to the survival of PetroCan, to the fact that we have subsidized—not only through this particular measure, but through other measures—the drilling allowance, and to the special shelters that have been created for wealthy investors in the frontier allowance field, all these expenditures. I am delighted that the Minister of Finance will be indicating what these expenditures are. I hope those expenditures will include deferrals because they, too, are a form of expenditure.

But all of these measures, the fast write-offs, the super depreciation, depletion and so on, are a form of public expenditure which subsidizes some forms of economic activity at the expense of others, and in which the government and the taxpayers are subsidizing particular companies and particular concerns. I think that it is worth while to point out to the government that the effective rate of taxation of the five large petroleum companies between 1974 and 1978 was 17.9 per cent and that the effective rate of taxation of medium-sized companies, including Dome Petroleum which does not pay any taxes, was 17.7 per cent.

The member for Saint-Henri-Westmount says that one cannot compare a company to an ordinary individual, that a corporation cannot be dealt with as though it were a person, but that we must recognize when talking about a corporation that we are talking about shareholders, investors, and that therefore we must relate it to the individual tax system. That is well and fine, but I would simply point out that the average income of those people who are investing in the companies with which we are concerned is far higher than the average or medium income in Canada.

● (1610)

We also have to recognize that this interference, and this is one more example of it, with the operation of the so-called free market in which members opposite are so proud to be believers, creates tremendous distortions.

It might be worth while if I quote what Professor Bossons, an economist at the University of Toronto, said when asked for his views on current tax allowances in the energy field. His views were reported in *The Globe and Mail* for October 17, 1979. He said:

> I certainly don't have the feeling that the incentives are inadequate. They're extremely generous.

As he sees it, these allowances have the effect of encouraging a trend toward concentration in the industry. I do not think he is a member of my party, but I want to read what he had to say. He said:

> The companies that can take advantage are mainly the large vertically integrated ones.
>
> Mr. Bossons contended that the incentives are aimed mainly at tapping profits rather than at influencing investment. He summed up the package of existing incentives as "a lot of second-best attempts to offset byproducts of other second-best attempts."
>
> He also suggested that allowing oil companies to reduce their effective rate of taxation limits the ability of government to provide incentives for areas of the economy that could produce more jobs. And it tends to increase taxes in real terms in other industries while lowering them in the oil industry.
>
> Government must make a conscious choice in devising incentives, so that it doesn't overstimulate one industry at the expense of another, Mr. Bossons said. One reason for formation of Petro-Canada, he suggested, was to attempt to get a little more competition in the oil industry. Without the Crown oil company Ottawa would be "essentially at the mercy of the industry that's not far away from being a cartel."
>
> Mr. Bossons said foreign ownership of the oil industry is actually being encouraged by the current tax rules. If the system were neutral the incentives would be "things that can be taken advantage of exactly as easily by 'domestic' companies as by the foreign-owned concerns."

These are very critical questions. Obviously the parliamentary secretary is not in a position to answer them today. I want to suggest to the parliamentary secretary, and through him to the minister, that when it comes time for the budget and for a decision on oil prices, I want him to recognize that when we talk about the 1980s and the amount of capital resources to be expended on research and development in the oil and natural gas industry, unless this is done properly and fairly two or three things will happen, although they have been happening since the 1970s.

The parliamentary secretary may recall that it was Mr. Kierans who resigned from the Liberal cabinet precisely because in 1972 he could see the writing on the wall. He could see the dramatic distortions which would be taking place in the Canadian economy if we continued to give as we did give right through the 1970s the tremendous incentives and advantages to the oil industry, whereas no incentive or advantage was

given to the manufacturing or processing industry in Canada. As a result of that we have seen the dramatic weakening of our manufacturing base and the tragedy of an $11 billion deficit in the trade of finished goods that we have now. That is a direct result of incentive and tax policies by the Government of Canada which was initiated in the 1970s. That is one thing that will continue in the 1980s. But we will have a continued distortion and domination of our oil industry by foreign companies, subsidized by the Canadian taxpayer.

With the elimination of Petro-Canada, we are eliminating the only competition that exists in that vital industry as well as the only means we have at the moment of seeing precisely what is going on in the fields of exploration, research and development, and in other related energy fields. You cannot separate these questions. The Liberals failed to do so as we saw in the dramatic failure which occurred in the 1970s. That failure has led to an extraordinary subsidy amounting to billions of dollars to the oil industry at the expense of not just the principle of fairness—which I have spoken about earlier—but also the structure of Canadian industry and our ability to survive as an industrial nation. I think it is vital for the parliamentary secretary to take our concerns to the minister.

Let me say this as well, that one of the excuses which the oil industry has been using against the Canadian people for having these extraordinary—and they are extraordinary by any stretch of the imagination—subsidies of these vast multinational corporations by the taxpayer is that by keeping the price of oil down it forces us to rely on these fast write offs as a means of finding ways to finance the necessary research, development and exploration.

I have never been persuaded by that excuse. It is not borne out by the profit figures which they have been giving us. If that excuse is true, then there is one thing the Minister of Finance will be able to do in this budget provided that he has an agreement on oil pricing and a strategy for oil pricing in the 1980s.

No longer will the oil companies have the excuse of relying on a two-fold subsidy. But instead of having the one major subsidy we had in the 1970s, which subsidy was right through the tax system, in the 1980s they want an additional one. They want an addition to the tax subsidy. They want an extraordinary subsidy of price, if you like.

We are entitled to get from the parliamentary secretary—and if he cannot get it for us today I guess we will have to wait for the Conservative budget—an explanation from the minister as to the logic of this policy in terms of the relationship between the different sectors of the economy as to why we are allowing such extraordinary write-offs in one sector and not in another. I think we are also entitled from the point of view of a good deal for the Canadian people to ask ourselves why, when we are entering into an economy where the public corporation can apparently survive only with the incredible series of crutches and supports of incentives and grants of direct money and of tax expenditures from the Canadian public, we receive nothing in return?

[Mr. Rae.]

We are told by the provinces we have no right to the resources. We are told by the oil companies that we are interfering in the private enterprise system at the same time as this whole structure depends on an incredible number of incentives, grants, write-offs, and tax depreciations which result in a serious loss of taxation to the Canadian public.

I hope we will have a clear statement from the parliamentary secretary as to what he thinks the effective rate of taxation in those industries should be. If he thinks it should be down to 18, 17 or 16 per cent, then I hope the government will come clean and say that is the policy of the Government of Canada and that we expect the Canadian people to bear this price when the normal corporate rate is 46 per cent. I think the people of Canada are entitled to know what they are getting in exchange for this extraordinary expenditure.

Finally, if we move toward a world price, and we on this side of the House think that will be a disaster, and not necessary, but if the government insists on moving toward the world price—no doubt there would be no difference if the Liberal party were in power—we are then entitled to say to them, "Look, to pay one tribute is enough, and if the oil companies are determined to let the so-called world market in oil determine their price system, then do not come back to the public trough for the second time."

● (1620)

You cannot have the best of both worlds. You cannot move toward the world price and continue this absurd situation of subsidizing to such a great extent the takeover of our own resources and the development of our country. This tax question is profound. It relates to the industrial future. It relates to the future of the economic system and how much longer we can continue subsidizing these large corporations without having any say or influence in their policy, without having any policy to control the direction and investment, apart from using these various carrots that have been thrown in front of them since they went on strike in 1974.

We are entitled to put on the record how deep our concerns are, and how ill-advised the Liberal party was. It led to a foreign takeover of our resource industry. We are in a bad situation and the policies that are being continued by this government will only confirm our difficulties. This will confirm our status in the world as basically dependent on foreign multinational companies for the development of our own natural resources. It will confirm how our industrial structure is weakened because of this. The fairness of this tax break is also brought into question.

For all those reasons, Mr. Chairman, this measure is wrong and should be defeated. It has no place in the budget of a self-respecting people who are prepared to take the industrial and resource future into their own hands. We reject it out of hand as an approach. It is deplorable.

Mr. McKenzie: Mr. Chairman, I do not understand some of the remarks of the NDP critic. Once again that party is up to its old tricks. The hon. member stated there will be an

elimination of Petro-Canada. I would like him to produce the evidence of that. The plans are not to eliminate Petro-Canada but to strengthen it. Therefore the hon. member loses his credibility when he makes that statement, and also his credibility with regard to anything else he said in the debate this afternoon.

I wish to give some information to the Parliamentary Secretary to the Minister of Finance. I have here figures that have been compiled by a Winnipeg firm with regard to business and investment money that moved out of the province of Manitoba during the disastrous eight years under an NDP government there. I want to ask what plans there are to stop businesses and investment money leaving Canada, which left in large amouts during the last four or five years of the Liberal regime. I will place these figures on the record to let the House know what happens under different types of government.

These statistics were compiled by P. H. Jerch, head of Peter Henry Jerch & Associates in Winnipeg. He claims the trend in business and investment money leaving Manitoba and Canada has been going on for a number of years. He points out, and I quote:

Countries or for that matter provinces which have nationalistic, leftist or extremely strong bureaucratic tendencies make striving and successful entrepreneurs feel uncomfortable.

That was the climate that came about in Manitoba under an NDP government and the last Liberal regime in Canada. The figures were staggering on the number of businesses and the amount of money leaving Canada. Many American states established offices in Canada to assist businesses to move out of this country because of the extremely strong bureaucratic tendencies.

Mr. Jerch has given a number of figures regarding firms that moved out of Manitoba durng the NDP regime. He provided statistics for 24 Manitoba based smaller and medium-sized firms, and the amount of money which left the province of Manitoba because of the NDP government, which frightens business and investment to death. For these 24 firms, there was a loss of 4,000 jobs to the province of Manitoba.

He compiled other statistics based on actual survey, and I quote:

In a current survey by Peter Henry Jerch & Associates of 42 smaller and medium-sized active manufacturing and service enterprises, only 12 were looking for acquisitions in Canada only. Fifteen thought they would consider a further acquisition or investment in Canada as a second alternative, which suggests that reason tells them to go elsewhere but that they still tend to be an optimist despite all their complaints. However, 30 of the 42 are either actively looking in the U.S. or have already made one or more acquisition or investment decisions there. These 42 are, incidentally, a fair and representative sample of the average successful Canadian business enterprise. Together they are likely to spend, directly and indirectly, from a low of $63,000,000 to a high of $160,000,000 in their investments and acquisitions over the next few years. Only between $7,000,000 to $19,000,000 are definitely scheduled for Canada, with the remainder going to the U.S.

It is a political climate that is conducive to attracting business and investment. To give some idea how serious the problem is, Kentucky now calls itself the eleventh province. That is because so many Canadian businesses have been driven out of this country by socialist groups in Manitoba and British Columbia and by the previous Liberal administration which was about as left as any group can go. Referring to these firms, he said:

They currently received about $9,000,000 annual for export sales. Which means that if they establish a subsidiary, joint venture or the like in the U.S., within the next couple of years they will expend, in investment or acquisition funds, realistically about $90,000,000. If you then consider that an additional $40,000,000 will not be coming back, the loss to Canada of even this small sample is about $130,000,000—

The loss of jobs with regard to these 42 Canadian firms will be between 4,300 and 13,000 jobs. The statistics I have just read are very hard to—

The Chairman: Order, please. I am having some difficulty trying to attach the remarks of the hon. member to the clause. We are in Committee of the Whole. The clause refers to exploration expenses, not investment. The case being made by the hon. member is not in relation to this clause.

Possibly the hon. member can explain to me how this relates to the clause. I do not want to prevent him contributing to the debate, but I hesitate to allow him to continue along this line. He is speaking about loss of jobs and investment abroad, not to exploration expenses allowances through the Income Tax Act.

Mr. McKenzie: A good point, Mr. Chairman. In any event, I have my figures on the record. They could partially pertain to that clause. Possibly the parliamentary secretary can now tell us what plans the government has to encourage exploration, businesses and investment in this country. I know this has been the trend since this government has taken over. Perhaps he can enlighten the committee along these lines.

Mr. Ritchie (York East): Mr. Chairman, the hon. member has detected a difference, a difference in climate and some of the slight modifications made to the original Bill C-37 that are embodied in the bill before us. The further steps he might reasonably anticipate will no doubt come in the budget, and some of the subsequent programs of the government will be designed to get the economy of the country moving again, as we all wish it to do.

May I comment on some of the points raised by the hon. member for Broadview-Greenwood. He strayed, perhaps consciously, a long way from the provisions of the clause before us. In fact some of his remarks might well be construed as support for what this clause does. He spoke of what he considers to be undue benefits to the oil companies. As I am sure he knows, this particular clause might be construed as a step to ensure that other potential and actual investors in exploration are on the same basis or on a not less favourable basis than an oil company. This extension of the right to charge exploration expenses in the year made, applies to individuals and non-principal business corporations, as the unwieldy phrase goes.

● (1630)

Some of the hon. member's comments in a more general vein do deserve a reaction. One of the tests of any incentive

given by way of taxes or otherwise in the market economy is whether it works. The incentive given here is really a deferral of taxes, a deferral which does not go on for ever. The first deferral is paid when there is income to tax it against and, if one looks at it logically, it is future exploration expenses which are deferred thereafter. So there may be a turn-over of deferred taxes if a company continues its exploration activities on a sufficient scale depending to some degree, of course, on the revenue eventually achieved.

I think it would be hard to say in the circumstances facing this country, that the amount of exploration for oil and gas here is excessive. Our concern is that it has not been greater. Some of the sources to which we now have to look for future reserves are, by and large, very expensive either because of exceptionally adverse weather conditions and distances involved, or because production costs are higher than we have been accustomed to. If the point is reached at which taxes on the industry and all kinds of investors in this search for energy becomes excessive, become obviously wasteful, only then will we be able to say that the tax arrangements are too attractive. That, I believe, is the test of any tax incentive or other kind of incentive given to an industry of any kind, not just to the oil industry.

The hon. member also attempted to suggest that the deterioration in manufacturing competitiveness in this country was due to the inducements given to mining and oil company exploration. I find that a farfetched explanation of an undoubted fact. There has, indeed, been a deterioration in the competitive position of manufacturing in this country and the situation has only been saved, and that temporarily, by the depreciation of the dollar, a depreciation which marks the failure, not the success, of economic policy.

I doubt that the decline in the competitiveness of manufacturing industry in this country was in any way due to excessive direction of capital to mining and oil exploration activities. I believe there are much more evident and realistic causes therefor—one could look for them in levels of wages and salaries in this country which exceeded those in the United States at a time when our productivity was known to be, on average, 15 to 20 per cent lower than theirs. Whatever the causes of that situation, the effect on the declining competitiveness of Canadian manufacturing can be seen, whereas the effect the hon. member appeared to suggest cannot be seen.

I end by making two points. First, this particular clause is not addressed to the oil companies but to individuals and non-oil companies whose principal business is not in oil exploration. Its purpose is to induce investment from both sources, not, as the hon. member suggested, to add to monopoly or near cartel, as he chooses to call it, but rather the reverse—to get more people into the act. In the second place, the final test will be whether it provides the results intended. The evidence so far is that it has produced results and its extension is therefore more than warranted.

Mr. Taylor (Bow River): I do not want to delay the discussion, Mr. Chairman, but I believe there are definite examples which might change the mind of the hon. member from the New Democratic Party who was speaking just a few minutes ago. I recall the time when members of the New Democratic Party and its predecessor, the CCF, made almost the same speech in the Alberta legislature. That was in the forties and fifties when Alberta was one of the "have-not" provinces and the provincial government wanted to get things going by providing a tax incentive. It was not a rip-off, it was a tax incentive.

[Mr. Ritchie (York East).]

The CCF members strongly denounced it at that time. They said it would bring ruin to the whole of the province, and so on. But that incentive created the basis for the Heritage Trust Fund which Alberta has been able to establish. It put people to work and gave them an opportunity to earn a dollar and make a profit from their industry. Today more money goes into the coffers of the government from every dollar made than goes to the oil companies which did the work. The greater profit goes to the people.

The whole story can be put in a nutshell: if you provide an incentive and do not put barnacles and shackles on free enterprise, free enterprise will produce. That is what has happened in Alberta and that is what could happen in the whole of Canada if we can get the right incentives in place. I do not consider these provisions constitute a rip-off. This is an incentive which will put people to work.

Hon. members must bear in mind that this is a high risk industry. We have to decide whether we wish to be dependent on foreign oil or whether we wish to develop our own supply. We can produce sufficient oil ourselves only if we provide incentives sufficient to induce the necessary exploration and extraction. We cannot do this with tax money because the tax burden on the population would be tremendous. It can be done, though, if we induce both small companies and large companies—and they all have their place—to go out and find the oil. Afterwards, revenues will start coming in and the people will have the advantage of the production as well as the advantage of the increased prosperity which follows that type of investment.

I have heard these prophecies of doom before from members of the party over there in that corner, and they do not make any sense to me at all. I have seen what happens when governments provide incentives. Alberta today is an example. Initiatives are still being undertaken there because the government of Alberta provides incentives. A greater amount of drilling took place in Alberta last year than that undertaken in any other place because there were better incentives, and more dollars will be made in the long run. That is exactly what can happen in Canada. We want the whole of Canada to be strong and self-sufficient so that we will not be dependent on foreign material. The free enterprise system can do it.

● (1640)

Mr. Blenkarn: Mr. Chairman, when we are making a clause by clause analysis of a bill, it is essential that we deal with the bill clause by clause and not go into long harangues on philosophical subjects. We should be dealing with the clause before us. There has been diarrhoea coming from hon. members opposite.

Mr. Evans: And from your side.

Mr. Blenkarn: It is about time we started looking at this clause and not philosophies.

Mr. Guay: What about your colleague?

Mr. Blenkarn: This clause is to allow people not in the oil industry either as individuals or as corporations to be induced into spending their money on a most risky thing, exploration. As a result of this provision in the act, which is about to expire, all sorts of drilling funds have been organized and sold on the public market. Those drilling funds have enabled a great many more oil rigs and other things to go into the Arctic and other places. Oil and gas have been found.

This is not a long-term extension. It is a short-term extension, and it is a benefit to induce Canadians to go into a very risky enterprise. This is not a great benefit to multinational oil companies. This is not for multinational oil companies. Oil companies can already deduct their exploration expenses. They are doing it all the time. What we are attempting to do is to make this country self-sufficient in energy. What we have to do is get more private capital into the game. If that is what we are trying to do, then surely we have to approve this short-term extension. In a sense it is a benefit. It is in a sense an immediate deferral. Let us get on with it and do something to make this country self-sufficient.

Mr. Orlikow: Mr. Chairman, let me begin by suggesting to the hon. member for Winnipeg-Assiniboine that the place to debate what party shall form the government in Manitoba is really before the people of Manitoba in Manitoba, and not here in the House of Commons. I do not mind debating the subject with the hon. member, but if he wants to know how the people of Manitoba feel I suggest to him that he look at the results of the federal election in which the members who sit here now were elected just a few months ago.

His party went into the election in Manitoba believing, and saying openly, that it was confident that it could win 12 of Manitoba's 14 seats, that the only seat it was certain it could not win was the seat occupied by my colleague, the hon. member for Winnipeg North Centre, and that it was reasonably confident that it could defeat me and win all the other seats in Manitoba. The fact, of course, was that the Conservatives found themselves winning only seven of those 12 seats they expected to win on election night. Our party took five seats and the Liberals, who were supposed to be wiped out, took two seats. I say to the hon. member for Winnipeg-Assiniboine that we in my party, and also the Liberals, can base our success on the kinds of policies which he and his leader in Manitoba, the Premier of Manitoba, espouse.

Mr. Blenkarn: Mr. Chairman, I rise on a point of order. We are dealing with clause 20, an amendment to the Income Tax Act, not the election results in Manitoba, the philosophy of the Manitoba government or what happened on May 22. Surely the hon. member must stay within the clause before us, or find another forum.

The Chairman: I wish the hon. member had stood up when the hon. member for Winnipeg-Assiniboine was also a little off the clause before us. In any case, I am inviting the hon. member for Winnipeg North to come to the clause before us.

Mr. Orlikow: Mr. Chairman, you are, of course, correct. Had the hon. member for Mississauga South taken the same view and for the same reason called the hon. member for Winnipeg-Assiniboine to order, I would not have said the few words I have said and which I have almost concluded, namely, that if certain of us are here, it is to a large extent because of the so-called free enterprise, right-wing, do-nothing government in Manitoba. Its policy of restraint has made it so hard for senior citizens, native people, and university students in Manitoba that they rejected the Conservatives in our province and created a situation such that the federal government did not get its majority precisely because of lack of support in Manitoba.

I want to respond for a few moments to the comments made by the hon. member for Bow River. No member of my party is opposed to people, individuals, or companies in Canada getting a fair return on their investments, provided they invest their own money. What we are dealing with here, however, is not corporations or individuals who invest their own money as do investors in other industries who are content to take a reasonable profit. We are dealing here with industries, companies, and individuals who go into the field largely because they can do so without investing their own money.

I know that the hon. member for Bow River will not believe me. He will say that I am spouting socialist dogma. I suggest to the hon. member for Bow River that he read—although sometimes I wonder if he can or does read—a long article which ran more than a page in the Calgary *Herald*. I have never known the Calgary *Herald* to be a very radical newspaper. I do not think it has a socialist editorial policy. I do not think it is opposed to the free enterprise system, but in August it ran a long article about the activities of Dome Petroleum in the Beaufort Sea. I will not read it all, but let me read a few excerpts from the Canadian Press summary of that article which appeared in the Montreal *Gazette* on August 24, as follows:

> Canadian taxpayers may have paid as much as 93 per cent of the $150 million spent last year looking for oil in the Beaufort Sea.
>
> But if oil is found and produced there, most of it will belong to privately-owned companies.
>
> Despite the hundreds of millions of dollars provided in tax incentives for such northern exploration on federal lands, the federal government's share will be a fraction of the normal royalty share that Alberta gets for oil found in its jurisdiction.
>
> And the companies investing in northern oil—using a little of their own money and a lot of the taxpayer's money—can sometimes make a profit on their investments through tax deductions, even if no oil is found.

That is one of our main complaints. We would not be objecting so strenuously if investors in oil companies were investing their own money, but they are not. What they are saying to the people of Canada is that they want tax concessions, write-offs, drilling allowances and all the rest of it. They are saying that if they do not find anything, the people of

Canada will take the loss and lose 93 cents out of every dollar invested.

● (1650)

"But if we get a commercial find, if we can sell the oil, if we can sell the gas, we will keep the profits. So if it is heads, we, the oil companies, win, and if it is tails, you, the people of Canada, lose."

Let us look at Dome Petroleum. Dome Petroleum was established in 1950. It is best known at present for its Beaufort Sea exploration program. It is 26 per cent owned by Dome Mines, which is in turn owned 31 per cent by Dome Pete. Dome has the distinction of never having paid a cent of income tax in its history. All its income taxes have been deferred indefinitely as a result of writing off exploration and other capital expenditures for tax purposes more rapidly than are depleted for financial accounting purposes. Although the provision for deferred income taxes shows up as liability in the company's balance sheet, its own explanation of deferred taxes is very candid. Let me quote from the 1978 annual report of the corporation as follows:

Deferred taxes appearing on the company's balance sheets do not represent a liability of the company. When Dome becomes subject to paying income taxes, it will pay tax only on the income in the year incurred, not on the income of prior years as long as the company maintains a modest level of capital expenditures.

Mr. Blenkarn: I rise on a point of order. The clause we are considering deals with companies which are not in the oil business and with individuals not in the oil business. Dome Petroleum is in the oil business. This member has continued to talk on matters that are not before us. He is completely off the topic. He is making a speech on what oil companies may do with their balance sheets. This is not what we are talking about here. We are talking about a special allowance for people involved in exploration which is not their normal business. How the hon. member relates anything he has said to this clause is beyond me and, I am sure, beyond anyone else in the House. He has been called to order before and I think it is essential, if we are going to get through this income tax bill, for members to talk to the particular clause in the bill before us.

Mr. Evans: Mr. Chairman, the hon. member for Mississauga South might wish to know that what the hon. member for Winnipeg North was referring to with regard to Dome Petroleum is exactly what is in the clause, because Dome Petroleum is a company engaging in explorations in the Beaufort Sea which has attracted private companies and individuals not in the oil industry to make investments, and is using these funds to generate tax write-offs for the individuals who have bought shares in these funds. So in fact the hon. member for Winnipeg North is right on target in his remarks.

Mr. Orlikow: Mr. Chairman, let me just say with regard to the point which the hon. member for Mississauga South raised that, although I do not like to be personal, I am much more to the point on this subject than the hon. member has been in his frequent letters to the newspapers about matters such as the native people, about whom he knows less than nothing.

[Mr. Orlikow.]

Let me continue to quote from the 1976 annual report of Dome Petroleum. It reads as follows:

Provided the company maintains a modest oil and gas exploration and capital investment program, it is unlikely that the accumulated deferred income taxes will become payable.

As the hon. member who spoke a couple of minutes ago pointed out, that is exactly why we are concerned, because Dome is doing what so many other companies in this field have done. They are attracting capital by telling people, quite properly under our regulations, that they can get a much better net return after they pay taxes if they invest in this form of activity rather than in others. At the end of 1978, Dome's deferred taxes totalled $209 million, which was an increase of 436 per cent or $170 million since the end of 1973. In other words, between 1974 and 1978, Dome accumulated 81 per cent of its deferred taxes as a result of the federal government's tax policy largesse.

There are only a few minutes left before five o'clock, Mr. Chairman—

Mr. Knowles: We are going on to six o'clock.

Mr. Orlikow: It has been pointed out to me that we are going on to six o'clock, Mr. Chairman, so I have a few more moments.

I will conclude by saying to the parliamentary secretary that when one looks at how we treated the oil and gas companies, at how we have encouraged investment in these fields—nobody questioned the need to look for oil and gas and other energy sources which may be available in Canada—and when one looks at the real rate of taxation which individuals or corporations investing in these fields pay, and how low that tax rate is compared to the tax rate paid by people who invest in the manufacturing industry, and when you consider the fact that over the last ten or 15 years Canada has had the highest rate of increase in the labour force of any of the western industrialized countries, and when you realize that while manufacturing, which is labour intensive, pays a high rate of taxation—something over 40 per cent—and that our resource industries, which are capital intensive and which employ relatively few people, pay a very low rate of taxation, it is no wonder that Canadian and foreign funds flow into the resource industry rather than into the manufacturing industry.

What the government is proposing in this clause is a further concession, a further inducement to people to invest in this field because they will pay less taxes than in other fields and therefore their real return will be higher than in other fields. The government is doing that precisely at a time when we should be doing the exact reverse, precisely at a time when we should be marshalling all our forces, putting all our efforts into encouraging the manufacturing industry, which is declining from year to year.

Our share of the Canadian market and of the international market has been dropping, and the number of people, the percentage of the Canadian work force, employed in the manufacturing industry has declined from 26 per cent a few years ago to just under 20 per cent at present. So what we

should have are measures to encourage the manufacturing industry. What we should have are research and development incentives, and programs to get our industries working. What we should have is concentration on developing our manufacturing industries. Instead, what we are getting from this Conservative government is just more of what we got from the former Liberal government, more concessions to the resource industry, more encouragement to go into the oil and gas field at no risk to the investor but at a great loss to the people of Canada. The loss is in the form of taxes which we forgo, in the form of higher prices which we pay, and all that at a time when we should be concentrating our efforts on getting people to work in those fields which in every other country employ 25 per cent or more of the labour force, and which we are ignoring almost completely.

Mr. Nickerson: Mr. Chairman, may I be permitted to speak very briefly on this subject which has been well covered this afternoon. A few days ago we were treated to the spectacle of the hon. member for Oshawa telling us of his concern for the Toronto stock exchange. Today the hon. member for Broadview-Greenwood told us of his concern about interference in the free market, in this case the free market for capital. It seems at long last they are learning something over on that side.

• (1700)

I should like to elaborate a little on what was said by the parliamentary secretary concerning the fact that this legislation is designed to get away from the concentration which exists in the oil industry. This legislation gives an opportunity to ordinary people like members of the House of Commons. Should an hon. member wish to invest and take advantage of the provisions of the income tax bill before us, he will be able to use his capital in order to reduce the amount of concentration which exists in these industries.

A policy of energy self-sufficiency must be adopted in Canada. This is one of the elements of such a policy. It is much better if we can work toward energy self-sufficiency through private investment rather than through organizations such as Petro-Canada which are so heavily dependent upon government support. This is the correct type of legislation through which to encourage private investment. It has been on the books for some time. If one goes to Calgary or another exploration centre in Canada, one will find out that it is working successfully. It is attracting money from Canadians in all walks of life. It has proven to be successful. As a result of this type of incentive, a lot of oil and gas and a considerable amount of minerals have been found in the country. It is legislation like this that enables and will enable all Canadians to get in on the energy boom which could hit us at any time.

Mr. Skelly: Mr. Chairman, I should like to ask a brief question before getting into my main remarks. The parliamentary secretary suggested that this is another tax deferral. Before entering into a discussion on that, I should like to know what is the amount of tax deferral owed to Canadians now? If we are to make a judgment on whether it is desirable to continue or elaborate on this, will the parliamentary secretary tell us what is the present amount of deferred taxes owed to Canadians?

Mr. Ritchie (York East): Mr. Chairman, I will see if there is such a figure available, but I would quarrel with the words of the hon. member. So-called deferred tax is not owed to the government until income is earned. If an enterprise is not successful, that can be never. It is a very simple situation. One incurs expenses to be in a business, and one is allowed to charge them against other income not earned in the particular project for which the expenses are incurred. One will never owe tax on that project unless one subsequently earns income. It is not owed to the government in any sense. I am not sure if there is a statistical figure available for the sum total of what are called deferred taxes by the accounting profession. It is a phrase which I have never thought was very illuminating. In fact I think it is misleading.

Mr. Knowles: Try $100 million.

Mr. Ritchie (York East): I should think that would be small. The best I can do at this moment is to repeat that this particular measure is estimated to defer taxes at the rate of $80 million a year. Whether there is a figure for all deferred taxes which go far beyond the oil industry, I am not sure. It is called deferred taxes if you write off depreciation in the manufacturing business, for instance, faster than the normal life of the asset. I think such a figure might be very hard to achieve. It may exist, but I am not sure.

Mr. Rae: Mr. Chairman, I have a supplementary question. When the government produces its tax expenditure figures, is it the intention of the government to give us the total cost of capital cost allowance deferrals? Will that figure be included in the accounting?

Mr. Ritchie (York East): I am afraid I cannot give the hon. member an answer on that because I just do not happen to know it. Personally I have some reservations about this tax expenditure concept. It seems to be based on the idea that somehow or other all revenue belongs to the government and any reduction from that is a tax expenditure. In any event we are committed to giving some information at the time of the budget on what have come to be called tax expenditures. I am not sure whether it will cover deferred taxation or not. I am not sure if I could find out that information in advance of the budget.

Mr. Rae: Supplementary to that, I should like to indicate to the parliamentary secretary that he and I may disagree on the usefulness of the concept of tax expenditure. I assume from what the Minister of Finance has told us that he and the President of the Treasury Board have accepted the notion. I hope it will be included. If he cannot give us the figure requested by the hon. member for Comox-Powell River, perhaps he could tell us the total cost of section 66 of the Income Tax Act? Can he give us that figure, which includes oil companies, prospectors and other groups?

Mr. Ritchie (York East): I am informed that there is no such estimate available at the moment. It is possible it may be included in the budget figures which will be submitted. I will make a note of it and suggest it to the minister.

Mr. Skelly: The matter which bothers me, as I mentioned the other day, is that the tax system is a very difficult and imprecise method of governing the economy. When a tax saving is provided to people in one particular sector, we deprive others. As the hon. member for Winnipeg North said, we wind up literally forcing individual taxpayers to fund this program.

Also I am concerned with the statements of the hon. member for Bow River when he suggested that incentives created the great wealth in Alberta. It appears to me that that is not logical. The real boom in Alberta, and the program which developed therefrom, evolved more at the hands of the Ayatollah than anything done in Alberta. There are certain directions in Alberta today which will be very helpful in the future. I am referring to the attempt to diversify the basic economy of Alberta.

Rather than putting forward provisions such as this, perhaps we should look at using other instruments to direct the investments of this country into some of our other resource bases. We should not place this country into a resource dependent position. We should try to capitalize on some of our resource bases. If Alberta is successful in diversifying its industry, when that resource is depleted, surely we will see a much stronger province than the one which existed before the group led by the Ayatollah put Alberta in such a favourable position. In my opinion it has little to do with incentives. The fact is that the oil, gas and coal were in the ground when the dinosaurs roamed.

● (1710)

An hon. Member: You mean when the Social Credit party was in power.

Mr. Skelly: Hold it, please. Let me continue. You will have lots of time in a moment. There has been a suggestion that it was incentives such as this that helped to improve Alberta, incentives similar to the one in the act as described by the parliamentary secretary.

Let me refer to one other fact, and that is that as a result of incentives like this, or otherwise, we have now developed or found more gas than we can use. This is the result of incentives for investments such as this. That gas is now capped, and we find people before the National Energy Board attempting to export that gas across the border. This is what the taxpayers' money has done. What we have essentially done is produce an energy source we cannot use, and in fact we are now going to give the benefit of that to another country.

The suggestion is that perhaps we should, through incentives of various types, or by some mechanism, direct this investment into other industries so that we can increase employment in this country, maybe offsetting some of the problems we have as a result of importing high cost goods. Another implication

was that we should be encouraging individuals and small businesses to get into the oil business. That is almost an impossible hope, particularly in view of the way we are attempting to do that. The oil business is clearly controlled and held by the seven sisters, and to suggest anything else would be foolish.

We see on the one hand investments by small businesses and individuals being encouraged, while on the other hand they are being strangled by the fact that in order to borrow capital to make some of these investments they must pay prohibitive interest rates. Interest rates are in turn driven up and borrowing becomes even more difficult. We have contradictory efforts being made here. The one put forward in this clause should be the most appropriate one, and there should not be other government programs in direct contradiction to it.

Those are some of the things that concern me, and perhaps the parliamentary secretary can provide the answers. I am basically asking what industrial strategy affecting the total economy underpins the decision to adopt these tax savings for resource companies and other people who are encouraged to get into the resource business? What is being aimed at in the over-all picture?

Mr. Ritchie (York East): Mr. Chairman, I would like to comment on some of the remarks and implications by the hon. member, and also by the hon. member for Winnipeg North. It seems difficult to me to comprehend how, at a time when the whole world is energy short and Canada has the potential to be self-sufficient in energy, a situation which would be of great benefit to the economy of this country, one could question any reasonable effort to induce expenditure on exploration for the development of our energy potential. I might point out that when such expenditures are made they do not disappear into nothingness. Those expenditures in many cases are for manufactured products. The steel industry of Saskatchewan and the steel industry of Ontario are two of the areas to which that money goes. The food industry and all of the industries that supply drilling equipment, which involve a difficult logistics exercise, all share in these expenditures.

Surely it is clear that this country needs energy, that it has the potential for self-sufficiency in energy, but that will not be realized if investment is not induced, and it will not be induced if it is not attractive.

I had the privilege of seeing the oil exploration industry in this country grow from practically zero in 1947 to a very substantial industry of very great strength to the economy of this country. The industry was not built by the Ayatollah, it was built by sensible government policies that encouraged what proved to be, on balance, along with a lot of losing investments, a substantial success in discovering oil and gas reserves in this country.

It so happens that exploration success in this business, as in mining, tends to occur in jumps. You can go along for years, spend, spend, find nothing and become discouraged. Then you may have a brief period of great success. The policies followed in this country have produced gas which at the moment is

surplus to our current needs. That is an asset which we should not deplore or question. We should congratulate ourselves. This is an asset whether we keep it in the ground, or follow the suggestion that we export some of that gas.

The hon. member talked about interest rates and asked why we have high interest rates in this country. One very powerful reason is that we are borrowing to keep alive. We are borrowing at the rate of $7 billion to $8 billion in the current year. If that were not the case and we were not under that kind of debtor's burden, we would not necessarily require these high interest rates. That natural gas surplus could help us earn our way in the world a bit better. It could contribute to ameliorating the conditions that have caused present high interest rates.

The hon. member for Winnipeg North spoke of things about which I am very sympathetic. He spoke of the need in this country for a more competitive, successful and dynamic manufacturing sector. He pointed to the way in which it has declined. I agree that we need to do something about the lack of dynamism in the manufacturing sector, or a large part of it in this country. We need this for purposes of employment and we need it to help pay our way in the world.

We also need this measure which is directed to something equally as important: self-sufficiency in energy in this country for the next several decades. These two needs are not competitive. In fact, as I mentioned a few moments earlier, the manufacturing sector can be helped through exploration and development expenditures, and by investment in pipelines and all of those things that come with success.

While I share some of the concerns of the hon. member, they really have nothing to do with taking a negative attitude toward this particular provision. I might also point out that this particular provision has nothing to do with some of the claims that have been made that investors can get something for nothing through tax revenues in this country. This provision is simply concerned with writing off legitimate exploration expenses. Depending on one's tax rate, which can scarcely be higher in this country than something like 62 per cent, that is all it can save you. It cannot save you 110 per cent. The hon. member is talking about something different when he is talking about that. He is talking about what is called superdepletion. That is something that is not being debated at this point. That is a debate which I suppose depends on what comes out in the budget.

This clause is not doing some of the things that remarks from the other side would suggest. It will make a substantial contribution to the promotion of self-sufficiency in energy in this country, and I can think of nothing more important for at least the next two decades.

● (1720)

Mr. Rae: Mr. Chairman, I would like to respond to some of the things said by the parliamentary secretary, the hon. member for Winnipeg-Assiniboine, the hon. member for Mississauga South, the hon. member for the Western Arctic and others. We seem to have managed to stir some of the true believers in the Conservative party out of their doldrums.

First of all, there is the question of relevance. This clause is an amendment to section 66 of the Income Tax Act. That section deals with the question of Canadian exploration and development expenses, and the way in which those expenses are written off. With due respect to the hon. member for Mississauga South, we are entitled, in view of that amendment, to talk about section 66, its effects, and the importance and relationship of this deduction to other deductions and, therefore, entitled to take this opportunity to ask the government to look at what is happening to our tax system, how fair it is, how effective it is, and whether it is achieving the results which we wanted it to achieve.

The member for Mississauga South reminds me of the person who was asked in an examination, "what is Moby Dick about?", and his answer was, "Moby Dick is about a whale". That is not a very imaginative or complete answer, because Moby Dick is about many things. It is about life itself. This section of the Income Tax Act is not just about the whale that is contained in clause 20, it is about the whole section 66 which deals with the very important feature of the tax system in Canada, and a very important innovation which was brought in by the Liberal party and to which my party has taken exception. We are using this as an opportunity to ask the government to look at that section again, and I think that we are perfectly entitled to do that because that is what Parliament is all about.

As for the intervention by the hon. member for Winnipeg-Assiniboine with his usual deftness, subtlety, and his concern for accuracy and fairness, I thought that he was going to talk about Shell Oil and Dome Petroleum, because the last time I spoke in this House he took such exception to my remarks he said that I was misleading the House and that he would come back and correct all the misleading information I had given to the House so that the truth would be known, because all that came forth from this party was untruth and error of fact and in interpretation.

Of course, the reason that the hon. member could not come into the House and correct the error and the untruth I was speaking is because the facts I was telling this House are correct. The interpretation of course is philosophical, and members of this House are entitled to take exception to that, but I see no reason to be abusive in taking exception to that philosophy. I happen to think that the philosophy and points of view which the member for Winnipeg-Assiniboine espouses have a disastrous effect on working people. It is terribly unfair, and it can be a vicious attack on the standard of living of the average Canadian.

The hon. member thinks that the two effects of the policies we follow are to drive business to bankruptcy and out of the country and to destroy what he refers to as the productive sector of the economy. With due respect to the hon. member for Winnipeg-Assiniboine, these discussions have been going on in industrial society since it was created. I do not see any reason for being particularly abusive about it. It is simply a difference of approach and interest, and I will leave the matter at that. We are certainly entitled to that difference without the

kind of abuse and general derision that we always get from the hon. member for Winnipeg-Assiniboine.

The parliamentary secretary, I believe, said two basic things in answer to my original intervention. The first thing was that one judges the worth-while nature of a tax incentive by its success, and that if a tax incentive managed to achieve what it was designed to achieve, then it was successful. That suggestion in itself is very limited and one-dimensional.

In the early 1970s, there was a virtual strike of capital because of what the multinational oil companies felt was an unfair system of taxation in Canada. They refused to invest in frontier exploration and drilling. In some circles that would be known as a form of bargaining, that is, using their bargaining power by withdrawing their capital and refusing to invest. In other circles it would be known as economic blackmail. Members of the party opposite have taken the same view when they talk about a strike of labour. Some people refer to a strike as collective bargaining, while some extremists on the other side, such as the hon. member for Winnipeg-Assiniboine, would no doubt regard a strike as a form of blackmail.

Faced with that strike on the part of capital, the Canadian government had two choices. It could either knuckle under and give the industry what it wanted, or it could take the industry over. It could move toward public ownership. In the case of the Liberal government, and because it was a Liberal government, it did neither and it did both at the same time. It moved toward partial public ownership in the sense that it created Petro-Canada, but, of course, it did not give Petro-Canada the power that it needed. There was no public ownership or nationalization of Imperial Oil, Gulf, Shell or any of the other oil companies. The other thing which the Liberal party did was to provide this extraordinary range of incentives.

What the parliamentary secretary is telling us is, "Look, we have a problem. The problem is that we need to develop our oil and gas supplies. We have a bunch of multinational companies which are engaged in that business. How do we get them to do that business? We give them an incentive. If the incentive is sufficient and they are out developing the oil and gas, it therefore is working and is worth the price."

I suggest that this theory ignores some very important questions such as what is the price of the incentive, who pays the price of the incentive, who reaps the benefit of the incentive, and what kind of economic system functions like this? I am afraid that the parliamentary secretary cannot answer these questions. I honestly do not think that the Conservative party, with its philosophy and its commitment to this economic system under which we are now living, is able to deal with that problem.

Large multinational companies have gained control of the resources and are coming to the government and saying, "Look, this is the price of development". The Conservative party, with all respect to the hon. member for Winnipeg-Assiniboine, has as one of its major platforms and has indicated in all its public statements since the election and in the creation of the task force on Petro-Canada, that it is getting rid of Petro-Canada, that it is selling it off to the private sector, and that the exploration and development parts will be sold to the private sector.

We do not know exactly what their plans are, but the plan in the task force report would permit the control of Petro-Canada by a group of large multinational companies with Canadian subsidiaries. If each one of those groups owned 2 per cent of the shares, five of them would own 10 per cent of these shares, and there is not any economist in Canada who would not say that if one owns 10 per cent of the shares of a large corporation one is able to control the direction of that corporation, because the rest of the shares would be sufficiently diversified that no one else would have control.

With respect to the first answer that the parliamentary secretary gave us, which was the answer of the Conservative party and the Liberal party before it, that since this is accomplishing what it was set out to accomplish, the answer is yes, the question which I was raising, and with respect I do not think the hon. member can answer it because it goes beyond the terms of reference of his party was: is it worth the price? What are the alternatives? The alternatives are philosophically unacceptable to the Conservative party, but I suggest that they are cheaper in the long run to the Canadian people and will guarantee that the benefits of research, development and exploration in oil will stay in Canada and be controlled by Canadians.

● (1730)

At what price do we continue to subsidize multinational and corporate development? It is like the case of Ford or General Motors deciding whether or not to go into Quebec. It is like the case of all these incentives and grants that are being talked about, whether directly or indirectly. The nature of our economic system is changing, and those true believers on the other side who do not recognize it will wake up with a shock one day.

The second question was the manufacturing one. With great respect to the parliamentary secretary, I do not think it is far-fetched to say that there are other reasons for our lack of competitiveness. The hon. member stressed the wages question, but I would stress lack of investment along with some of the structural weaknesses of Canadian industry. We cannot make much progress when we have a branch plant economy. It is impossible for that economy to expand and grow and concentrate unless there is planning and direction co-ordinated for the public good. That is the main problem, not the problem of wages, the one the hon. member brought up.

I say to the parliamentary secretary that it is not far-fetched to suggest—and this theory is not unique to me—that where you have a tax system that gives extraordinary benefits and an exceptionally low level of tax to the oil and gas industry, and where similar benefits are not given to the manufacturing sector, there will be distortions of capital investment. That is exactly what is happening.

The hon. member for Western Arctic in his intervention drew attention to himself for the second time since I have been here. The first time he had a teddy bear on his desk. The second time, in his child-like faith, he expressed the rights of

multinational oil companies to continue to develop Canadian resources willy-nilly. In my opinion this is no longer adequate. We are looking at a set-up which is giving tremendous benefits through our tax system. Eventually the Canadian people will want to know what the cost is. The cost that I have suggested—I think I am right but only time will tell, although I hope my predictions will prove wrong—will be a continued weakness in the manufacturing sector and there will be a total takeover and domination of our resource sector.

These things need to be said. Members on the other side want this to go through without any debate—I know it is in the interest of the Liberal party for it go through because it is embarrassed, it knows the measures and what they contain. The Liberals know they cannot defend them. They know they are not an opposition party but a government in exile. They never accepted the fact that they lost the election on May 22, and that they have no real basis either in philosophy, economics or politics on which to oppose this budget and these tax measures. I suggest the phantom opposition has disappeared and that the main opposition falls to members of this party. We are happy to fill that role. We intend to fill the role. We do not intend to disappear or make things easy for the government just because this is not its budget. It is a budget of "tight money's" first team instead of "tight money's" second team. We are glad to oppose it.

Mr. Rose: Mr. Chairman, I will speak briefly. We have heard some profound statements on where we are. As politicians, one of the reasons we disagree is that we do not share the same set of assumptions at all. We are arguing usually from a different base. It does not mean that all the righteous are over here. Sometimes we are told that only the self-righteous are over here and all the "Evel Knievels" are sitting opposite. I would withdraw the word "all", but certainly there are some we could disagree with.

We are not opposed to development nor to self sufficiency nor incentives. What we are concerned about is the nature of the development and the nature of the incentives. One of my colleagues mentioned, following the address by the hon. member for Bow River, that one of our problems is with the manufacturing industry, and that if we could develop a manufacturing industry from our indigenous resources, that would be all to the good of the country. We have not seen that happen. Quite the reverse, except in the case of Alberta.

The Ayatollah did not put the oil in the ground in Alberta; neither did Peter Lougheed nor Premier Manning who spent his life damning the banks as a Social Creditor and then joined the board of one of them. It is an accident, and some of us have been told that in spite of all its oil and gas, because it lacks entrepreneurial skills Alberta was once in receivership. It has not always been an affluent place. We are not opposed to incentives. If this clause was intended to give incentives to companies, whether spin-off companies of the multinationals or not, we would prefer them to be Canadian-owned, to provide secondary and tertiary manufacturing as is being discussed. I think that is the aim of Alberta's Heritage Fund. So if we listen to the "fast buck" artists who are so anxious to save us from our balance of payment deficit and ship all the cheap gas and oil across the border as soon as possible, I think Peter Lougheed has a right to be piling up all those royalties in his Heritage Fund. In a short while Alberta will need these funds for diversification. You can provide all the incentives you like but if there is no oil in the ground, that is it.

A number of people I have talked to are saying we ought not to believe there is a shortage. They are saying these bloody oil companies have some oil, and what they are doing is capping it until the price goes up. The parliamentary secretary has tried to clarify this for us. Under this clause we are not talking about capital cost allowances or fancy write-offs or anything, but that is irrelevant to our position in explaining the assumptions we are dealing with. It is not that we are opposed to the use of incentives per se. What we are saying is that we are not interested in being blackmailed or bribed or in providing bribes to companies that are doing very well in terms of their own profitability.

I am reminded that the premier of Newfoundland, Brian Peckford, has had some experience with oil companies. He has decided to deal with resource companies on his own terms. There was a strike, but in two years the workers were back on his terms. I suggest that we can do all the bribery we want and justify it in any way we like, but the oil companies are in the business of digging up oil and the mining companies are in the business of digging up minerals. If they are not able to do that they will not function very long as mining companies. It is not to anyone's advantage to see them disappear. What we are questioning is the need for these new incentives. At two dollars a barrel, companies were exploring all over the place, yet that was the time the major strikes occurred. The parliamentary secretary is more acquainted with the oil companies than we on this side, perhaps, but he can correct me if I am wrong.

The hon. member for Western Arctic thought these write-offs in terms of exploration would contribute to a massive development of people's capital in this country. I would like to remind him that fewer than 10 per cent of Canadians, mainly the affluent, own any stocks at all. While we are willing to give tax breaks to the resource companies and oil companies, despite the promise of a $2 billion tax cut for low and middle-income Canadians during the last campaign we are now told by the Minister of Finance we cannot afford it. We can afford to give these tax breaks though.

• (1740)

One of the justifications used by the parliamentary secretary is that tax breaks do not disappear into nothing. After they are spent by companies, and they are going to be spent unless they are used as profits, banked or shipped out of the country to be invested in foreign lands, they are spent on various things that contribute to our economy. By giving these companies these breaks we do benefit and get back our taxes in other ways. There is a good deal of logic in that.

Could the same point not be made for any kind of subsidy? For example, could it not be made by a small businessman in a Newfoundland, Ontario or British Columbia town who is on

UIC? After all, UIC funds are spent in the local community. Any kind of subsidy can be justified that way, even welfare or old age pensions.

Yesterday we were told that we cannot afford $9 billion to up the old age pension to the poverty line. However, we have a proposal which will cost precisely that, maybe not the same, but it is a similar fund for another purpose.

The parliamentary secretary, not deliberately, indulges in a bit of sophistry when he tells us that money given to any one group of people, such as resource companies, is stimulating the economy and is not going down the tube. It is not lost into nothing. However, he conveniently ignores the other forms of transfer payments of wealth which do precisely the same thing. That is a particularly important point.

There is one small item to which I wish to speak. I do not know whether the parliamentary secretary's former company has anything to do with any of the gas distributing companies that are so anxious to sell off our gas to the United States in return for lowering our balance of exchange deficit of between $7 and $9 billion a year. According to the figures I have, 13 per cent of our budget is used precisely for that purpose. I do not think anyone on this side disagrees that this is a very serious matter. Whether we can do much about it through methods such as this or selling off our cheap and accessible resources, as we have done with our oil which will force us into frontier expensive oil at tremendous risk in terms of the environment, is precisely another question. I put that before you, not because I have any final answer but merely because it is a question of concern to many Canadians. We do not necessarily think that decisions based on the profit motive, avarice, greed or whatever you want to call it, always add up to the best interests of our nation. That is where we part company with those who sit over there and with some of those who sit here.

Mr. Skelly: Mr. Chairman, I wish to add a few comments in response to what the parliamentary secretary has said. They have been fairly well developed by the other two members who have spoken. I am concerned about the proposition that this kind of amendment to the Income Tax Act will create a situation where we will have more gas to export and therefore the exporting of that gas and other resources will provide us with a mechanism to offset the deficit in our balance of payments. That kind of logic occurred several years ago.

I have a vague recollection of oil companies in this country suggesting there was not enough oil and that in fact we were running out. The price escalated and a lot of fright covered the land. Shortly after that the price rose. All of a sudden we were told they had underestimated the reserves and that we were in a position to export. The executives of the oil companies in this country suggested that we should start to pump the gas and oil over our borders and derive the benefit of this very vital thing that was surplus to our needs at that time.

Again today we are short. We do not have enough. We will run out in the eighties unless we make tremendous investment in the offshore expensive frontier areas. The question you have to ask, and this is the problem in this clause, and the whole section we are dealing with, is why has no energy policy been stated by this government? We talk about self-sufficiency, but no clear direction has been set down that we can support. Leadership in the energy policy area has been put out by the energy companies. They are the ones suggesting we should be saving ourselves from a situation that sees us with a terrible balance of payments, a declining dollar, high priced imports, unemployment, and failure to diversify our industry.

I realize the benefits that accrue from that. Essentially we are back to the same old question, what is the direction? When are we going to hear from the government a clear policy direction that will justify putting in this or any other clause? What we are doing is putting in the mechanism and then developing the rationale for it.

This particular type of thing may or may not generate more oil and gas, and may or may not result in more individuals freeing up capital. Capital in this country is very scarce. What we need is a sense of direction as to where it will be invested. The people of this country should know this. Obviously Exxon, Gulf, Royal Dutch Shell and some other companies in this country do not have our goals at heart. Theirs is profit. Somehow it is expected the two will link together, our needs and theirs. That certainly has not proven to be the case in the past.

The area served by the hon. member for Cowichan-Malahat-The Islands, and my area of Comox-Powell River, are very short of energy. The kind of clause suggested here will not help us a lot unless we do not export to the United States, but ship to Vancouver Island and along the coast of British Columbia where we are energy short. We now buy energy at an extremely high rate.

We developed a cable to Vancouver Island that at one point was estimated would cost every family on the island $4,000 and there would be a continuous high price for electricity. If we are to have an energy self-sufficient policy, we must look at a variety of forms and not just extremely expensive investment.

Something else that concerns me has been stated before and is worth stating again. When you give benefits to a very small segment of the Canadian population, you provide those benefits at the expense of a lot of other people who are not so well off on the income scale. It strikes me that when people put up surplus capital and they obtain tax benefits like this, not just the profit behind it, others are in fact paying. I wonder what benefit a lot of people along the coast of British Columbia who earn modest incomes will derive from exporting gas to the United States and exporting coal to Japan when we are not providing diversity in industry, and not providing energy to places like Cowichan-Malahat-The Islands in an efficient form.

I want to come to the business of interest rates, the devalued dollar and our balance of payments. The B.C. Hydro Corporation went to New York to borrow billions upon billions to deliver energy in a form that is not necessarily the most efficient. The federal government has no suggestion on how we might provide these things in a very efficient pattern to areas

of the country that need them. Heavy concentration on high-cost areas is not what we need. Capital is scarce. We need to channel it in areas of investment which are extremely important. If this kind of tax amendments results in our exporting gas, it is not what we should be doing.

• (1750)

The Assistant Deputy Chairman: Shall the clause carry?

Mr. Knowles: On division!

Clause agreed to.

Clauses 21 to 23 inclusive agreed to.

Mr. Rae: On a point of order, Mr. Chairman, I have given notice to the Minister of Finance that we intend to discuss the small business tax changes in the course of this debate. Could the parliamentary secretary tell us what he considers to be the appropriate clause on which to discuss the changes in the small business tax rate?

Mr. Ritchie (York East): I think clause 38 would be the best one.

Clauses 24 to 31 inclusive agreed to.

Mr. Rae: With respect, Mr. Chairman, I ask you to slow down. You are reading the numbers of clauses faster than we can find out what an individual clause is about.

Clauses 32 to 37 inclusive agreed to.

On clause 38—

Mr. Rae: Thank you, Mr. Chairman. We indicated on second reading and I have indicated to the minister, that we are not happy about this particular change. There are two aspects on which I should like to hear explanations from the parliamentary secretary. Anyone who has had the misfortune to become involved with the Income Tax Act knows that the complexity of adding a third type of corporation creates an unnecessary anomaly and adds to the existing confusion. We started out with a purpose in according a particular rate, a 25 per cent rate, to small businesses earning between $150,000 and $750,000. There was a purpose behind that provision. It was to bring taxation relief to companies which were providing employment and expanding their operations in a very important sector of the economy. It is worth noting that the vast majority of Canadian workers are employed in small business. I see that the Minister of State for Small Businesses and Industry is here this afternoon, shaking his head whenever I get up, and I am sure he will have some comments to make about the positions which have been taken.

We can understand the purpose behind that differentiation in the rate but under the amendment a variety of people—journalists, hockey players, actors, doctors, lawyers, chartered accountants—are taking advantage of the small business corporation provision to incorporate themselves and reduce their effective rate of taxation. I am sorry the hon. member for Saint-Henri-Westmount is not here because I know that though he disagrees with me on many things he would agree with me on this one.

The fiction of becoming a corporation is not readily understood by the average citizen. The average citizen does not earn enough money to concern himself with whether he should be paying the private rate or the small business corporate rate or the large business corporate rate, or whatever. The vast majority of Canadians get their cheques, income tax is paid at source, they are entitled to certain deductions, and that is all there is to it. There are no capital cost allowances or capital gains or any of the other complexities of the act to be considered. For 90 per cent of the taxpayers of Canada the income tax legislation is simple—they pay their money and they get very little by way of deductions. It only becomes complicated when a taxpayer has a lot of money.

One of the anomalies I should like the parliamentary secretary to explain is this: why has the decision been made to create this third category in addition to the other two, the standard corporate rate and the small business rate? It will be difficult to establish who fits into this new category. It makes no sense from the point of view of stimulating the economy. These are not people who generate a lot of business opportunities. The amendment is simply a mechanism for allowing certain groups, mainly professionals, the advantages of corporations so that they can pay a lower rate of income tax.

I should like to hear an explanation of what the Minister of Finance meant in his statement accompanying the change when he said this would have a tax-neutral effect. I should like the parliamentary secretary to explain how that can be the case. I think I know what he means. It is not tax neutral between what he would have been paying as a private citizen, it is another form of tax neutrality, but I think it is misleading for the minister to say that this will be tax-neutral because it certainly is not; it is a reduction in the effective rate of taxation of upper middle income people. It is important to understand what is happening. It is increasing it from now, but it is reducing it from what it would be if we disallowed the incorporation provision.

An hon. Member: Six o'clock.

Progress reported.

The Acting Speaker (Mr. Scott, Victoria-Haliburton): It being six o'clock, this House stands adjourned until tomorrow at two o'clock p.m., pursuant to Standing Order 2(1).

At six o'clock the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Thursday, November 1, 1979

The House met at 2 p.m.

• (1405)

ROUTINE PROCEEDINGS

[*Translation*]

HEALTH AND WELFARE

ALLOCATION OF FUNDS FOR MEDICARE PROGRAM—MOTION UNDER S.O. 43

Mr. Gaston Isabelle (Hull): Mr. Speaker, I rise under the provisions of Standing Order 43 in connection with a matter of urgent and pressing necessity.

[*English*]

Due to the fact that certain provinces are deliberately misappropriating federal funds allocated for medicare through the block funding system for other provincial purposes or projects, and due to the fact that this situation has created a serious erosion of medicare which may lead to the collapse of this important health program for Canadians, I would move, seconded by the hon. member for Moncton (Mr. McCauley):

That the government cease immediately to make federal funds available for health care through the block funding system and restore the good old 50-50 cost-sharing formula until those provinces honour their obligations.

Some hon. Members: Hear, hear!

[*Translation*]

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

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

FISHERIES

REQUEST DECISION BE RESCINDED RESPECTING CERTAIN OPERATIONS IN GULF OF ST. LAWRENCE—MOTION UNDER S.O. 43

Mr. Alexandre Cyr (Gaspé): Mr. Speaker, under the provisions of Standing Order 43, I ask for the unanimous consent of the House to move a motion dealing with an urgent matter of pressing necessity.

In view of the fact that this morning the Committee on Fisheries and Forestry heard testimonies from representations of fishermen's and producers' associations of eastern Quebec as well as of Prince Edward Island and New Brunswick; considering that the witnesses have stated that the decision taken by the Minister of Fisheries and Oceans (Mr. McGrath) on August 27 would lead the fishing industry in zones 4T and 4Vn to disaster; considering that the fishermen stated that the Nickerson and National Sea Foods companies have reduced their purchase price to fishermen by three cents a pound of cod because warehouses are full, I move, seconded by the hon. member for Bonaventure-Îles-de-la-Madeleine (Mr. Bujold):

That the House direct the Minister of Fisheries and Oceans to withdraw his decision of August 27, 1979, and to state that the Gulf of St. Lawrence is restricted to coastal fishermen.

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

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

[*English*]

AGRICULTURE

REQUEST GOVERNMENT RENEGOTIATE CHICKEN IMPORT QUOTAS WITH U.S.—MOTION UNDER S.O. 43

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, as the House knows, the government has virtually sold out chicken producers by negotiating very high levels of chicken imports from the United States. The government has also given its friends at Maple Lodge and Loblaws a virtual monopoly on the import of chickens into this country.

• (1410)

I move, seconded by the hon. member for Selkirk-Interlake (Mr. Sargeant):

That this House instruct the government to renegotiate the chicken quota with the United States to obtain a lower level of imports, and that the Canadian Chicken Marketing Agency be made the first receiver for chicken imports so that farmers, processors, retailers and consumers will be fairly and equitably treated and provided with chicken from domestic and import sources.

S.O. 43

Mr. Speaker: The presentation of such a motion for debate at this time, pursuant to Standing Order 43, would require the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

NATIONAL UNITY

QUEBEC REFERENDUM—GOVERNMENT POSITION—MOTION UNDER S.O. 43

Hon. Warren Allmand (Notre-Dame-de-Grâce): Mr. Speaker, I rise, under the provisions of Standing Order 43, to move a motion of urgent and pressing necessity.

Considering the ambiguity of the position of the Conservative government with respect to the Quebec referendum as stated by the Prime Minister (Mr. Clark), the Minister of Supply and Services (Mr. La Salle), and the Senate Minister of State for CIDA, and considering the critical importance of the referendum results for the continued unity of this country, I move, seconded by the hon. member for Sherbrooke (Mr. Pelletier):

That this House confirm its belief that the Canadian Government and Parliament have an important role to play respecting the unity of Canada and consequently involvement in the Quebec referendum and, further, that this House confirm its support for the pro-federalist umbrella committee, the committee campaigning for the "No" option established under the Quebec referendum bill, Bill No. 92.

Mr. Speaker: Such a motion can be presented for debate at this time only with unanimous consent. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

ENERGY

NATURAL GAS—CALL FOR BAN ON INCREASES IN EXPORTS UNTIL CANADIAN NEEDS MET—MOTION UNDER S.O. 43

Mr. John Evans (Ottawa Centre): Mr. Speaker, I rise, under the provisions of Standing Order 43, on a matter of urgent and pressing necessity.

In view of the imminent increase in the price of home heating oil as a result of the government's soon-to-be announced oil pricing policy, in view of the government's professed desire to stimulate the conversion of home heating from oil to natural gas, and in view of the deliberations now under way by the National Energy Board with respect to increases in natural gas exports, I move, seconded by the hon. member for Thunder Bay-Atikokan (Mr. McRae):

That the House instruct the government to postpone indefinitely any increases in natural gas export until, first, natural gas distribution systems are provided to eastern Quebec and the Atlantic provinces; second, the government's natural gas conversion program is substantially completed; and, finally, subsequent investigation has shown that the future natural gas needs of all Canadians are adequately protected.

[Mr. Nystrom.]

Mr. Speaker: The introduction of such a motion for debate at this time can be done only with unanimous consent. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

POLICIES DESIGNED TO MAINTAIN EMPLOYMENT IN REFINERIES—MOTION UNDER S.O. 43

Mr. Bob Corbett (Fundy-Royal): Mr. Speaker, I too, rise under the provisions of Standing Order 43. In view of the government's policy of reducing the export of light crude oil to the United States, I move, seconded by the hon. member for Saint John (Mr. Ferguson):

That the Minister of Energy, Mines and Resources be requested to direct his department to continue to ensure that all energy policies be designed to have the least possible impact on refinery jobs, and in particular those in the high unemployment areas of the east coast.

Mr. Speaker: Such a motion can be presented for discussion at this time only with unanimous consent. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

CANADIAN INTERNATIONAL DEVELOPMENT AGENCY

REQUEST NICARAGUA RECEIVE ADEQUATE ASSISTANCE FROM AGENCY—MOTION UNDER S.O. 43

Mr. Bob Ogle (Saskatoon East): Mr. Speaker, I rise, under the provisions of Standing Order 43, on a matter of urgent and pressing necessity.

In view of the recent overthrow of the dictatorship of Somoza in Nicaragua, in view of the great difficulties of reconstruction in Nicaragua and the providing of the minimum necessities for the health and lives of the people, and in view of the fact that the Canadian International Development Agency has refused to provide this assistance at the level needed, I move, seconded by the hon. member for Churchill (Mr. Murphy):

That this House instruct the government to make Nicaragua a country of eligibility for bilateral aid through CIDA, to review its priorities and to provide the needed assistance to Nicaragua.

Mr. Speaker: Such a motion can be presented for debate at this time only with the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

ORAL QUESTION PERIOD

[*English*]

AGRICULTURE

CHICKEN IMPORT QUOTAS WITH U.S.

Hon. E. F. Whelan (Essex-Windsor): Mr. Speaker, recently—on Wednesday, October 24—in the Senate, in answer to a question put to him on Canadian import quotas of chicken, the Minister of Industry, Trade and Commerce said:

I will endeavour to inquire from my colleague, the Minister of Agriculture, the exact reason why the chicken import quota was set where it was.

He also said:

—the actual negotiations of an import quota such as this falls under the responsibility of the Minister of Agriculture.

● (1415)

He also said:

In terms of representations by the producers' group, I would expect, again, that those representations were probably made to the Minister of Agriculture. They were not made to me.

Will the Minister of Agriculture now tell the House if he was present when the Canadian Chicken Marketing Agency presented a brief on the chicken import problem to this government in August and whether he did, in fact, negotiate the entirely unacceptable import quota with the United States, as published in the news release on the 22nd of last month?

Hon. John Wise (Minister of Agriculture): Mr. Speaker, in response to the former minister's question—and I want to recognize the fact that the former minister is taking on the physical shape of his predecessor, the agricultural spokesman for the former official opposition—I must say that I, personally, was not present when the presentation of the brief was made.

However, in the intervening time I have had many opportunities to discuss this matter with the Minister of Industry, Trade and Commerce and, indeed, with other ministers in the cabinet and also with people in the industry. I do not have to go into the problem associated with the negotiations on the level of imports of the commodity between the two countries. No one knows that situation and those discussions any better than the former minister.

I want to say, as well, in response to the former minister's question, that certainly I am not happy, by any stretch of the imagination, with the level of U.S. chicken imports. However, someone has indicated we have sold the Canadian chicken industry to U.S. interests. The House and the country should know that we were sold down the river in 1974, 1975, 1976, 1977 and until we took office on June 4, 1979. Since then we moved as rapidly as possible, and it is a week ago on Sunday evening that we were able to impose border controls on chicken imports, thus reducing them from about 60 million to 65 million pounds down to 45 million pounds.

Some hon. Members: Hear, hear!

Mr. Whelan: Mr. Speaker, the minister has not answered the question. He did not say whether he had the authority, which the Minister of Industry, Trade and Commerce in the other place said he had, to do the negotiations. He has not acknowledged this fact. He sounds as though he does have some responsibility in negotiating chicken imports.

In view of the fact that chicken producers have responded to the government's request to increase production in 1978 and 1979, with the result that there are 124 per cent more chickens in storage now than a year ago, will the Minister of Agriculture confirm that, in fact, one Stuart Campbell negotiated the quota as an official of the Department of Industry, Trade and Commerce, and that this same gentleman was accompanied in this task by some functionaries of the Department of Consumer and Corporate Affairs and that no minister took any direct part in these negotiations?

Mr. Wise: I am surprised to hear that type of information coming from the former minister, because he knows very well that when you negotiate import levels on any commodity you have, as part of the negotiating team, representation from the Department of Industry, Trade and Commerce, the Department of Consumer and Corporate Affairs, the Department of Agriculture, and also the Department of External Affairs.

Mr. Whelan: Mr. Speaker, again the minister has passed the buck. He is not saying why he did not involve himself in these negotiations which are of the utmost importance to Canadian poultry producers, to Canadian agriculture, in Canadian trade deficits and, indeed, to all Canadians who are subjected to increasing energy costs and interest costs. Can he state why he did not deem it necessary personally to protect the jobs and production capacity of a most important section of our economy at the ministerial level?

Mr. Wise: Talking about passing the buck, may I remind the former minister that he and the former government passed the buck for at least 12 months, and perhaps 24 months, until the time we took office on May 22, and when I assumed responsibility as Minister of Agriculture on June 4 we acted properly. We accepted our responsibilities and we placed into effect import controls on chicken.

● (1420)

Some hon. Members: Hear, hear!

An hon. Member: Ten o'clock, Mr. Speaker.

Oral Questions

REASON QUESTION OF CHICKEN IMPORT QUOTAS WITH U.S. NOT SUBMITTED TO GATT

Mr. Denis Ethier (Glengarry-Prescott-Russell): Mr. Speaker, my question is directed to the Minister of Agriculture. The predecessor of the Minister of Agriculture concluded an egg import quota with the United States that is far more favourable to Canada than the United States chicken import quota accepted by this government.

Can the Minister of Agriculture tell the House why he did not refuse the Americans, in view of the fact the Americans knew a national agency would be established sooner or later on the basis of the principle that a national chicken marketing agency was accepted in May of 1974? Can he state why he did not submit the United States demand for this destructively large quota to GATT arbitration on the basis of pre-1974 figures? His predecessor submitted the Canadian case for the egg importation quota to GATT against the wish of his officials and the Americans, and won.

Hon. John Wise (Minister of Agriculture): Mr. Speaker, the hon. member might not be aware of the fact that it is clearly stated that the national agency must be in place and operating for one to keep in line with international trading laws and to negotiate a level of imports of chicken or any other commodity.

We did not have National Farm Products Marketing Council certification for the national board until about August 27, 1979. Therefore, it would have been simply impossible to negotiate a level prior to that time. In fact, we were communicating with our United States counterparts in Washington prior to the national board receiving its certification from the National Farm Products Marketing Council.

[*Translation*]

REQUEST FOR ONE PER CENT LIMITATION ON CHICKEN IMPORT QUOTAS

Mr. Denis Ethier (Glengarry-Prescott-Russell): Mr. Speaker, a question was put in the standing committee of the House about the unacceptable import quota and the minister answered, and I paraphrase, that he had acted according to the best advice received and that he did not want to risk American reprisals. Does the minister have so little faith in the stance adopted by the Canadian government as to refuse to ask a limit of 1 per cent on import quotas? Is he also supposing that GATT would not decide equitably on a justified Canadian request?

[*English*]

Hon. John Wise (Minister of Agriculture): Mr. Speaker, I have a great deal of faith in the advice I have received from the officials within my department. I have a great deal of faith in the officials of the Department of Industry, Trade and Commerce, the Department of Consumer and Corporate Affairs, and also the Department of External Affairs—because they were all involved in that particular question. The best advice I received from these officials was the fact that we should negotiate in good faith. We have done that. That is the only information I can supply to the hon. member.

* * *

ENERGY

PROFITS OF SHELL CANADA—ALSANDS PROJECT

Mr. Edward Broadbent (Oshawa): Mr. Speaker, I have a question for the Minister of Energy, Mines and Resources. Mr. William Daniel, president of Shell Canada, is reported in today's press to want a guarantee of up to 20 per cent profit if it is to proceed with the very important Alsands project in the north. He also said that an agreement is very close to being reached with the federal government.

Considering that this company made $150 million in profits last year without paying one cent in federal taxes, and has just reported a third quarter profit increase of 110 per cent, will the minister assure the House that the federal government will not give one penny in further handouts to this company for this project?

Some hon. Members: Hear, hear!

Hon. Ray Hnatyshyn (Minister of Energy, Mines and Resources): Mr. Speaker, I can assure the hon. member that we are not in the process of giving handouts at all. We are in the process of discussing with a consortium of companies interested in developing this very important heavy oil sands development the appropriate arrangements by which this particular project would be viable.

The fact of the matter is that it involves many, many aspects. But it is a very important development for the purposes of ensuring supplies for Canadians in the years ahead, one which I am sure will receive the support of the New Democratic Party, rather than the negative approach it has taken to all development in Canada up to this point.

• (1425)

Mr. Broadbent: Mr. Speaker, the minister talks patent nonsense, and I think he knows that. Considering that Petro-Canada has experience in tar sands work through Syncrude and can get the required equipment, the capital for financing and can do the Alsands project work without any need for profits in that part of its activity, because it is a Crown corporation, will the minister explain to the House why the government does not use Petro-Canada for this fundamentally important development project—and I agree with the minister in that regard—at virtually no cost to the Canadian taxpayer?

Some hon. Members: Oh, oh!

Mr. Broadbent: Instead, he is embarking upon paying corporations billions of dollars in handouts to do it. Can he answer that question?

Mr. Hnatyshyn: Mr. Speaker, I find it difficult to answer questions by the Leader of the New Democratic Party because

his premises are usually false and wrong. What I am saying is that there is a very substantial cost involved in this particular project. It does involve a consortium. Discussions have taken place with respect to this matter, by myself with representatives of Alsands. One of the points I have been making to them is that we are very much interested in increasing Canadian participation in this project.

That is the objective to which this government is dedicated. The purpose of this government is to increase Canadian participation, and I can assure the hon. member that is a purpose I will undertake with a great amount of effort and endeavour.

Mr. Broadbent: Mr. Speaker, I want to be factual in my questions and I hope the minister will be frank in his answers. No one is denying that there are important developmental costs; that is agreed. Since the minister has at his disposal a Crown corporation with experience in tar sands work and is not under an obligation to make profits, like a private company would be if it were to do the development work there, why does he not use the Crown corporations, and get a little tough in terms of tax policies with the multinationals in the way the United States government recognized was necessary in the United States?

Mr. Hnatyshyn: Mr. Speaker, all I can say to that particular proposition is that there is now at hand a consortium, and in respect of the holdings and the development of particular oil sands in Alberta we are anxious to go ahead at the earliest possible time.

I simply say that in terms of profits, and so on, the hon. Leader of the New Democratic Party is always complaining, suggesting that Petro-Canada should in fact somehow keep profitable areas of development, but is not interested in Petro-Canada making a profit. I do not understand the logic of his argument. The fact of the matter is that we are going to develop this project to the benefit of all Canadians by ensuring our supply, by ensuring a fair and reasonable transaction, and by ensuring that there is Canadian participation in this. I assure the hon. member that this will, in fact, take place.

* * *

[*Translation*]

PRIVY COUNCIL

INQUIRY WHETHER CERTAIN MEMBERS OF PRIVY COUNCIL WERE AWARE OF CRIMINAL ACTIONS

Mr. Fabien Roy (Beauce): Mr. Speaker, my question is directed to the President of the Privy Council.

In view of the information we get regularly from the media, can the President of the Privy Council, whose members number in the hundreds, tell the House that no Privy Councillor was aware, before, during or after, or was an accomplice before, during or after illegal or criminal acts such as breaking in, kidnapping, theft or malicious destruction of property?

[*English*]

Hon. Walter Baker (President of the Privy Council and Minister of National Revenue): Mr. Speaker, after looking at Privy Councillors on both sides of the House, I would say, not as far as I am aware.

[*Translation*]

INQUIRY WHETHER PRESIDENT OF PRIVY COUNCIL INTENDS TO COUNSEL GOVERNOR GENERAL

Mr. Fabien Roy (Beauce): Mr. Speaker, my question is for the President of the Privy Council, whose answer, in my opinion, is not a certainty. I would therefore like to know, since there seem to be doubts and since it is the Governor General's exclusive and rightful prerogative to be advised, to advise and to counsel, does the President of the Privy Council intend to advise the Governor General?

● (1430)

[*English*]

Hon. Walter Baker (President of the Privy Council and Minister of National Revenue): Mr. Speaker, I want to thank the hon. member for his question. I will give it every consideration.

* * *

[*Translation*]

INTERNATIONAL TRADE

INQUIRY WHETHER PROVINCES CONSULTED RESPECTING CHICKEN IMPORT QUOTAS

Mr. Marcel Ostiguy (Saint-Hyacinthe): Mr. Speaker, I would like to ask the Minister of State for International Trade if he can tell the House why this government is imposing on chicken producers an import quota of 48.5 million pounds for next year, which will be raised to 62.5 million pounds for 1982, an increase of 14 million pounds? This represents a tremendous 29 per cent increase, while the annual rise in the domestic market is only 5 per cent.

Can the minister advise the House whether he consulted the provincial agriculture departments before imposing this ridiculous import quota for chicken?

[*English*]

Hon. Michael Wilson (Minister of State for International Trade): Mr. Speaker, there was full consultation on this matter with the provincial governments, and I personally met with one of the provincial representatives. The Minister of Agriculture has discussed other aspects of consultation.

On the question of overcharging, the amount of the quota will be 6.3 per cent in 1982 and the quota will be somewhat lower than that in earlier years. We believe there is a proper balance—taking into account the interests of producers as well as the interests of consumers—to provide a good market environment.

[*Translation*]

EMPLOYMENT

CREATION OF JOBS IN U.S.—GOVERNMENT POLICY

Mr. Marcel Ostiguy (Saint-Hyacinthe): Mr. Speaker, on a supplementary to the Minister of Employment and Immigration.

Can the minister tell us if it is his government's policy to create jobs in the United States at the expense of Canadians? If not, can he explain to the House why his government encourages the establishment of 140 new chicken production units in the U.S.? Has consideration been given to all the resulting job opportunities for Canada?

[*English*]

Hon. Ron Atkey (Minister of Employment and Immigration): Mr. Speaker, I will have to take the question raised by the hon. member under advisement and get back to him with the details when I have the information.

* * *

AGRICULTURE

REASON QUESTION OF CHICKEN IMPORT QUOTAS NOT SUBMITTED TO GATT

Mr. Robert Bockstael (St. Boniface): Mr. Speaker, the ministers opposite must have a difficult time answering for the minister responsible for this import quota. Doing another man's work is not the Canadian way.

Can the Prime Minister tell this House why his government did not submit to normal GATT procedure with regard to the U.S. demand to export more chicken to Canada, and negotiate to establish a quota on the basis of a previously representative period; that is, a period prior to the May, 1974, successful application by Canadian producers to establish a Canadian chicken marketing agency?

Hon. John Wise (Minister of Agriculture): Mr. Speaker, I will respond to the question of the hon. member. I believe we have forgotten the facts as to what has happened as a result of the imposition of that import level. What we have done—and hon. members opposite should recognize this—is lower the amount of broiler imports from the United States into Canada from approximately 65 million pounds to 45 million pounds. That move was made in the interests of the domestic poultry industry.

Mr. Bockstael: Mr. Speaker, the minister does not seem to have taken into account the artificial import addition imposed by two companies. Because most poultry products importers have behaved over the years as good corporate citizens—except for two poultry importers who have worked to destroy the Canadian poultry industry over the last four years—will the minister, at the very least, guarantee to the House that the import quota, whatever its size, will be equally available to all poultry importers throughout Canada?

[Mr. Wilson.]

Mr. Wise: Mr. Speaker, one must recognize that there are rules and laws by which we must abide. However, I can give the hon. member the commitment, providing we can still go forward and live within those guidelines, that we will do everything possible to see that equity and equality prevail.

[*Translation*]

REQUEST THAT CHICKEN IMPORTS BE REDUCED VOLUNTARILY

Hon. Marcel Lessard (Lac-Saint-Jean): Mr. Speaker, in view of the questions and answers that have just been exchanged, I would like to ask the Minister of Agriculture if he would be prepared to consider making representations to the main chicken importers in Canada who account for nearly 80 per cent of imports and will obtain importation permits for that purpose. Would he be prepared to make representations to these two firms to convince them to reduce their imports voluntarily and get their supplies from Canadian producers?

[*English*]

Hon. John Wise (Minister of Agriculture): Mr. Speaker, I assure the hon. member that that action has already been taken through representations made by myself to the chairman of the National Farm Products Marketing Council.

[*Translation*]

INQUIRY WHETHER ACTION WILL BE TAKEN TO ENSURE FEDERAL AUTHORITIES INSPECT MEAT IN QUEBEC

Mr. J.-Roland Comtois (Terrebonne): Mr. Speaker, my question is also addressed to the Minister of Agriculture. Last Thursday instructions were issued by the federal meat inspection service to the effect that any new request for service in Quebec would have to be turned down, given the chronic lack of qualified personnel resulting from budgetary cutbacks. I know that last week the minister helped in solving an urgent case in my riding, but my question is the following: Can the minister tell the House if measures will be taken as soon as possible to meet the requests of numerous businesses in Quebec which would like to have a federal inspection of their meats and meat byproducts?

[*English*]

Hon. John Wise (Minister of Agriculture): Mr. Speaker, the hon. member is correct in saying that we were able to resolve the difficulty that existed within his own riding. It is true that the restraint program which has been imposed, and which I fully support, has caused some problems. However, we have been able to resolve these problems so far by the transfer of inspectors from one plant to another. We fully recognize that under the law we are obligated to place meat and food inspectors in plants and we intend to honour that obligation.

[*Translation*]

AMALGAMATION OF FEDERAL AND PROVINCIAL INSPECTION SERVICES—GOVERNMENT POSITION

Mr. J.-Roland Comtois (Terrebonne): Mr. Speaker, I wish to ask a supplementary question. Could the minister tell us if discussions are taking place with the government of Quebec for the purpose of integrating the provincial inspection service with the federal service?

[*English*]

Hon. John Wise (Minister of Agriculture): Mr. Speaker, I can assure the hon. member that I am in contact with my provincial counterpart in the province of Quebec on a very regular basis. But with regard to that precise subject we have not had discussions. To my knowledge, there has been no discussion with reference to the almagamation of the two inspection services.

* * *

PUBLIC SERVICE

OFFER MADE TO RADIO OPERATORS' UNION BY GOVERNMENT NEGOTIATORS

Mr. Ray Skelly (Comox-Powell River): Mr. Speaker, my question is to the President of the Treasury Board. Could the President of the Treasury Board explain to this House why his negotiators have put forward to the radio operators' union an offer which was previously rejected by the union and which, in fact, represent a decrease for the 920 radio operators, in the settlement proposals put forward in the conciliators' majority report, thereby precipitating a total strike of the radio operators, generating chaos in air and marine transportation and seriously compromising safety standards throughout the entire country?

Hon. Sinclair Stevens (President of the Treasury Board): Mr. Speaker, the hon. member has been misinformed. The negotiations with respect to the radio operators' strike resumed this morning at 10 a.m. They are presently adjourned, but we are hoping they will resume at 4 p.m. today. I believe that cool heads in this House are required with regard to this matter, as opposed to any provocative statements.

* * *

● (1440)

NATIONAL DEFENCE

UNIFICATION—REPORT OF TASK FORCE—POLICY ON UNIFORMS

Hon. George Hees (Northumberland): Mr. Speaker, I should like to direct a question to the Minister of National Defence.

Some hon. Members: Hear, hear!

An hon. Member: Speak loudly.

Mr. Hees: I would ask when he expects the task force studying unification to make its report. Also, when he is studying this very important matter will he give consideration to bringing in a policy which will retain the unification of our service and administrative forces while permitting our air force, our army and our navy to return to their very distinguished uniforms, which should never have been taken away from them in that ill-considered move of about 12 years ago?

Hon. Allan B. McKinnon (Minister of National Defence and Minister of Veterans Affairs): Mr. Speaker, I am tempted to ask the hon. member to repeat his question. Mr. Fyffe, the chairman of the task force, has asked me if he can have a further six weeks because of the number of representations made to him. He has had over 500 requests and has accepted some 140 of them. I have granted permission to extend the term until March 15 next year.

As for the representations made by the hon. member, they are well-founded, as usual, and I shall convey them to the chairman of the task force.

* * *

HEALTH AND WELFARE

COST-SHARING OF MEDICARE PROGRAM

Hon. Monique Bégin (Saint-Léonard-Anjou): Mr. Speaker, I have a question for the Minister of National Health and Welfare. I hope he will not tell me that the Hall Commission on Health needs four more weeks to report. Since only three provinces have set up premiums for medicare on top of their general taxation—Alberta being one of them—and since the Alberta government made a deal last spring allowing the doctors to overcharge sick people by 50 per cent more than medicare—by the way, one out of three doctors is actually doing it—will the minister either confirm, or deny, that Alberta's share toward hospital insurance and medicare in Alberta has steadily declined, at the very time the oil boom took place, and that the federal government is now paying 61 per cent of all health expenditures in Alberta instead of 50 per cent?

Hon. David Crombie (Minister of National Health and Welfare): Mr. Speaker, I should like to thank the hon. member for her question. I think the actual figure is close to 61 per cent. Certainly, the shift in federal responsibility for costs have increased, not only in that province but in some others.

Second, I should like to assure the hon. member that the Hall commission report will not need four weeks longer; at least, I hope it will not. The hon. member is aware that the Hall commission report will be available by April; at least, that is the intended date. It was following the federal-provincial conference of health ministers that the Hall commission was set up in order to deal with matters of that kind.

Miss Bégin: A supplementary question, Mr. Speaker. Can the minister further confirm that the Tory government of

Alberta is continuing to divert from medicare—I guess he will not have any difficulty confirming that, since he accepted the percentage—the enormous sum of $78 million per year? Diverted into what? Paying their provincial debt, or what? Every project? I hope it is not the Heritage Fund. This is an amount equal to the entire national budget for medical research in Canada.

Mr. Crombie: Mr. Speaker, I cannot confirm that figure at all, that is, as to how the Alberta government uses its funds in relation to the block funding. This is a matter which I could have advised the hon. member on if I had had notice of the question. I will get that information for her.

As to whether the government is Tory, I should like to assure the hon. member that in relation to medicare this government seeks to serve the citizens of every province, no matter what government they choose.

BRIEFS RECEIVED BY HALL COMMISSION—NUMBER OF PROVINCIAL HEALTH MINISTERS CONSULTED

Mr. Gary F. McCauley (Moncton): Mr. Speaker, my question is for the Minister of National Health and Welfare. Six weeks have elapsed since the appointment of the Hall commission on medicare, and its mandate is to report in six months.

Will the minister report how many briefs have been received by the commission, the number of witnesses heard and, more urgent, how many provincial health ministers has Mr. Justice Hall consulted?

Hon. David Crombie (Minister of National Health and Welfare): Mr. Speaker, I should like to thank the hon. member for his question. I do not have that information with me, however. I might say that Mr. Justice Hall is to be in Ottawa this weekend participating in the meeting of the Canadian Labour Congress, I understand. He will also be talking with certain union representatives and certain medical representatives. I know he has received some briefs. I will provide that information to hon. members as soon as I can.

[*Translation*]

DOCTORS' FEES UNDER MEDICARE PROGRAM

Mr. Gaston Isabelle (Hull): Mr. Speaker, my question is for the Minister of National Health and Welfare. Since this is the first time I have addressed a question to the minister, I wish him success in running his department with extreme firmness and determination in order to save the project of the century in North America, namely medicare. I would like to know whether the minister is aware that the Canadian Labour Congress has publicly recognized, in a memorandum presented in September, that doctors also have a right to a good income, that doctors have organized themselves into groups in order to save medicare, that Dr. Woodside of Hamilton has joined a group for that purpose. Could the minister tell the House whether the alarming rate of disaffiliation among doctors, especially in Ontario, is actually due to the fact that provincial Tory governments use federal funds for medicare to reduce their provincial debt?

[Miss Bégin.]

[*English*]

Hon. David Crombie (Minister of National Health and Welfare): Mr. Speaker, I think I caught all of the question, but if I did not I would be happy if the hon. member would repeat it. If I understood it correctly, the amount of compensation that doctors receive is, of course, negotiated by provincial governments. Those negotiations over a number of years have had varying degrees of success. In some provinces right now they are undergoing those negotiations with respect to compensation.

We are always concerned about these negotiations, because if they are not successful they will impair service and that, of course, is something with which we concern ourselves very greatly. I can only say that the department will continue to monitor those negotiations as they are going on. We are always, of course, available to provincial governments if they need our assistance.

INSTRUMENT SETTING UP HALL COMMISSION

Hon. John C. Munro (Hamilton East): Mr. Speaker, my question is also for the Minister of National Health and Welfare. I would inquire about the legal instrument the minister and the government is using to set up the Hall commission of inquiry into medicare. I wonder if he could inform me, since obviously he has not been given power under the Inquiries Act: I have not heard that stated by the minister at any time.

I wonder if there is an order in council empowering Mr. Justice Hall to conduct a proper inquiry and giving him the powers he needs to conduct the type of inquiry the minister has been talking about.

Hon. David Crombie (Minister of National Health and Welfare): Mr. Speaker, the terms of reference under which Mr. Justice Hall is conducting the study were set after consultation with the Prime Minister and cabinet, and he was appointed under my authority.

Mr. Munro (Hamilton East): A supplementary question, Mr. Speaker. I would be interested in hearing from Mr. Justice Hall, who I believe likes to act under some legal instrument, some legal authority if he is to conduct any proper inquiry at all. In any event, I wonder if the minister would advise whether he is prepared to seek advice from the law officers of the Crown to determine whether actions taken by the Newfoundland government and actions taken by the New Brunswick government, such as deterrent fees and admission fees and the like which are now being charged, constitute a contravention under the provisions of block funding as far as the federal government is concerned. If he gets an opinion to that effect while Mr. Justice Hall is conducting his inquiry, is he prepared to withhold the monthly cheques to the provinces until such time as they desist in terms of these contraventions that I believe would be advised by the legal officers of the Crown?

Mr. Crombie: Mr. Speaker, I should like to advise the hon. member that in my discussions with him, Mr. Justice Hall asked me if I would provide him with whatever instruments he would require in order to carry out his investigations, whether under the Inquiries Act and whether he would have subpoena powers, and so on.

● (1450)

I indicated to him at that time, with the concurrence of the Prime Minister and the cabinet, that whatever instruments he desired, he would have. At this point he is operating under Treasury Board authority. With respect to whether I ought to seek advice from other people, Mr. Justice Hall is, indeed, carrying out a study. I think that it would be inappropriate. I think all parties agree that Mr. Justice Hall is the person to best carry out that study. What we ought to do is make sure that the advice of Mr. Justice Hall is received, before we ask other people.

* * *

REGIONAL ECONOMIC EXPANSION

RENEWAL TERM FOR GOVERNMENT-INSURED MORTGAGES

Mr. John Reimer (Kitchener): Mr. Speaker, my question is to the Minister of Regional Economic Expansion. In view of the high interest rates for mortgages, will the minister inform the House whether he will change the three-year requirement for the renewal of government-insured mortgages through Canada Mortgage and Housing Corporation to permit renegotiation of these mortgages for a one-year term?

Hon. Elmer M. MacKay (Minister of Regional Economic Expansion): Mr. Speaker, that is an excellent suggestion. As a matter of fact, we are considering arrangements to vary the regulations under the NHA to make this arrangement possible. I will report to the hon. member as soon as I have checked to see what progress is being made.

* * *

HEALTH AND WELFARE

ALLEGED DETERIORATION OF MEDICARE PROGRAM—GOVERNMENT ACTION TO HALT

Mr. Bob Ogle (Saskatoon East): Mr. Speaker, I have a question for the Minister of National Health and Welfare. The questions he has received today indicate that there is deep concern about the whole question of deterioration of medicare.

Is the minister going to put some muscle into the ability that he has to do something now, rather than wait until Mr. Justice Hall has completed a study? To put this off as medicare begins to fall apart is wrong.

Hon. David Crombie (Minister of National Health and Welfare): Mr. Speaker, my concern is to make sure that when the federal government acts, it first of all does so in relation to guidelines that are clearly understood and agreed upon. Those guidelines do not now exist. I wish they did.

Second, I would advise the hon. member that Mr. Justice Hall's credentials are so excellent that the sort of advice he would offer would commend itself to all sides of this House. Third, and this has come up a couple of times, there seem to be some members opposite who suggest that every time there is a concern, the federal government stops the money flowing to the provinces. If they are concerned about eroding medicare, I suggest that is a way of wiping it out.

Some hon. Members: Hear, hear!

* * *

[*Translation*]

SHIPBUILDING

LAUZON—INQUIRY CONCERNING GOVERNMENT ACTION TO RECTIFY LACK OF WORK SITUATION

Mr. Raynald Guay (Lévis): Mr. Speaker, my question is directed to the right hon. Prime Minister. I should like to thank him for the written answer he gave me last week to the question I asked him. I should like to know who are the people concerned in this government because last week, when the unionized workers of Lauzon shipyards came here to meet government officials, they only met civil servants and went back home with very few assurances from them. The workers asked for early decisions on five bids made by Davie Shipbuilding Limited to Lauzon shipyards, a $150 million program concerning the repair and building of ships which had already been announced last February by the former government, that is, by those who now form the official opposition. It is all right for the Prime Minister to tell us very often about a merchant marine, but what is he doing in the short term to secure the uncertain future of shipyards just before winter? What can he do to reassure shipyard workers who are very concerned about the administrative slowness of this government?

Right Hon. Joe Clark (Prime Minister): Mr. Speaker, following the questions asked by the hon. member and the representations of the workers of Lauzon, I arranged an urgent meeting. It was necessary for us to have a meeting between workers and civil servants. But if the unionized workers think it is important for them to have a meeting at the ministerial level we can arrange this with the Minister of Transport or with one of the ministers of the province of Quebec.

Mr. Guay: Mr. Speaker, I feel the shipyard workers do not need to come back to Ottawa because they figure it has been a waste of time. They have asked the officials in their telegrams—I see the Minister of Supply and Services is smiling. During the entire electoral campaign he went to the shipyards to flirt with the workers, and the Prime Minister himself went there to promise them all kinds of things. Yesterday the Prime Minister said in answer to a question by the opposition leader

that he had no intention of delaying tough decisions. I think he is delaying the easy ones.

* * *

[*English*]

FORESTRY

ACTION TAKEN TO PROTECT INDUSTRY—FUNDS FOR EXPANSION OF PULP MILLS

Mr. Maurice Harquail (Restigouche): Mr. Speaker, my question relates to the forest industry in Canada. In view of the negligence of the government in not having the Minister of Industry, Trade and Commerce in this House, I will direct my question to the Minister of State for International Trade.

Can the minister inform the House what steps he is taking to protect this important industry? Can he, also, tell the House whether funds will be made available for future expansion of pulp mills in this country?

Hon. Michael Wilson (Minister of State for International Trade): Mr. Speaker, I would like to take that question as notice.

* * *

REGIONAL ECONOMIC EXPANSION

DATE RURAL DEVELOPMENT AGREEMENT WITH ONTARIO WILL BE SIGNED

Mr. Maurice Foster (Algoma): Mr. Speaker, I have a question for the Minister of Regional Economic Expansion. In view of the long delay in the signing of the rural development agreement between Canada and Ontario, and in recognition of the tremendous need in northern Ontario for the development of our forestry, mineral, agricultural and tourist potential, can the minister say when that agreement will be signed?

Hon. Elmer M. MacKay (Minister of Regional Economic Expansion): Mr. Speaker, I recognize the importance of the question, and remind the hon. member that it was because of an earlier program of restraint by his government that the ARDA program in that area was cancelled.

We are now looking into appropriate ways to help that area. As a matter of fact, following negotiations with Ontario there is a Treasury Board submission that also has an element of aid for some of the native population through the Department of Indian Affairs and Northern Development. Therefore, the matter is under active consideration.

[Mr. Guay.]

NORTHERN AFFAIRS

REQUEST FOR INFORMATION ON EXPLORATORY OIL DRILLING IN BEAUFORT SEA

Mr. Keith Penner (Cochrane): Mr. Speaker, my question is to the Minister of Indian Affairs and Northern Development. Last week, exploratory drilling in one of the Beaufort Sea sites was halted due to ice and weather conditions. Later, that decision was reversed by Ottawa and drilling continued for a short period of time.

Questions were raised in the House. I asked officials in northern development, and the minister, to provide certain reports, exchanges and correspondence pertaining to the incident. Will the minister now explain to the House why he has not seen fit to release these documents?

Hon. Jake Epp (Minister of Indian Affairs and Northern Development): Mr. Speaker, I first want to indicate to the hon. member that he is not correct in stating that drilling was going on in the Nerlerk site, the M-98 site. In fact, what was happening was production testing. The situation was such that last week, when I answered a question in this House, I indicated that we needed two to five days to end the program. That program ended on the 29th of last month. The ships have left the Nerlerk site and the well has been suspended for the rest of the year.

Mr. Penner: Would the minister be so kind as to confirm that, following the decision of the on-site inspector to shut down drilling, a visit was made by the regional engineer from Yellowknife and he concurred with the decision. Is it also true that the regional engineer was told by Dome Petroleum officials that the company would go over his head and that of the on-site engineer? Is it also true that the regional inspector was soon afterwards directed to modify the shutdown order and to allow drilling to continue for another two to five days?

Mr. Epp: Mr. Speaker, I believe I answered that question last week as well. I indicated to the House at that time that the indication from the field, through to Yellowknife and on to Ottawa, was that there had been difficulties in terms of communication. That matter has now been taken up by the department in order to improve communication.

I want to indicate to the hon. member that in terms of continuing the production testing, that was done, and that the department has the authority to re-examine the situation. The problem was ice that was forming to six inches, as well as weather conditions. The weather condition abated. That is why the two to five days were needed. That work was completed. In terms of information, I spoke to a colleague of the hon. member today, and I am willing to make the information available.

• (1500)

LABOUR CONDITIONS

INQUIRY WHY WOMEN NOT HIRED AT STELCO PLANT, HAMILTON

Mr. Terry Sargeant (Selkirk-Interlake): Mr. Speaker, my question is for the Minister of Labour. Since 1961, not one of the 35,000 people hired by the Stelco plant in Hamilton for plant jobs has been a woman. This is in spite of the fact that during this period Stelco has received 30,000 applications for such jobs from women. Also during that period—

Mr. Speaker: Does the hon. member have a question?

Mr. Sargeant: In the light of this situation, will the minister assure the House that he will meet with the president of Stelco and other company officials to insist that this discriminatory hiring policy should end?

Hon. Lincoln M. Alexander (Minister of Labour): I want to thank the hon. member for that question. I do not know how I get involved, except that I come from Hamilton. I can tell the hon. member that this government, through the Minister of Employment and Immigration, through the Secretary of State for External Affairs, through the Secretary of State and through my own department, has taken a leading part in seeing to it that women come into their rightful role. Even though the steel company is not within my responsibility, I am certainly prepared, because I live in Hamilton and because I am just as concerned as the hon. member is, to give him an undertaking that I will contact officials of the steel company and, as well, the unions to see whether they can get together to resolve this serious matter.

* * *

PRIVILEGE

MR. SKELLY—RADIO OPERATORS' DISPUTE—REQUESTED WITHDRAWAL OF REMARKS OF PRESIDENT OF TREASURY BOARD

Mr. Ray Skelly (Comox-Powell River): Mr. Speaker, I rise on a question of privilege relating to an answer given me by the President of the Treasury Board (Mr. Stevens). In his answer to my question this afternoon the hon. gentleman suggested I had received misinformation, thus implying I had misinformed the House.

I would point out to him that my information may be more current than his. As at 1.45 p.m., confirmed at 2.05 p.m., bargaining in fact ceased. The reason it has ceased becomes clear from the content of my question. First, Treasury Board has laid conditions upon the union which literally cannot be met because Treasury Board does not appear to be serious about the bargaining. They made an offer which was less than the offer reported by the conciliator in the majority report. Then when the workers were out providing emergency services, Treasury Board was again willing to bargain with them if they went back and provided designated services. They did that, Mr. Speaker.

Bargaining then, in theory, commenced. But what the board's negotiations did was put forward an offer which represented a reduction by comparison into previous positions. For 920 people it represented a decrease. Then today, when radio operators were convinced that Treasury Board was not bargaining in good faith—in fact, it appeared that negotiators for Treasury Board did not have the minister's authority to conclude an agreement—they said: "Now we are definitely out". They have left the station. There are no longer emergency services and there are no longer designated services. The minister made the statement that cool heads were required in this House. If it is cool heads that are required, it is not necessary to play the kind of Russian roulette which is being promoted here. Last week—

Mr. Speaker: Order. Essentially, the hon. member seems to be raising a disagreement with the minister. He will have to persuade me that there is a question of privilege involved.

Mr. Skelly: The point is that the information I had is current. I would like the minister to withdraw the remark he made to me and give the House a straight answer on that particular question.

Hon. Sinclair Stevens (President of the Treasury Board): As all hon. members are well aware, it is very difficult for the House to get into a discussion of ongoing negotiations with respect to any labour settlement. What I indicated in reply to the hon. member was that negotiations resumed at 10 a.m. this morning. They resumed partly at our request. We approached the mediator and the union negotiators last evening requesting that negotiations continue. We indicated, as we have done before, that we feel it essential that those who have been given certain specific tasks to perform should perform those tasks to ensure that there is proper safety at all airports in Canada. When negotiations resumed we were told that the union had, in fact, asked that all members who were off the job should return to their work. Discussions continued. Around noon there was an adjournment. We suggested that negotiations should resume at 4 p.m. The hon. member has now told us that the union has decided not to return at 4 p.m.

All I can say is that we are earnestly trying to come to a settlement of this important matter and we only hope there is not even the slightest suggestion on the part of the hon. member that he is condoning any illegal activity on the part of these union members.

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HOUSE OF COMMONS

FIRST INTERIM REPORT ON COMPREHENSIVE AUDIT OF GENERAL AND FINANCIAL ADMINISTRATIVE SYSTEMS

Mr. Speaker: Order. I should like to take a moment before proceeding to Routine Proceedings to inform the House on a matter which I consider to be of great importance related directly to the administration of the House and indirectly to our spending estimates for future years.

Administration of the House

The administrative duties of the Speaker represent an immense but little known aspect of his responsibilities, and when I assumed this office five years ago I am quite certain that my reaction was very much the same as most of my predecessors: first, some surprise at the enormity of the administrative task; second, serious concern about my own qualifications in the administration field, a concern which the House shares, I am sure, since to my knowledge no Speaker has ever been chosen on the basis of administrative expertise—neither has the Clerk of the House nor the Sergeant-at-Arms, with whom the Speaker shares these duties—and yet, we have neither comptroller nor professional administrator within the ranks of the House of Commons staff.

The subject is further complicated by the dramatic and rapid expansion of the operation of Parliament in recent years. For example, 15 years ago the budget was a fraction of its present figure, and telephone privileges, travel privileges, staff, office accommodation, constituency offices and television within the chamber as we now know them virtually all came into existence in that short period without concurrent upgrading in our administrative practices or administrative skills. Members will not be surprised then to learn that the former Clerk, Mr. Alistair Fraser, Sergeant-at-Arms Col. Currie, Director of Administration and Personnel Georges St-Jacques and I were all in agreement that a thorough review of our administration would be of great value.

Against this background, last winter, in keeping with the spirit of spending restraints announced by the government in the summer of 1978, I asked the management and members' services committee to review our estimates in a somewhat different manner than had been previously attempted. We first identified a number of areas in which costs of operations might be reduced, some, but not all, of which would result in reduction of service to members and in turn, through members, to the public.

I invited the committee to examine our officials on these so that when I presented the estimates for approval in mid-winter, the committee could pass final judgment. Quite appropriately, after taking advantage of the opportunity to examine the officials of the House, the committee concluded that before attempting spending cuts in any major way it, too, would prefer some sort of independent study of our administration. Although we were agreed, neither the committee nor I could begin to formulate terms of reference for such a study. yet we were equally agreed that some start should be made, if possible during the dissolution period.

We agreed to seek advice from the Auditor General and after several consultations with him during which—and I want to underline this to members—his advice was in every sense positive, constructive in its tone and, in my opinion, absolutely invaluable in the steps we are proposing to take. After these consultations, upon which I commend the Auditor General most sincerely, I wrote to invite him formally to begin the process of a comprehensive audit with the hope of identifying administrative weaknesses and recommending solutions, either with or without the help of outside consultants.

[Mr. Speaker.]

• (1510)

The Auditor General very kindly responded to that invitation on my part by putting together a team which started work on the project at once, continued through the dissolution period and, in fact, is still continuing its work. The Auditor General has provided me, under date of October 31, an interim report on that, and I propose to table my invitation to the Auditor General of April 4, 1979 and, in turn, the interim report of the Auditor General, his findings on our administrative difficulties and some proposed suggestions for rectifying them, that being his letter of October 31.

In that letter the Auditor General proposes as a long-term solution the addition to our senior staff of a professional administrator and a comptroller. My response has been positive, but I naturally insist on behalf of the House that before any final decision of this sort be taken, ample opportunity be given to members for study and for comment, not only on the exact responsibilities of such an official or officials, but also on their relationship with Parliament, with the Speaker, with the Clerk and with the Sergeant-at-Arms. At the same time, we all feel that an early start on the work of such administrator is highly desirable, since we soon will be asked to approve cost estimates for spending programs of Parliament in the future.

I am therefore pleased to advise the House that the Auditor General and I have been able to come to an interim solution which I hope will be seen by all members to accomplish all objectives to the maximum possible extent. The Auditor General has kindly offered, under secondment, the services of the very distinguished Deputy Auditor General, Rhéal Chatelain, to serve us as acting or interim administrator, an offer which, after informing House leaders, I have readily accepted and for which I accept full responsibility.

Mr. Chatelain's duties will be to oversee implementation of administrative programs, and he brings to the position a background which ideally suits him to the task. This interim period will enable us to benefit from his expertise immediately, but also will give to members of the House of Commons the opportunity for study and for comment upon the possible ultimate responsibilities and relationship of this administrator with the other officers I have mentioned.

I want to thank, first of all, the Auditor General for his assistance. He has at all times acted not only as the professional accountant that he is and, of course, the Auditor General of Canada in that immense responsibility to the Canadian people, but he has acted at all times as a servant of Parliament, and his attention to our problems—but, more important than that, his devotion to this institution—has been readily apparent to me throughout all our consultations. I therefore extend on behalf of the House special thanks to him for his counsel and guidance through this period of time.

In addition, I thank the previous officials of the House—Mr. Alistair Fraser, the previous Clerk of the House; Colonel David Currie, our previous Sergeant-at-Arms; Mr. Georges St-Jacques, Director of Administration and Personnel throughout all these discussions; our new Clerk, Dr. Beverley Koester; and General Gus Cloutier, our new Sergeant-at-

Arms. All have been most helpful throughout all our consultations.

Lastly, I thank the members of the Standing Committee on Management and Members' Services of the last Parliament, and particularly its very distinguished chairman, the hon. member for Cumberland-Colchester (Mr. Coates), for their wise assistance and counsel during all the preparatory steps which led to the initiation of this interim solution and interim experience for us, with the assistance of the Auditor General and now with Mr. Chatelain.

I am sure I speak on behalf of all hon. members in expressing hope. I want to say, having initiated this collaboration with that committee, that I will be appearing before that committee at a meeting scheduled very soon in order to continue discussions and consultations on this in case there are any questions members want to put. I hope they will avail themselves of that opportunity at that time.

I want finally simply to say that I hope that in taking these steps I am expressing the hope of all members of the House of Commons that in this way we will maximize the opportunity for members to participate in this decision and to discuss it before a final implementation is made; and that in the interim we will be working together with Mr. Chatelain to ensure not only the smooth functioning of Parliament in all its responsibilities to the Canadian public, but, above all, that we will be doing that in a manner which remains exemplary to the Canadian public in our accountability for the expenditure of public funds.

Hon. Walter Baker (President of the Privy Council and Minister of National Revenue): Mr. Speaker, I want to thank you very much for that extensive and complete statement with respect to the report which has been commissioned. I say on behalf of the government that we think it is appropriate that after receiving that report you have moved immediately with respect to it in terms of establishing interim machinery and putting into place the appropriate personnel, reserving as always, as I know you would, the ultimate right of Parliament through the Standing Committee on Management and Members' Services of this House to look at the final results of the investigation. I assume Your Honour will be tabling that report, if that is appropriate, and I think that is wise, but I think it is important that I say on behalf of the government that we support the action you have taken with respect to this matter.

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BUSINESS OF THE HOUSE

WEEKLY STATEMENT

Mr. MacEachen: Mr. Speaker, I want to ask the leader of the House the regular Thursday question as to what business he has in mind for the week ahead.

I would like to draw to his attention that the Minister of Finance (Mr. Crosbie) was good enough to advise me that he would not be in the Committee of the Whole today and that he will be replaced by his parliamentary secretary. I do not want to create any fuss about this point today, but I draw to the attention of the leader of the House that we expect that ministers be in their places for major legislation, and particularly when we are in Committee of the Whole we expect the Minister of Finance in the future to be present. I am sure that his presence—because of his customary enlightened replies—would facilitate the passage of the legislation. I draw that to the minister's attention.

Mr. Baker (Nepean-Carleton): Mr. Speaker, with respect to the customary House business there will be a House leaders' meeting tomorrow, and we can discuss matters specifically, but for the guidance of the House today we will be continuing Committee of the Whole with respect to the income tax bill, followed by the Customs Tariff bill. I hope we will be able to finish the income tax bill relatively soon and that we can get on to the other matter.

As far as the Minister of Finance (Mr. Crosbie) is concerned, the hon. member knows that the minister is an extremely busy man, and I think the House will agree that his parliamentary secretary handled the work of the committee last night admirably. He was very forthcoming, and I think he handled a difficult task very well.

Some hon. Members: Hear, hear!

Mr. Baker (Nepean-Carleton): Mr. Speaker, the Minister of Finance understands his obligations to the House of Commons. I know the hon. member for Cape Breton Highlands-Canso (Mr. MacEachen) understands the varied obligations of the Minister of Finance here and across the country. There are examples we can emulate. There are certain which we will not emulate. I refer to certain examples of former governments in terms of attendance of ministers. However, I want to assure the hon. member that we recognize our responsibility and that the Minister of Finance will do his very best to be here as much as possible.

Mr. MacEachen: What about the House business?

Mr. Baker (Nepean-Carleton): We are going to have a House leaders' meeting tomorrow.

Business of the House

ROUTINE PROCEEDINGS

[*English*]

FISHERIES AND FORESTRY

First report of Standing Committee on Fisheries and Forestry—Mr. Crouse.

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

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[*Translation*]

BUSINESS OF THE HOUSE

WEEKLY STATEMENT

Mr. Pinard: Mr. Speaker, I rise on a point of order.

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

Mr. Pinard: Mr. Speaker, I would like the President of the Privy Council (Mr. Baker) to answer the question asked by the hon. member who spoke before me and to tell us clearly what the business of the House will be for the next few days. Traditionally, we ask this question every Thursday. The answer we were given is quite limited. He tells us that we are about to conclude the study of Bill C-17, that we will undertake today to examine Bill C-18, and then he refers us to an eventual meeting of House leaders tomorrow. I would like him to tell us clearly what the House will deal with, what is the legislative menu for the next seven days.

● (1520)

[*English*]

Mr. Baker (Nepean-Carleton): Mr. Speaker, I did not really want to get into this, but I will now that the hon. member insists.

There was a House leaders' meeting earlier in the week on Tuesday, at which time I put to the hon. member who has just spoken certain proposals with respect to House business. The answer that I received was that he would have to consult with his colleagues in caucus and will reply to me. I attempted to establish a House leaders' meeting yesterday—but it proved to be inconvenient for other hon. members—at which time I hoped to have the reply so I could then inform the House how we might proceed. I do not have those replies. A meeting is scheduled for tomorrow, to which I specifically invite hon. members opposite to reply to the questions that they said they were going to take to their caucus on Wednesday. If they reply to me, then I think I will be able to answer quite fully the question on the business of the House on Friday.

[Mr. Baker (Nepean-Carleton).]

Mr. MacEachen: Mr. Speaker, may I say on this point that I want to make it absolutely clear that it is the responsibility of the government to lay out the business of the House for the future, and none of the points raised by the hon. member, to which we will give him answers, should prevent him today from telling us what the business is for the next week. It appears to me that the government really does not know what it can bring forward, and probably it is not prepared.

Mr. Baker (Nepean-Carleton): Mr. Speaker, there was a long list of legislation given a week ago with respect to what the government program is for the fall.

Some hon. Members: Tell us.

Mr. Baker (Nepean-Carleton): I really do want to be a consultative House leader and I think it is appropriate that we meet. It is appropriate, from time to time, that we look at the legislation in front of us and agree about how long the legislation should take. I really do invite the hon. gentleman and welcome him cordially. I will even have a pot of tea for him when he comes to give me the information with respect to the intentions of his caucus.

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COMMITTEES OF THE HOUSE

TRANSPORT AND COMMUNICATIONS

First report of Standing Committee on Transport and Communications—Mr. Forrestall.

NATIONAL RESOURCES AND PUBLIC WORKS

First report of Standing Committee on National Resources and Public Works—Mr. Neil.

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

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[*Translation*]

JUSTICE

TABLING OF COMMUNIQUÉ OF FEDERAL-PROVINCIAL CONFERENCE OF JUSTICE MINISTERS

Hon. Bill Jarvis (Minister of State for Federal-Provincial Relations): Mr. Speaker, pursuant to Standing Order 41(2), I wish to table, in both official languages, the communiqué of the federal-provincial conference of ministers responsible for criminal justice.

[*English*]

IMMIGRATION

TABLING OF REPORT ON IMMIGRATION LEVELS

Hon. Ron Atkey (Minister of Employment and Immigration): Mr. Speaker, under the provisions of Standing Order 41(2), I would like to table in both official languages the report to Parliament on immigration levels, in accordance with section 7 of the Immigration Act, 1976.

Mrs. Appolloni: Mr. Speaker, I wonder if I could address a question to the Minister of Employment and Immigration (Mr. Atkey) on that particular document?

Mr. Speaker: Not unless the minister makes a statement.

Mr. Kaplan: On the same point of order, Mr. Speaker, I wonder if the minister would give consideration, in view of the importance of the matter, to making a statement so as to give members the opportunity to ask questions about this very important document.

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[*Translation*]

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. David Kilgour (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, the following questions will be answered today: Nos. 63, 172, 173, 193, 242 and 303.

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

[*Text*]

NATIONAL BATTLEFIELDS COMMISSION—PRESIDENCY

Question No. 63—**Mr. Orlikow:**

1. Who (a) is the president (b) are the vice presidents of the National Battlefields Commission?

2. What is the annual salary in each case?

Hon. John A. Fraser (Postmaster General and Minister of the Environment):

1. (a) Mr. Fernand Tremblay

(Note: The act respecting the National Battlefields Commission does not call for a president but rather a chairman.)

(b) There is no vice chairman.

2. The chairman does not receive an annual salary but is entitled to receive his actual disbursements for expenses incurred in the discharge of his powers and duties under the act.

Order Paper Questions

CANADA STUDENT LOANS ACT—AMOUNT PAID TO THE GOVERNMENT OF QUEBEC

Question No. 172—**Mr. Herbert:**

1. In the past five years, was approximately $59 million paid to the government of Quebec under the Canada Student Loans Act and, if so, what was the basis upon which the payments were calculated?

2. What is the approximate loss ratio on loans to students in provinces other than Quebec?

3. What is the average turnover time for student loans?

4. What is the estimated percentage of the total amount of loans outstanding, at any one time, that would be necessary as an annual contribution in order to maintain the present level of lending?

Mrs. Diane Stratas (Parliamentary Secretary to Secretary of State):

1. Yes. Section 12(2) of the Canada Student Loans Act sets out the method of calculating the amount of alternative payment. In short, the amount paid is the proportion of the costs to the federal government in respect of loans made by participating provinces that the 18-24 year age group in Quebec bears to the same age group in participating provinces.

2. From August, 1964, to December 31, 1978, the loss ratio on loans to students in provinces other than Quebec was 0.14 per cent.

3. The maximum repayment period permitted under the act is ten years from the date a borrower ceased to be a full-time student. The Canada Student Loans Act and regulations provide, however, that the minister may extend this period in exceptional circumstances. Within the ten-year maximum the repayment period in each case is determined by the lender (chartered banks and other lending institutions) in consultation with the borrower and is dependent upon the size of the debt and the borrower's ability to make payments. There is provision for a revision of agreed terms where a borrower is unable to continue to meet the payments because of unemployment, ill-health or other temporary situation. The bulk of student loans are repaid within six years.

4. The Canada Student Loans Act is not a self-financing program so that repayments are not sufficent to cover issue of new loans in any year. The act sets out a specific total loan provision for a base year and provides for escalation of that basic loan provision in subsequent years in accordance with the change in post-secondary full-time enrolment in Canada. Total loans advanced in any year may not exceed the loan provision for that year. The act provides that the federal government shall pay interest charges on all loans advanced so long as the borrower is enrolled in full-time post-secondary education at an eligible institution and for six months after ceasing such studies. The act also provides that the federal government shall guarantee lenders against losses due to default in repaying loans. The cost to the federal government in each year is, therefore, the interest charges on outstanding balances of loans for students still enrolled (and six months thereafter) and the paying of claims for loss submitted under the guarantee in that year.

Order Paper Questions

CANADA STUDENT LOANS PROGRAM—REQUEST BY PROVINCES TO REVISE

Question No. 173—**Mr. Herbert:**

1. (a) Did any of the present participating provinces in the Canada Student Loans Program request that the government repeal or revise the Canada Student Loans Act (b) which of the provinces have a comparable program and what is the procedure to avoid duplication or competition?

2. Can a Quebec student completing education in another province participate in the program?

Mrs. Diane Stratas (Parliamentary Secretary to Secretary of State):

1. (a) All participating provinces have requested that the government revise the Canada Student Loans Act. No province has requested that the government repeal the Canada Student Loans Act.

(b) No participating province has a comparable program which duplicates or is in competition with the Canada Student Loans Program. All participating provinces have provincial programs complementary to the Canada Student Loans Program to assist either by way of grants or loans to those students whose needs are greater than can be satisfied by the loan limits established under the Canada Student Loans Act.

2. A Quebec resident is not eligible to receive assistance under the Canada Student Loans Program as Quebec does not participate in that program. However, Quebec operates its own program of loans and grants for its residents attending institutions in that province. Residents studying at specified universities and colleges outside the province may receive assistance under the provincial plan. Under the Canada Student Loans Act a province choosing not to participate in the program receives an alternative payment from the federal government. This payment is calculated by applying the ratio of the 18 to 24-year old population in the province concerned to the same age group in participating provinces to the costs incurred by the federal program in operating the Canada plan.

VETERANS AFFAIRS—NUMBER OF EMPLOYEES

Question No. 193—**Mr. Herbert:**

How many (a) permanent (b) term employees were on the Department of Veterans Affairs' payroll on March 31, 1979?

Hon. Allan B. McKinnon (Minister of National Defence and Minister of Veterans Affairs): In so far as the Department of Veterans Affairs and agencies are concerned: (a) 4946 (b) 544.

HON. ROBERT STANFIELD—BUDGET AVAILABLE

Question No. 242—**Mr. Lambert (Bellechasse):**

What budget was made available to the honourable Robert Stanfield to study the possibility of moving the Canadian Embassy to Jerusalem?

Right Hon. Joe Clark (Prime Minister): It is estimated that $300,000 will be required for transportation and communications, professional services, printing and distribution of report and material and supplies. Mr. Stanfield was appointed within the DM 1 ($48,500 to $65,500) for a period of 12 months, effective July 12, 1979. The salary is paid by the Department of External Affairs and the Department of External Affairs are also providing officer and support staff assistance.

LA MAURICIE NATIONAL PARK—COST OF LAND

Question No. 303—**Mr. Roy (Beauce):**

Did the government buy land for the Mauricie National Park and, if so, at what cost?

Hon. John A. Fraser (Postmaster General and Minister of the Environment): No. The lands comprising La Mauricie National Park were transferred at no cost to Canada pursuant to an agreement between Canada and the province of Quebec dated August 22, 1970.

[*Translation*]

Mr. Olivier: Mr. Speaker, I rise on a point of order. I should like to ask what has happened to questions Nos. 140, 150 and 160 which have not been answered yet, although they are very important.

Mr. Pinard: Mr. Speaker, the hon. member for Longueuil has not received any reply to his question. Are we to understand that the parliamentary secretary has taken note of the question and will try to answer it? It seems that the government is making a specialty of not answering the questions which members of the official opposition have submitted over the past few days.

Mr. Kilgour (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, I am very glad to take note of these questions.

Mr. Olivier: Mr. Speaker, I rise on a point of order.

Mr. Speaker: The hon. member for Longueuil on the same point of order.

Mr. Olivier: I am sorry, Mr. Speaker, but it would seem that since the beginning of the current session, the government has not been paying much attention to the written questions by hon. members. We are under the impression that the government simply refuses to answer our questions. Has it anything to hide? If it has, let it say so. At least it should not promise to table its answers or claim to be an open government. On the contrary, Mr. Speaker, it should table its answers as soon as we submit our written questions. This government is apparently bent on not answering our questions.

[*English*]

Mr. Baker (Nepean-Carleton): Mr. Speaker, I do not want to prolong this debate, but if I were to give an example of slowness and laxity and failure to answer questions, I could not think of a better one to follow than that of the former government. But the one thing that I do want to bring to the

attention of hon. members—and I am sorry the hon. member did not recognize that yesterday—is the fact that yesterday we made parliamentary history in terms of openness. There were three motions for the production of papers and all three of them were answered in the affirmative, so that papers are going to be produced. I do not recall that ever happening under the former government; never were there three motions in a row accepted.

Hon. members know that we are going to do our very best, having regard for the complexity of the questions, to answer those questions appropriately and as best we can. We may fail from time to time, but all hon. members should know that those are the instructions and suggestions that have gone from me to my colleagues in the ministries.

Mr. Lefebvre: Mr. Speaker, I rise on a point of order. I should like to point out to the government House leader, with all due respect, that if he would like to check the record he would find that the former parliamentary secretary to the president of the privy council ensured that 90 per cent of the questions which were asked in a session were answered in the same session, and that a much greater volume of these questions was answered on a daily basis than this supposedly open government has done so far.

Some hon. Members: Hear, hear!

Mr. Speaker: Order, please. I think we have spent enough time on this. There will be an opportunity to renew the discussion so let us not exhaust it now. Shall the remaining questions be allowed to stand?

Some hon. Members: Agreed.

GOVERNMENT ORDERS

[*Translation*]

INCOME TAX ACT

MEASURE TO AMEND

The House resumed from Wednesday, October 31, consideration in committee of Bill C-17, to amend the statute law relating to income tax and to amend the Canada Pension Plan (Mr. Crosbie)—Mr. Laniel in the chair.

[*English*]

The Chairman: Order, please, When the committee rose last evening, clause 38 of the bill was under consideration and the hon. member for Broadview-Greenwood had the floor.

• (1530)

On clause 38—*Small business deduction*

Mr. Rae: Mr. Chairman, last night we were dealing with the very important clause involving the rights of certain individuals to incorporate themselves and take advantage of the preferential rate which currently exists in the Income Tax Act of Canada. I should like to take this opportunity to go through the history of this particular problem in an attempt to get some answers from the parliamentary secretary respecting the changes introduced by the Minister of Finance in the budget of the hon. member for Saint-Maurice.

In 1972 when the so-called tax reforms which provide the basis for our Income Tax Act were introduced, the Income Tax Act provided for a special reduction in the standard corporate rate for small businesses which qualified as being active businesses. That section of the act has been amended to the extent that now a corporation with an income of less than $750,000 a year receives a special corporate rate, a special small business rate for Canadian small business of 25 per cent, as opposed to the standard corporate rate which is now 46 per cent. It introduced an important incentive for which there is justification.

We pointed out that the majority of Canadians are employed in small businesses and the important role played by small businesses in the Canadian economy. We all recognize those factors. Like so many features of the Income Tax Act, individuals took advantage of this clause. They saw the Income Tax Act as an opportunity to avoid taxation where it should be paid, not as setting out principles to be followed.

What happened to the act? The definition of "active business" income was so extended by judicial interpretation that it provided an opportunity for many individuals to take advantage of the act, individuals for whom the advantages originally were not intended. Unfortunately the courts were complicit in this activity.

It is important to realize the advantages of an active business income and being allowed to incorporate. Those advantages are substantial, as are the tax savings engendered by incorporation. One problem was that a large number of doctors, lawyers, dentists, chartered accountants in provinces where they were allowed, athletes, entertainers and many other professionals took advantage of the small business provision in order to lower their effective rate of taxation.

Also it is important to realize that the fairness of the tax system was no longer evident. As I pointed out yesterday, employees bear the substantial burden of the Income Tax Act. I am referring to those employees who work hard every day, whose income tax is taken away at source, who do not understand the Income Tax Act and who are not in a position to take advantage of the deductions, special incentives and grants given through the tax system to self-employed individuals and corporations, be they public or private.

There were two good features in the budget of the hon. member for Saint-Maurice. One was the closing of the loophole and the other was the belated decision to come to grips with the problem of term preferred shares and the manner in which banks were taking advantage of them to reduce their effective level of taxation to around 10 per cent. As members of Parliament we all know that the decision of the hon. member for Saint-Maurice to define an active business and a business which would qualify for the lower tax rate, the special small business rate, in such a manner as to exclude profession-

als such as athletes, entertainers and others in the management service field, aroused a considerable response from a very well organized lobby. I was on the receiving end of this lobby, as I am sure were many other members.

The effect of the change would have been to destroy a haven. It would have required doctors, lawyers, dentists, accountants and others to start paying taxes as if they were not incorporated. It would have changed their effective rate of taxation. It would have increased their effective rate of taxation and made it more comparable to that paid by other non-incorporated individuals, be they self-employed or employees.

I am disturbed, as are many others, that the only change, apart from airport tax, the Minister of Finance has made to the budget of the hon. member for Saint-Maurice is to create a third category of corporation and a third standard rate for a special group of individuals. There were no changes to simplify the act, to make it more comprehensible, to make it more fair and to eliminate some unfair advantage given to one group over another. The service group defined in the budget of the hon. member for Saint-Maurice is now being given a special deduction from the standard corporate rate of 12⅔ per cent; it brings them to an effective taxation rate of 33⅓ per cent. But it still allows that group to take advantage of the dividend tax credit, tax deferrals, build-up of credits in corporations and all advantages given to private Canadian corporations in our Income Tax Act.

I have a very simple question for the parliamentary secretary. Despite the mumbo jumbo in the statements of the minister that this tax has a neutral effect, is it not the case that it still will be to the tax advantage of professionals to incorporate rather than not? If that is the case, what is the social justification for allowing lawyers in Alberta to incorporate themselves while other lawyers cannot? What is the social justification for allowing some self-employed individuals to incorporate themselves and take advantage of this special rate while employees cannot take advantage of these incentives?

In his statements on this act before the House, the Minister of Finance said that there were parts of it he was more enthusiastic about than others. But I assume from his press release that since this is the only change, this is the amendment of which he is particularly enthusiastic and proud.

We are entitled to an explanation when we look at the comparative advantages being given to one group of individuals over another. We are being provided with an additional complexity rather than a simplification of the Income Tax Act. It gives an advantage to people who have the talent and ability to know how to incorporate themselves, those who have particular skills and to whom such a tax bracket is advantageous. In view of the fact that it was indicated in the budget of the hon. member for Saint-Maurice that it was never intended that this group would be able or be allowed to take advantage of this measure, and that it was only through a series of interpretations that gave rise to this loophole taht was finally closed by the hon. member for Saint-Maurice, I think we are entitled to a clear explanation from the parliamentary secretary as to why this has been done.

• (1540)

There is one other point I should like to make. We have this phantom opposition over here in the Liberal party. If members of that party really believed in the importance of fairness in the tax system, we would have some Liberals here who would be prepared to defend that budget of the hon. member for Saint-Maurice. That is not the case. Those hon. members have backed off. There is not one measure in this budget they are prepared to defend, talk about or intervene on behalf of, or even make an effort to understand. I can understand the braying and the catcalling by members on the other side because they want to get this bill through quickly. It is not in their interest to try to understand it. They know which group they want to give an advantage to and which group they do not want to have the advantage. I can understand that attitude on the part of Conservatives. However, this pathetic performance on the part of members of the Liberal party has to be seen to be believed. They are not here and they do not care about a measure that has been changed. The hon. member for Saint-Maurice does not even have the presence to speak to a matter which he originally thought about and wanted to present to the House of Commons. He has not made a statement about its being changed. The hon. member for Windsor West did not mention the change once in his speech concerning the Income Tax Act. In fact, he did not mention one provision of this measure.

I think it is important that Canadians know that a particular lobby can be mounted after a budget in the dying days of a Parliament and so influence the Conservative party that it brings about a change in the Income Tax Act to provide a special advantage through a loophole to that group of professionals and others who can take advantage of the laws of incorporation to reduce their effective rates of taxation.

We note how concerned the Liberals are about that. They have not said a word or uttered a peep or mutter about this aspect of the budget or about any other aspect of it. I think it is becoming increasingly clear to Canadians who the real opposition to the new or old Conservative party really is. That opposition certainly is not coming from the Liberal party. I think it is clear it is coming from the New Democratic Party. I would like to hear some explanation from the parliamentary secretary in response to our representations.

Mr. Ritchie (York East): Mr. Chairman, perhaps I might—

The Chairman: Order, please. The hon. member for Dollard gave me notice that he wanted to ask a question.

[*Translation*]

Does the hon. member wish to ask a question of the hon. member for Broadview-Greenwood?

[*English*]

Mr. Desmarais: Would the hon. member permit a question? During his remarks he intimated that the rate of taxation for banks is somewhere around 10 per cent. Is the hon. member

aware that what happens is that the banks pay the same rate as any other corporation? What actually happens is that banks make loans to various individuals at a rate of 7 per cent because these individuals are unable to pay the 14 per cent prime rate. Those individuals cannot afford to pay this high rate for two reasons. They either do not have any taxable income or insufficient income from any source to meet that rate. In these cases the banks allow these borrowers to pay a rate of 7 per cent on preferred shares. In that event the borrower is not allowed to deduct the 7 per cent for tax purposes, and the lender is not taxable in respect of that 7 per cent.

What the hon. member is suggesting is that we should drive the rate up from 10 per cent to 50 per cent for banks. In that case the banks will have to go back to these borrowers and say they cannot charge 7 per cent any longer but will have to charge 14 per cent, with the additional 7 per cent going to the government, thus doubling the rate of interest for a large number of borrowers.

[*Translation*]

Mr. Rae: Mr. Chairman, I shall be very happy to reply to the question asked by my colleague for Dollard. First of all, I must tell him that I was not the one to suggest amending the act concerning income bonds and income debentures; it was the former minister of finance, the hon. member for Saint-Maurice. Therefore, if he has a question about the wisdom of amending the act or the means through which banks borrow money from small or large companies, he should ask his colleague in the Liberal party, the hon. member for Saint-Maurice.

If the hon. member is willing to remain in the House, I am certain he will be interested to hear the interventions of the Parliamentary Secretary to Minister of Finance. For my part, I shall be interested to hear how income bonds and debentures really work, how they have worked in the past and what would be the economic and fiscal implications of amending the act as proposed by the hon. member for Saint-Maurice. I am very happy to remain in the House, and I am certain the hon. member will be happy to hear the interventions of the parliamentary secretary. Moreover, as I said earlier, it is unfortunate that more members of the Liberal party are not ready to ask interesting and significant questions about income bonds and debentures and the matter of small businesses about which I have just asked the parliamentary secretary.

The Chairman: The hon. member for Spadina.

Mr. Desmarais: I have a supplementary, Mr. Chairman.

The Chairman: The time allotted to the hon. member for Broadview-Greenwood has expired. I can therefore not allow this dialogue, but I shall add the name of the hon. member for Dollard to my list and recognize him in due time, perhaps to allow him to express his opinion instead of simply asking a question.

[*English*]

Mr. Stollery: Mr. Chairman, I was surprised by the comments a moment ago of the hon. member for Broadview-Greenwood to the effect that no one in my party was becoming involved in this debate. That is an unusual comment on the part of the hon. member in view of the fact that I indicated to him last night before we adjourned at six o'clock that I intended to speak on this same point. The hon. member knew full well how I felt about the special tax rate that is being maintained, as I told the hon. member last night that I would be speaking on this point. In view of that I think it is a little bit ungentlemanly of him to make the kind of comment he made earlier about no member of my party being involved in this debate. I also think, as he leaves the room, having just a moment ago commented on the fact that the Liberal finance critic is doing a television interview—

Mr. Rae: I am here.

An hon. Member: Where were you last night?

Mr. Stollery: I was sitting right here.

An hon. Member: You did not say a word yesterday.

● (1550)

Mr. Stollery: I do not think that those kinds of tactics will be very successful, nor are they the sorts of tactics one would expect from a major spokesman of the NDP.

An hon. Member: They got you up.

Mr. Stollery: I can assure the hon. member that the spokesman on this bill for my party will return to the House very shortly. He is presently giving a television interview, so I do not think that the hon. member should make such comments.

I, too, would like to question the Parliamentary Secretary to Minister of Finance on this very strange business of creating a special kind of taxpayer, as the hon. member for Broadview-Greenwood describes it. People who have the tax withdrawn at the source, and this includes most people, are the people who pay most of the taxes and who pay them at the very least arguable rates. These people do not get a chance to argue or make claims on expenses. They simply get the pay cheque with the money removed. I am sure that most of these people will resent bitterly a society which gives the guy down the street a special rate because he happens to be a professional or in a tax category which gives him a special tax rate.

It is not the small businessman who is being considered in this clause. The whole purpose of the changes was to give a tax benefit to what all of us understand to be small business, because it is small businesses in Canada which employ the largest number of Canadians. The small business is involved in everything from manufacturing to the retail level. They have felt for a long time that they have been discriminated against in the tax system. They work longer hours, but they always seem to get the short end of the stick when it comes to the tax system.

There is the belief that it would be advantageous to the country because small businesses employ more people if they expand. I realize that the parliamentary secretary has a background in big business with regard to the oil field. He may not be aware of the plight of the small businessman, and I am not saying that in an unpleasant way. Small businesses traditionally have not wanted to get very large. They have enjoyed the kind of activity in which they were involved, but they have always felt that they were being beaten in the tax system.

Over the years the small business tax advantage has been put into the system to create employment. We have found that it is being used by people who are really not small businessmen according to the original concept, but who were, for example, in legal partnerships. As I understand it, and I am not a lawyer, in some provinces the law society will not allow a lawyer to set himself up as an incorporated business. Perhaps the best example is the hockey player who sets himself up as a company and pays his salary into a limited company, thereby paying a smaller amount of income tax. Many people think that this is unfair.

I recognize that there is a certain amount of tightening up taking place in this clause. I recognize that the hockey player will no longer be able simply to pay his salary into a limited company, but would probably have to claim that he was doing personal appearances or something else besides just putting his salary into a limited company. That represents some small improvement.

I believe that the original changes proposed by the minister of finance in the last government show the direction in which this government should be heading. It should be trying to make income tax payable on a more equal basis and getting away from these special categories. I recognize, and I suppose it will continue to be the situation, that one could have a large income from stocks and other investments which one could pay into a limited company. As I understand the proposal, such a company would now be required to employ at least five people. That proposition was proposed by the last minister of finance, and I believe that it is being maintained.

What I do not understand is the way in which the government has caved in to this lobby of people with basically high incomes, in so far as I can make out, and who do not want to pay the normal income tax. There are enough schemes already available to these people to divert their incomes. There are special tax rates in this country for the film industry, and for the oil industry particularly with regard to exploration, to mention but two examples. There are a vast number of ways in which a person can get away from paying tax so long as they are interested in creating employment and investing in some sector of the Canadian economy.

I wonder, Mr. Chairman, whether this proposal has been thought through. As I understand it, if a person puts his money into a company and pays tax at the rate of 33 per cent, that company can accumulate over a period of years a reserve of up to $750,000. I should like to know if it is true that the person who then retires and collects the income from $750,000, which could be up to $35,000 a year, would not have to pay any tax on it. As I understand the proposal of the government, it would lead to a situation where people in this country who earn $35,000 per year through income or from dividends or from their company could end up not paying any income tax. That is a pretty serious state of affairs, and I am fairly certain that it is so. I strongly urge the Minister of Finance and his parliamentary secretary to consider that they are creating a potentially new brand of taxpayer.

● (1600)

Every taxpayer in Canada who is paying income tax at the source, and that is most of us—members of the House of Commons have it taken out of their pay cheques like everyone else—anybody who receives a pay cheque, should strongly resent a system which creates a special kind of taxpayer, that is, one who is not paying his taxes.

I then ask why I should pay taxes at pretty high rates. I am a single person with no dependants who pays a high rate of tax. Why should I pay up to 50 per cent in Ontario? I have the Clarkson Gordon 1979 tax rates here. I have never resented paying income tax, but on behalf of anyone paying their taxes in the normal fashion I register the strongest protest against a system which will create a group which does not have to pay or who can avoid paying. I would suspect that in the marginal rates there will be many who will not be paying 17 per cent of taxes. That is a disgraceful situation.

It is no wonder that at a time when Canada is getting poorer every year and when the brunt of this economic hardship is being carried by people who do not have any special tax advantages, the individual who has a lot of tax advantages absorbs a lot of the decline in real income in this country, and I suspect this is so in most of the world. He absorbs it because he charges it up to the government. The country pays; the other taxpayers pay for him. There could be some person earning $50,000 or $100,000 per year, yet he is being subsidized by someone earning $15,000 per year. That is what is being proposed here. It leads to a situation which I checked today with the Department of Finance. I am not an accountant and my taxes are simple enough that I have never had to understand these various dividends and credits and things that exist for those who can take advantage of the tax system. I never understand them because I can never take advantage of them.

I should like the parliamentary secretary to tell us whether it is true or not true that this can result in an individual having an income up to a maximum of $35,000 per year, so long as it comes in the form of dividends from a dummy company that the person has set up for $200, and not pay any income tax on that amount.

Mr. Ritchie (Dauphin): Mr. Chairman, I should like to speak for a few moments on this clause. As a member of a profession for whom this legislation was primarily designed, I might say that putting the rate back at 33⅓ makes it about as neutral as it can be.

The hon. member who just sat down pointed out that dummy corporations have people who get money out of them through wages that they basically do not earn. Many small businesses have people on their payroll who, strictly speaking, might not be considered productive. This seems to be one of the disadvantages of tax systems.

One of the problems that has come from this is the high margin of income tax rates that we have. If the marginal income tax rates were not so high, this sort of thing would not occur so much. Without some provision like this, say with limited liability, it would be almost impossible for physicians, for example, to hold property in groups and to have facilities. Most provinces do not allow physicians to incorporate their incomes; certainly Manitoba does not. I realize that Alberta does allow professional people to incorporate their incomes, but it has probably changed the rules to some extent.

I have considered this over many years and have discussed it with my accountant at various times but I could never see where it paid to incorporate a medical practice, except for the limited liability aspect. For instance, if four doctors decided to build a facility for $150,000 or $200,000, they would pretty well need to have a company to do so. It would have to be organized on a partnership basis. In any case, the tax changes of 1972 made partnerships almost impossible to carry on on an income tax basis if there was any complexity. Most accountant firms will advise against partnerships of almost any kind. As I say, the 33⅓ is as neutral as can be.

The hon. member who just spoke implied that all physicians and all professionals were pretty well assured of an income. Mr. Chairman, they are no more assured of an income than the corner grocer. Physicians and lawyers who work on a salary for a firm must pay income tax just as we do. It is not necessarily true that many will come in the door demanding to be paid high salaries or be provided with a high income. I might say that in a practical sort of a way the physician in Manitoba makes about $10 or $14 per hour before taxes. He makes up for some of this by working 50 to 60 hours a week. Whether that is too much, I do not know.

● (1610)

I would to like to point out there are many professions, such as pharmacy, which are not included in this. In practice, however, pharmacists can incorporate their companies. They have to be able to incorporate because of the large stock they carry and so on. Usually about half of their income can be classified in the same way as incomes of lawyers and physicians.

If everything went very well and circumstances were exceptionally favourable, it might be that a person could use the 33⅓ per cent and make considerable money. However, from my discussions with many physicians, I find they have tended to lose on this. By and large their companies have not been around for a long time. They have been holding companies or real estate companies.

It would be almost impossible to get facilities without having some kind of company. Presumably we would not have clinics and this sort of thing where there is a physical facility. Physicians have told me that having a company has not particularly resulted in their making money. In many cases, their income has been less than had they paid the marginal rate.

The limited liability feature, the possibility of bankruptcy, suits for injuries and so on make it necessary for professionals to be able to set up companies of some kind. This may not be the best way to do that. I have gone through the white paper on taxation of 1970 and subsequent legislation. As a professional, I do not particularly ask for favours. However, something has to be set up in order that facilities can be built and manned.

Another problem that remains unsolved is those who have spent long years preparing themselves and do not earn money until they are in their thirties. They presumably then earn a high income and pay a great deal in tax. Obviously that is a difficult problem. While this change may not necessarily be the best, it seems the most neutral we can arrive at for the moment.

I would ask the parliamentary secretary whether this effective 33⅓ per cent rate commenced in November of last year, or will it become effective when this bill is passed, or, in fact, is it effective at the present time?

[*Translation*]

Mr. Marceau: Mr. Chairman, the question of reducing taxes or customs tariffs is indeed very interesting and leads to heated debates, in this House and elsewhere, the points of view often differing widely. I listened to the former speakers very closely and, though I represent a riding in which the majority of voters are workers, I also represent a number of professionals whose point of view I must also submit to the House and to the parliamentary secretary who is piloting Bill C-17.

I think all we want, we being members of the House, is justice for all taxpayers, a justice which enables governments to collect the money they need to run the country. For this purpose, it is necessary to collect more from those who earn more. But, Mr. Speaker, these laws should not cause injustice under the pretence that everybody should pay income tax. I would like to pass on to the parliamentary secretary some sensible remarks which were written to me by one of my constituents of Jonquière, Dr. Blais, who states in all deference that in its present form the bill is unfair. In his budget, the hon. member for Saint-Maurice, the former minister of finance, had proposed some amendments which were suspended and which this government now wants to implement. Therefore, I would like him to know the remarks of Dr. Blais, and I quote:

> The government and the new Minister of Finance, Mr. John Crosbie, plan to amend the tax laws concerning administrative corporations for professionals and companies affiliated to corporations without legal constitution. These would no longer be entitled to reduced tax rates.
>
> We strongly believe that these amendments are arbitrary and that they discriminate against us professionals for the following reasons:

Income Tax Act

1. The government proposes that doctors, dentists, lawyers and accountants not be entitled to the reduced tax rates granted to corporations even if they are incorporated. (At the present time, Alberta is the only province to authorize the professions to incorporate, but it is expected that the other provinces will provide this authorization shortly.)

This clearly discriminatory legislation isolates the members of the four major professions and submits them to an arbritary taxation system. If it is passed, optometrists will pay lower taxes than ophthalmologists, chiropractors will pay less than general practitioners, administrative advisers less than accountants and denture manufacturers less than dentists, to mention but a few examples.

2. Moreover, the government wants to deprive most administrative companies which offer their services to a non-incorporated company of the right to benefit from the reduced tax rates generally granted to small Canadian businesses. In fact, if the administrative company offers its services only to a group of professionals and their associates, it will not have this right.

This other measure will be more unfavourable to the dentist who has a company to take care of the administrative side of his practice than any other businessman who might do the same. The government forgets that the dentist incurs higher costs for his equipment and his office and after has higher financial risks than small businesses in general.

It can perhaps be said that not all incorporated companies should benefit from reduced tax rates. However, we see no reason to deprive of this right the companies which take care of the administration of professional practices, whether for dentists or any other major profession. We also think that those provisions should be looked at again and that the government should postpone their passage until such time as more reasonable solutions have been found.

First of all, I should like to ask the parliamentary secretary why, in paragraph (f), on page 49, the non-qualifying business is being limited to the professional practice of an accountant, dentist, lawyer, medical doctor, veterinarian or chiropractor, and why all professions are not included generally; why is this statute limited in that way? Second, why does he, on behalf of the government, plan to deprive administrative business, that supplies services to companies that are not duly incorporated, of the right to use the reduced rates usually allowed small Canadian businesses? Finally, I ask the parliamentary secretary whether he has really looked into all other possible solutions to that important matter, whether the decision of the government is final and whether, if this bill having become law proves to be unfair, he will be willing to suggest to his government that it amend it in order to avoid the injustices pointed out by that voter from my riding?

● (1620)

[*English*]

Mr. Johnston: My intervention will be brief, Mr. Chairman. I need some information from the parliamentary secretary in order to fully comprehend the impact of this proposal upon our existing income tax laws. I am bothered by what I consider to be a flagrant violation of the principle of tax neutrality. I might say I was not very happy with Bill C-37 either, so it is not a question of my supporting one and not supporting another. But are we doing the right thing by providing this new special rate of 33⅓ per cent for a particular category while excluding others from similar benefits? Are we paying sufficient attention to the position, for example, of wage earners?

In his own press release the Minister of Finance states on page two, in paragraph three, that such corporations which retain earnings in the business will still enjoy tax deferrals since the rate of 33⅓ per cent is lower than the personal income tax rate on taxable incomes in excess of $15,000 gross. So here we are proposing in the case of, say, two professionals that in one instance a taxpayer will be paying tax on income in excess of $15,000 at a rate which the incorporated professional will not pay until his income reaches $150,000. This does not strike me as being a just situation from the point of view of wage earners. This leads to an underlying problem which I raised the other day with regard to the very tax rates themselves. Something has to be done.

I say, further: why single out these professionals? There is in this House a fairly representative group of the professionals we are talking about. We even have a well known chiropractor on this side of the House. I happen to be a lawyer. What distinguishes these gentlemen, say, from an engineer or an architect in terms of the proposal which is being advanced? In other words, why does one kind of professional income become entitled to an advantage which other kinds of professional incomes do not enjoy?

Turning to another consideration, we have to ask ourselves: what is the tax cost likely to be? Has the Department of Finance calculated what the tax deferment would be if every professional in this country, every professional who is listed, were to incorporate? The list covers accountants, dentists, lawyers, medical doctors, veterinarians and chiropractors. Let us assume that if this law is adopted a great deal of pressure will be placed upon professional organizations in each province to permit the incorporation of professionals for tax purposes, because given current rates of inflation tax deferrals become very significant. Tax deferred for 10 or 20 years is, in fact, tax not paid.

It can be said that in the long run the tax would be the same. The hon. gentleman said it was neutral. It is neutral if the dividends are declared or the salaries are paid out, but I submit this would not happen because these vehicles would become holding companies for all these professionals. Would the tax cost run into the millions? Or billions? I imagine it would be very substantial.

Getting back to the principle of tax neutrality, is it right for us to create a situation where provincial law will determine what the federal tax rate would be? In my own province, Quebec, lawyers cannot incorporate, accountants cannot incorporate, engineers have techniques for incorporation effectively, but professional societies, as hon. members know, have long resisted incorporation in certain jurisdictions because of the so-called client-professional relationship. It bothers me that we could have a professional in one part of the country with an income identical to that of a similar professional in another province, yet one would enjoy a substantial tax advantage over the other because one professional might be able to incorporate while the other could not. That is one departure from tax neutrality. The second departure is that we have singled out specific professions for preferential treatment.

Now let us consider the position of the ordinary wage earner. Why should he not obtain some sort of deferral? Why

should he be subjected to full tax on his income in excess of $15,000 while other salary earners, other professionals, have this opportunity for substantial benefit through deferral? All this leads me to suggest that the approach being taken to corporations and the use of incorporations in this area is unduly complicating our tax structure and must inevitably lead to situations which are completely unjustified in terms of tax neutrality, a principle with which I am sure we all agree. We may disagree about rates. The hon. member for Broadview-Greenwood, for example, might like to see us all employed by the state or he might like to see rates of 75 per cent or 80 per cent. But I know we would agree on one thing at least: everyone in the same circumstances should be paying the same amount of tax. The hon. gentleman is asking us to approve a provision which would make this objective more and more difficult to achieve.

Mr. Brisco: Mr. Chairman, there are a couple of questions I should like to raise on this clause. I must say I found the comments of the hon. member for Saint-Henri-Westmount interesting and informative. The background he enjoys brings to this House an expertise to which I think we should pay attention.

● (1630)

There are two matters about which I would like to speak, although it was my original intention to address myself to just one. In light of the fact that the particular profession to which I enjoy the privilege of association has been mentioned on numerous occasions today, there are a couple of matters within the ambit of that profession which I would like to set straight on the record. I am speaking of my own profession as a chiropractor.

I would like to say that I have been in practice for 25 years. I have served for two years as the president of the British Columbia Chiropractic Association. I spent nine years on its board, served as a vice president of the Canadian Chiropractic Association and some years on its board, and for some years as a director of the Canadian Memorial Chiropractic College.

Having said that and having indicated my dedication to my profession and to the welfare of Canadians, I would like to point out that in the interval, as a member of Parliament—because I was elected as a member, I resigned as an officer of the profession to avoid any semblance of conflict of interest—I have no hesitation as a parliamentarian, with a background in that profession, in speaking out at this moment. Because with reference to this bill and to this clause, I have received submissions from lawyers, accountants and dentists in my community and, of course, my constituency. I have received submissions from medical doctors, but I have not received any from any chiropractors. Nor, to my knowledge, has there been any organized effort by my profession on a national or provincial level to seek any special or favoured treatment in terms of this bill.

Unlike any of the other recognized healing professions in Canada, the chiropractic profession receives not one dime of federal or provincial tax revenue for any programs. It receives absolutely nothing. It has made requests but been rejected. The only area in which there is income accruing from the federal and provincial treasuries is medicare, through insurance programs and through compensation boards. That applies from the province of Prince Edward Island—the maritime provinces with the exception of Newfoundland—right through to British Columbia. We have applied to the Medical Research Foundation for grants for research, and those grants have not been forthcoming.

So what has the profession done? It has raised its own money. It has done so itself to conduct its own research. There is a facility in Toronto which is second to none in the world in terms of educational standards and the quality and calibre of its lecturers. Doctors from Sunnybrook Hospital, lecturers from the University of Toronto and others teach at the CMCC. The profession pays the bills. We pay them to teach our students. Our graduates support that college, and it was only a few months ago that we finally burned the mortgage on that building. That plant is worth some $2 million, and it was paid for by less than 2,000 chiropractors across this nation. So I speak with a degree of pride when I say that we have not come to the public trough except for research, and in that regard we have been denied.

I also want to reiterate the fact that we have not asked for any special privileges whatsoever in terms of this bill.

Having set the record straight on that, there is another matter which I find unfortunate. In dealing with the income of corporations for the year under "non-qualifying business", I see listed "prospecting". I see nothing which provides an opportunity for any kind of windfall for the prospector, who is an independent soul. In my mind there are two people with whom I am acquainted who are in the category of a free spirit. One is the trapper and the other is the prospector. I cannot imagine any other occupation in which the individual concerned is more isolated from human contact than those two. Hardships are tougher for them than for anyone else in North America.

The trapper, particularly in the winter months, and the prospector, especially during the summer months, put up with a great deal. Sometimes they are flown in by a company. Sometimes prospectors are paid by a company to prospect in a particular area, but sometimes they have to pay the shot themselves. They are flown to a location and they put on their backpacks. They have their supplies with them and they are in the wilderness for weeks. Wilderness can be pretty tough whether it is in northern Quebec, northern Ontario or anywhere in the mountains of British Columbia. The record shows that most often it is just once in a lifetime that a prospector strikes it rich and makes a windfall discovery. When prospectors do that, those gnarled, hardworking creatures of nature get shafted by the federal government in terms of taxation.

I know a prospector in Nelson right now who is in his seventies. He gets his old age pension; big deal! He is blind in one eye. He walks with a very pronounced limp because one of his legs was shattered as a result of a dynamite explosion in some rock work. He has emphysema because he breathed mine dust in the old days when he was a miner working in areas of

high silica concentration. This prospector has problems breathing. He has a bad heart and, of course, with his heart and his lungs being in rough shape, this does not make life any easier for him. However, he found his once-in-a-lifetime windfall, and what did the government do?

An hon. Member: Not this one.

Mr. Brisco: I refer to hon. members opposite when they formed the government. I am not kidding hon. members; this is all on file in my office, if they want to see the records. They taxed this prospector's windfall away. There was not a tear from the then minister. He could not have cared less about the condition this poor old gentleman was in.

Hon. members opposite do not know anything about human factors. They never take them into consideration. They say, "It is here in the book, and that is what we will go by". That is the problem with any big government. There is a total absence of any recognition of any human factor beyond what is in the book. I pray to God that this government will show some sensitivity in these areas.

I can think of all kinds of other examples, and I am sure other hon. members can too. I think of a person with multiple sclerosis three weeks away from qualifying under the Canada Pension Plan. She is to the point where her MS no longer allows her to do any work. It was to hon. members opposite who formed the government that I appealed on four separate occasions. I must ask, will this government recognize the fact that it should be doing something for this woman—after all, she did make her contributions—even though she was only three weeks' short of qualifying, instead of having her on the bread line? I do not think that is really what governments intend in the legislation they draft.

Let me conclude by saying that I feel it is incumbent upon the parliamentary secretary to consider that a prospector who provides opportunities for the mining community to operate in the fashion it operates should be allowed a once-in-a-lifetime windfall profit, because, if not, the next thing we know there will not be any more of these free spirits. If you look at the record and at the statistics, Mr. Chairman, you will find it is not the mining companies which find the gold, the silver, the lead, the zinc, the molybdenum. It is the hard-bitten character who may have a grizzly bear or a black bear out there breathing down his neck when he bends down to check a rock. He is the one who makes the majority of discoveries for mining companies. He is the one guy in the whole industry who has been totally ignored, and it is time he got his fair share.

● (1640)

Some hon. Members: Hear, hear!

Mr. Haliburton: Mr. Chairman, my interjection in this debate will, I assure hon. members, be very brief, but I was inspired, shall I say, to speak by what the hon. member for Spadina said this afternoon. I think there are a couple of points that should be made in order to set the record straight. Having listened to that hon. member, I can understand, if his philosophy is that of the former government's, why the country fell into the economic mess in which indeed it did.

There is no suggestion in this legislation, I submit, that any taxpayer in Canada is going to have a tax free income, at least not if he uses it for his own personal benefit. Under the clause we are discussing there is no such thing as a tax free income in any case. The essence of it is that one of those companies that are incorporated for convenience, as has been suggested, or for the more efficient operation of a professional business, can attract for the chief shareholder a tax which is less than he would have to pay if he were receiving that money as an individual and putting it into his pocket in a form in which he could go out next day and buy a new car or take a holiday or spend it on various consumer products.

The effect of the changes that have been proposed in this clause, as I understand them, is that it would encourage Canadians who earn money to use it as an investment fund. Surely that is what the kind of economy we have, is all about. Unfortunately, the people who have their tax deducted at source are not the entrepreneurs in this country, and it is, after all, entrepreneurs who create jobs and who make work.

What this change in the tax law will permit is that a person who had an income which is larger than he may need to use in that particular year for his own personal comfort may delay paying income tax on that income for some time so that he can use it for other purposes. He may not want to invest his money in a pension fund, which may well have international investments; he may not want to invest his money in exploration; he may prefer to invest his money in his own community, in a local shop, a local enterprise, or a fish processing plant, as he might want to do in my riding, or a fishing vessel.

These provisions establishing this classification within the Income Tax Act will permit the high income doctor, the dentist or the lawyer, to establish such a company and to use that money before paying tax on it to encourage industry and enterprise in his own community. Clearly it gives recognition to the fact that some of these professional people have a shorter earning lifetime than a great many other people in our society. This provision gives them an opportunity to spread their tax. Certainly there is no suggestion, and no wish on my part as one of the members supporting this legislation, that it should provide a free ride for anybody or that it should permit them to permanently avoid paying tax. It would give them an opportunity to spread the tax. It would inspire them to generate jobs and provide opportunities in their communities. That is what I want to see and I would be happy if we would get on with it.

Mr. Johnston: Mr. Chairman, I have a question for the hon. member.

The Chairman: Would the hon. member for South West Nova accept a question from the hon. member for Saint-Henri-Westmount?

Mr. Haliburton: Yes, Mr. Chairman.

Mr. Johnston: Mr. Chairman, some of the sentiments the hon. member has expressed are, I think, very desirable, but my question is this: What distinction does he make between a lawyer and an accountant, for example, who is entitled to incorporate his practice and therefore benefit from this substantial deferment, as opposed to an employed lawyer or accountant in the same income range who is not entitled to it and must pay his tax immediately, and therefore does not have the advantage of being able to invest in a shop, a fishing trawler, or what have you, but must immediately turn over his savings, to the revenue authorities? What justification does the hon. member see for that distinction between an employed professional and an independent professional?

Mr. Haliburton: The hon. member raises a very difficult question. The only real differential, or substantial differential, that I could cite would be that the self-employed individual is, in fact, an entrepreneur. He is the guy who, in a great many cases, I suspect, is operating in rural areas in this country as opposed to metropolitan areas. He is employing people, purchasing office equipment or setting up a practice on his own and taking, perhaps, all the risks that are normally attributed to an entrepreneur, whereas the employed professional is not doing that. However, I would assume under this legislation that when the employed professional becomes a partner in a professional association which is employing him, he would no doubt be able to take advantage of the same provisions.

Mr. Johnston: Mr. Chairman, I have another question for the hon. member.

The Chairman: I find it difficult to allow the hon. member to put another question, it would be unfair to other members. The hon. member for Saint-Henri-Westmount will have a chance to come back with questions later.

Mr. Fulton: Mr. Chairman, I have listened with some interest in the last hour or so to comments coming from both sides of the House, particularly to the anecdotes of the hon. member for Kootenay West about prospectors and the difficulties they have. I come from a riding where, as I mulled over in my mind all the different communities, I realized there are a number of communities which do not have a doctor, a dentist, a chiropractor or an accountant, communities like Atlin or Port Simpson and other places along the coast. While everyone was talking about people with incomes of $30,000, $40,000, $50,000 or $100,000 a year, we have areas in this country where, in some communities, there is unemployment of 30 per cent or more, and in some cases up to 50 per cent. We have heard talk about communities where part of the taxation base of this country is being set aside in order to make the lives of the well to do somewhat more plush.

When we talk about these individuals and professional groups, we should realize the fact that they are not really creators of capital. What in fact they do is either get capital from the state or get it from individuals within the community, and they get a substantial slice of capital in the communities in which they operate. I do not claim that a lot of them do not put that money to use within that community, but I think a great deal of that capital is used for investment in order to create more capital for them as individuals, capital which does not go directly to the community.

In looking at the bill in relation to small business, the government in the past six months has given a substantial slap in the face to small business in this country with the ever-increasing interest rates. To date all we have had is a preliminary statement from the hon. member for Capilano, who has said there will be some increase in capital through the Federal Development Business Bank.

The problems created in this country by capital being taken out of the economy and put in the hands of a limited number of individuals who do not put it into small businesses which employ people over a period of time are very extensive. They are problems to which the government does not put its mind. This brings me to the core of my point, that in looking at this very small group we must necessarily take into account other skilled groups. I know the hon. member for Kootenay West indicated that the chiropractors of this country have not lobbied actively to be included in this special taxation, but we must look at it from the point of view of the government dealing with this issue. They have been chosen, for one reason or another, as a lobby group above and beyond steelworkers, paperworkers or fishermen. A lot of individuals who work in our economy certainly deserve some tax break. They carry the real burdens, for example, of the House of Commons and everything else in the country. An ever increasing burden is being placed upon those individuals.

● (1650)

The amount of capital at year end which professional individuals are allowed to retain already is very high. Doctors, dentists and accountants are highly advantaged individuals. What do they do with their capital? What advantages do these individuals have in the community? Generally they own their own homes because they have had enough capital coming in over the years to do so. They are well educated. They are capable of putting their children through university. At a time when there are many unemployed, disadvantaged, handicapped and people living on fixed incomes, why should the government continue to push for the very select high income groups, be they oil company executives, doctors or anything else? The answer is fairly obvious. The government has chosen a specific lobby group for some reason or other. Perhaps there is a likely prospect that they will gain voters or some other thing.

The small business question has not been addressed by this bill in any way. Why is there no attempt to deal actively with interest rates which now affect the cash flow of small businesses and their ability to carry ongoing stock or expand in any way? Yet capital is being given directly into the hands of individuals who will not turn it over into the economy with a domino effect. Making more capital available to entrepreneurs in the forest and mining industries perhaps would be more appropriate if there was a direct tag on it relating to job creation or some affirmative process.

During the same period of time we are looking at recent cuts in the unemployment insurance program. In my riding individuals involved in fish processing had very limited work opportunity this year. Many of them did not work long enough to be eligible for unemployment insurance. The government seems to sit idly by as if someone who earned $3,000 can make it through the rest of the year, and hands out 10 per cent or 15 per cent to people in the $30,000 to $100,000 bracket. Certainly this is a matter the public should take into account the next time they go to the polls.

I have one question for the parliamentary secretary. Exactly how many individuals are eligible under this program? The previous speaker wanted to know how much capital was involved, but I should like to know how many individuals are affected by this? I am sure that information is readily available.

Mr. McRae: Mr. Chairman, my remarks will be very short. I have just come from a committee meeting where the estimates of the Department of Finance were being discussed. There was no one present at the meeting to give us direction in terms of policy on this matter. I am sitting in the House now and I see that the Parliamentary Secretary to the Minister of Finance is alone. This is no reflection on him as I am sure he is very able, perhaps a good deal more able than the minister, but the minister is not in town when we are considering this very important tax bill, Bill C-17. As a matter of fact, I saw notice of a speech which the Minister of Finance was to release at 1.00 p.m. eastern standard time on November 1, 1979 to the Empire Club of Toronto. When we are in the middle of such an important debate, and the estimates of this particular department are before committee, surely the minister and the parliamentary secretary should be here. The choice should not be between this Parliament—the House of Commons and its committees—and the Empire Club. The choice should be very, very clear: the minister should be here.

Some hon. Members: Hear, hear!

Mr. Ritchie (York East): Mr. Chairman, earlier this afternoon the hon. member for Cape Breton Highlands-Canso raised the question of the presence or non-presence of the minister in the House for the proceedings of the Committee of the Whole. He received an answer in part from the House leader. If I had been provided with an opportunity, my first comments this afternoon would at least have given partial reassurance to the hon. member in that the minister intends, if transportation facilities work effectively, to be here at eight o'clock tonight. It is unfortunate that I have to make such a comment so late in the day. I give the hon. member for Thunder Bay-Atikokan that assurance.

A great many questions have been raised to which I should like to respond as fully as I can. I should like to begin by dealing with some of the questions of principle and broad dimension raised by the hon. member for Broadview-Greenwood and the hon. member for Spadina. I should like to follow those remarks by responding to specific questions raised by the hon. member for Dauphin, the hon. member for Jonquière and the hon. member for Saint-Henri-Westmount, and if I can, the hon. member for Skeena. I am not sure I will have a number of answers available for the hon. member.

A great many of the comments I have heard this afternoon seem to be based upon serious misconceptions, not only regarding what existed but what is proposed by this clause in the bill. Let me review the situation.

Up to the time of the proposals in Bill C-32 of the last session of the last Parliament, the people being dealt with in this bill had the advantage of a small business or Canadian privately controlled corporation tax provision. It was a matter of deliberate policy of the preceding government which was supported on all sides, or at least by most of the members of the preceding House, and perhaps present members. It gave and gives a tax advantage to such corporations, a deliberate tax advantage. The persons who drew that legislation in the first place did not intend that it should apply to the particular persons with whom this present clause deals. Therefore, this present clause does not give an advantage; it takes an advantage away, one which perhaps was given inadvertently.

The proposal in the budget of last November was that particular taxpayers, people providing personal services, if incorporated, could revert to the standard position of a public corporation. In other words, they would be subject to tax approaching 50 per cent depending on the province in which they were resident. This proposal is a modification of that in two ways. It adds two professions, chiropractors and veterinarians, to the list of non-qualifying businesses. It attempts not to make incorporation prohibitive but to make it a neutral act. There are sound reasons for not making corporations prohibitive.

May I call it five o'clock, Mr. Chairman?

• (1700)

The Chairman: I am sorry to interrupt the hon. parliamentary secretary but, it being five o'clock p.m., it is my duty to rise, report progress and request leave to consider the bill again later this day.

Progress reported.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mr. Scott, Victoria-Haliburton): Order, please. It is my duty, pursuant to Standing Order 40, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: The hon. member for Outremont (Mr. Lalonde)—Energy—Oil prices—Request government abandon plans for further increases; the hon. member for Ottawa-Vanier (Mr. Gauthier)—National

Unity—Quebec referendum—Inquiry whether public servants will have free vote; the hon. member for Skeena (Mr. Fulton)—Energy—Tanker transportation of crude oil on west coast.

It being five o'clock p.m., the House will now proceed to the consideration of private members' business as listed on today's order paper, namely, private bills, notices of motions public bills. There being no items on the order paper under the heading of private bills the House will proceed to notices of motions (papers).

PRIVATE MEMBERS' MOTIONS FOR PAPERS

[*English*]

REPORT ON FEASIBILITY OF ESTABLISHING CROWN CORPORATION FOR FORESTRY RESEARCH

Mr. Hal Herbert (**Vaudreuil**) moved:

That an order of the House do issue for a copy of the latest report on the feasibility of establishing a Crown corporation or other body to carry out forestry research.

He said: Mr. Speaker, perhaps I should start my remarks by explaining my interest in the subject. One or two people have asked me why I put such a motion on the order paper. It relates, of course, to the presence in my constituency of Macdonald College, which is the agricultural college of McGill University. In that college there is an active forestry division. Having explained that, let me speak to the subject.

I requested the production of documents following remarks made in the Standing Committee on Fisheries and Forestry on February 22 of this year by the then minister of the environment, Mr. Marchand, who was discussing the Forestry Development and Research Act and emphasizing the need for a national forestry policy. He stated that a "study will be completed and presented to the Canadian Council of Resource Environment Ministers in June", which was June of this year. He then went on to say that changes will be made as necessary and that the previous government was working toward a national forestry policy.

From the remarks of the opposition representative at that time, the hon. member for Richmond-South Delta (Mr. Siddon), now in the government benches, the impression was left that he was interested from a national point of view. He stated soon after the remarks of the minister that this was a significant federal concern.

Having said that, Mr. Speaker, I should like to say a few introductory words about the forest industry in Canada. A monthly letter of the Royal Bank of Canada came to my attention just today, as a matter of fact it was in the mail, the heading of which is quite appropriate. Under the heading of "The Forest and the Trees" it states:

Forestry Research

Canada's forest is by far its greatest source of national wealth. But we have been using it up faster than it can grow back into good shape.

Certainly the Canadian forest products industry has grown into Canada's largest industry by far. Its total shipments are now in the order of $13 billion a year. Mills producing pulp, paper, veneer, plywood, box boards and other wood-based products have proliferated across the country. All Canadians have a share in this industry since over 90 per cent of our forests are owned either by the federal or various provincial governments. This can be estimated as something in the order of more than 20 acres of productive forest land for every man, woman and child. Some 800 million acres are classified in Canada as productive forests.

Though there are many square miles of forest, much are too far north to be economically usable. Though there are also numerous stretches of forest in the south, they are in hopelessly substandard shape. There is some desire expressed, often enough by the Canadian Forestry Association, to improve the situation. The association has stated:

Inadequate attention to forest regeneration is responsible for restricting expansion possibilities in some regions, has reduced unemployment in others, and will result in a continuing decline in future forest-based jobs and revenues.

Our forest industry in Canada employs some 300,000 persons directly, and probably more than twice that number in associated work. The salaries of those 300,000 directly employed exceed some $4 billion per year. While Canada's share of the world's export market has been falling and is now less than 20 per cent, forest products still count for well over $8 billion per annum of our export market; in fact, far more than fishing, agriculture, mining and fuels. About two million acres of forest land are cut in Canada every year, but not a single province is able to claim an adequate regeneration of these areas that have been cut, plus those areas being lost to natural disasters. In fact, the backlog of forest regeneration attributable to all causes such as harvest, natural catastrophe and human activity is now in excess of 60 million acres.

Mr. F. L. C. Reed, one of the nation's leading forestry consultants, stated in a recent report for the Canadian Pulp and Paper Association:

A more intensive program of forest management is imperative if market opportunities are to be realized and emerging timber deficits offset.

Certainly every province has its tree nurseries and its reforestation programs. Canada ranks high among the nations of the world in forestry research. The problem is not one of the lack of technology or good intentions, it is simply that not enough is being done. It will take a deliberate commitment on the part of government, industry and, indeed, the public at large to ensure that our forests meet our future needs. One in ten Canadian workers directly or indirectly owes his livelihood to the forestry industry.

This is why I asked for these documents, and I have been told that they do not exist. I state simply that it is unfortunate the present government has not seen fit either to pursue the direction of the former government in trying to establish a national forestry policy, or to indicate its willingness through forestry research to at least assist in stimulating the provinces

to ensure that there is adequate regeneration of our forestry industry.

● (1710)

I am well aware that the attitude of the present government is to give more power to the provinces. We have seen what has happened. Not one province is maintaining its position. The situation calls for some leadership at the federal level, and this is the reason I expressed my desire to see these documents. At this point I can only express my disappointment over the government's statement that such documents do not exist.

Mr. Joe Reid (Parliamentary Secretary to Postmaster General and Minister of the Environment): Mr. Speaker, the hon. member for Vaudreuil (Mr. Herbert) has moved for the production of papers on the privatization of the forestry research industry in Canada or, at least, the feasibility of a study with respect to the incorporation of forestry research under the purview of a Crown corporation. It was earlier thought that the hon. member was referring to studies that were conducted late last year with respect to the privatization of forest products research. However, this afternoon the hon. member has specifically mentioned a report which was concluded in 1979. The minister has stated categorically that he was not aware—nor am I aware, and it is our information that the department is not aware—of such a study being available at this time.

I do not have to elaborate on the privatization of the two laboratories because they were discussed at some length in this House last year. A new corporation was formed to assume the financial management responsibilities for the programs of forest product laboratories. The now non-profit corporation called Forintek, although it is experiencing some of the difficulties inherent in a change such as this, is proving successful in fulfilling its mandate to carry out the forest products research.

As I said before, forestry research is much more than research involved in making better forest products. It is much broader and far more complicated. It deals with how trees become established, grow and die. It deals with where they grow, what kills them and even the influence these trees have on the entire ecosystem. This research is undertaken by the federal government, some provincial governments, universities and the private sector. The Canadian forestry service, which is the federal research arm, has research establishments across the country and acts in close concert with the other interested bodies in the forestry sector.

Canada is known the world over as a forest nation. In fact, more than two thirds of our land areas is covered with trees and 84 per cent of the country is forest or wild land. As the hon. member has stated, some 300,000 people are directly employed in our forest industries. Another 700,000 are employed in secondary manufacturing and service industries which also depend on the forests. This adds up to a million people, or 11 per cent of our labour force. Everyone knows that forest products are among our most important exports. In fact, they account for almost 20 per cent of our total export trade.

Last year, the net contribution of the forest industries to Canada's balance of payments was $8.4 billion, $1 billion more than the combined contribution of fisheries, agriculture, mining and fuels.

For a country like Canada which depends so heavily on its export trade, this is a vital contribution to economic survival. And today, especially when we are all so concerned with Canada's economic health, we simply do not dare ignore the importance of our forests. Within 20 years forests will provide not only the traditional lumber, pulp and paper products but a multitude of sophisticated chemicals and up to 8 per cent of Canada's primary energy demand. Conservative estimates suggest that by the year 2000, direct employment in the forest industries will increase by 100,000 people or 25 per cent, the value of wood exports will double, while the total value added in 1978 dollars will rise from $9 billion to $18.7 billion.

The importance of our forests goes far beyond trade balances, or employment and production figures. It goes beyond anything we can measure so conveniently, for besides providing raw material for industry, our forests provide us with many other benefits. For example, they protect our watersheds from erosion. They stabilize stream flow and act as reservoirs for water from snow and rain, thereby reducing the hazards of flooding and drought. They also provide the basic backdrop to a related $3 billion outdoor recreation industry.

In the boreal forest region, which comprises so much of Canada's forest resource, growth rates of natural stands average little more than 21 cubic feet per acre per year. In the more productive coniferous forests of the west coast, growth rates of 80 to 90 cubic feet per acre per year occur. These growth rates, remember, are for natural unmanaged stands. Given simple management these rates could be doubled, and if intensive management is practised in the more productive areas, they could be tripled.

Impressive though these facts may be, the state of the nation's forests is not good. Although Canada is cutting only about 75 per cent of its annual allowable cut, much less than half of the apparent reserve timber is economically accessible. British Columbia has half of Canada's volume of standing timber, but even there the installed capacity of the coastal forest industry could more than utilize its present allowable cut. Most of the reserve timber on the north coast is currently inoperable and similar situations exist in various parts of the interior.

The prairie provinces have a surplus of wood, but much of it is too remote. In Ontario, the productive forest available for wood production has dropped by reason of other demands from 105 to 65 million acres during the past 10 to 15 years. Shortages will occur in the Thunder Bay region and the province will have difficulty in reaching the relatively modest target of nine million cunits annually on its 56 million acres of Crown forest land by the year 2020. Quebec has a theoretical surplus of wood, but much of it is in remote areas where harvesting costs are high. Many local shortages are occurring, especially for sawlogs. In general we are not making the best use of the inherent productivity of Canada's forest resource

base. Nova Scotia and New Brunswick are actually experiencing deficits in softwood supply. The existing industry in New Brunswick could utilize 25 per cent more wood than can be produced on a sustained yield basis under existing standards of management.

How did we get ourselves into this mess? It is difficult to point the finger of blame at anyone. When North America was first settled, timber was regarded as a stock of wealth to be exploited and transformed into useful and saleable products. It was viewed no differently than were deposits of metals, minerals, coal and oil. Indeed, like these resources, much of the virgin timber was put there by nature over a period of centuries.

● (1720)

Had man been involved in the growing of forests, he would have put a different value on those trees. Society and the industry itself have long thought that, unlike minerals and fossil fuels, the forest resource is renewable. So it is, but there are many degrees of renewability. Left to herself, nature will renew forest crops, but in her own time, with her own choice of species and at her own rate of stocking. That could only be established by nature. If man is not satisfied with this arrangement, he can spend time and money to grow timber crops more to his liking, but these crops are no longer cost-free.

Until recently in Canada we limited our investment in timber crops to paying for protection. The situation facing us now is similar to that which gave rise to agriculture. Nomadic peoples depended on nature to provide game for them and forage for their animals. Such a way of life provided a livelihood for a small population that was forced to harvest nature's bounty over a large area. Agricultural practice showed that crops could be grown and harvested at less cost than wild crops could be harvested alone. With hindsight, we could demonstrate that growing and harvesting timberland close to the mills would frequently have been cheaper than harvesting more distant, variable and scattered natural stands of timber.

In the long run, the only answer is more effective forest protection and reforestation, combined with silvicultural treatments to increase the growth rate of the existing forests. More intensive management could double the yield of much of our forest land.

In 1977, spending from all sources was less than $60 million for reforesting and tending our forests. This year it will be some $200 million. Even this amounts to only half what the Canadian Council of Resource and Environment Ministers—CCREM—estimates is needed.

The Canadian Council of Resource and Environment Ministers has been studying forest policy for several years. Last June at Kelowna, ministers reached a broad measure of agreement on a general forest policy statement. This included eleven policy principles, among which are: first, pre-eminent provincial jurisdiction over its own forest land; second, the need for compatible federal and provincial policies affecting the resource industry; third, stability of rural employment and communities; fourth, maintenance of the productivity of forest land; fifth, multiple use management of forest land; sixth, environmental protection; and seventh, priority for research.

These may sound like motherhood statements, but they are much more than we have ever had before. The ministers have agreed to meet again in Toronto in January to see what concrete measures we can take to implement the recommendations.

What is largely unappreciated, Mr. Speaker, perhaps because confrontation and conflict get most of the headlines, is the major role that co-operation between government agencies at different levels has long played in the management of our forests. Under the terms of confederation, the provinces own almost all the forest land within their boundaries and are therefore responsible for management of 90 per cent of Canada's productive forest. Nevertheless, the federal government is heavily involved in many policies and activities critical to their wise management. These include monetary policy, regional development, industrial efficiency, research and development, tariffs and trade, transportation and so on.

Progress in achieving greater understanding of the complexities of forest ecology so that improved ways can be found for making the forests more productive and their management more efficient depends on co-operation between the scientists and foresters studying these problems. There are some outstanding examples.

Consider that notorious pest, the spruce budworm. Since 1909 this insect has killed nearly 300 million cunits of timber in eastern Canada and has caused loss in the growth of trees that survived their attacks. The current epidemic covers roughly 150 million acres of spruce fir forest in eastern North America and extends from western Ontario to the Atlantic provinces.

This very serious problem demands a combined effort to solve. In fact, an international effort is required because of an agreement signed in August, 1977, to develop a joint Canada-United States spruce budworm research and development program. The main aim of this co-operation is to find better ways of controlling this major forest pest common to both countries.

The two countries are concentrating their efforts on improvements in such areas as monitoring budworm population levels and the development of better, more environmentally acceptable control techniques. Activities under the agreement include joint publication of results, exchanges of scientists and other specialists in the industry, exchange of biological material and equipment, and the establishment of joint ventures such as data and information pools.

The spruce budworm has been around for a long time. It is native to Canada. There have been at least seven major outbreaks in eastern Canada in the past 200 years, each covering millions of acres. The seriousness of this natural harvest, if one can call letting the budworm eat millions of trees a "natural harvest", has become much more grave in present times. The budworm is now competing with man for trees, trees, I might add, which we need for maintaining the

economic life of Canada. Even if the budworm does not kill all the trees in a stand, its destructive force greatly increases the cost of using the remaining trees. We simply cannot afford to sit back and let the budworm eat itself out of house, home and trees and then slowly starve to death.

The main control method that has been used since 1952 to contain the budworm has been to spray the infected forests with chemical insecticides. The limitations of this technique are recognized and I would like to say something later about progress in biological controls. But just consider for a moment the economics of this situation.

In New Brunswick the protection program up to 1976 cost about $95 million. But this protection has allowed for a doubling of the forest industry's capacity; it increased the value of shipments by $4.7 billion and added value by $2.7 billion, wages by $889 million. Those are impressive benefits for a small province and the forests of New Brunswick, although not as healthy as all would like to see, are likely to stay green and alive.

It is clear, then, that a serious threat such as the budworm to the forest resource is a potential threat to the economy of this country.

Public reaction to the spraying program has been prominent at all times. Annual spraying of 10 to 20 million acres in eastern North America will probably be necessary during the next few years. However, please remember that the decision to spray or not spray is a provincial decision based on the best facts available. It is interesting to note that forest spray technology has improved tremendously in the last decades. Smaller and smaller dosages are being applied more effectively. Even the small dosages of insecticides of around three ounces per acre represent a total application of 2,000 tons of highly toxic biocide for a 20 million acre spray area. Doubts about hidden environmental effects are bound to trouble many people.

● (1730)

After several years of annual use of insecticides on a large scale, there has been no measured loss of other resources, nor any acceptable reduction in environmental integrity. The problem is still that large scale long-term spraying may have a small influence that could eventually compound into larger environmental results.

In a policy statement last year, the minister said that although some infested areas may require special pest control practices, it is known that pesticides may have long-term effects on other resources in the environment. Therefore, it is federal policy to minimize the use of spraying and actively support research into alternative control strategies, including biological control.

One could go on, Mr. Speaker, and cite other examples which demonstrate that the complexities of modern forest management demand close co-operation between government agencies and industry.

[Mr. Reid (St. Catharines).]

The Acting Speaker (Mr. Scott, Victoria-Haliburton): Order, please. I regret to interrupt the hon. member but his time has expired.

Mr. Maurice Harquail (Restigouche): Mr. Speaker, I thank the hon. member for Vaudreuil (Mr. Herbert) for bringing forward this motion this afternoon on the production of papers relating to the forest industry. I appreciate this very much. Not only is it timely, but it gives me an opportunity to underline in the House the importance of the forest industry to the economy and Canadians generally.

During this afternoon's question period, I had a question for the Minister of Industry, Trade and Commerce (Mr. de Cotret). Of course, he does not have the privilege of responding to questions in the House because he is in the other place. Therefore, I asked the Minister of State for International Trade (Mr. Wilson) about the government's position on the importance of planning and the future of the forest industry in Canada. I learned he had nothing to say about this important industry. He responded that he would take it as notice, that he would find out something about the forest industry in Canada and get back to the House. I find it rather strange for a member of the cabinet not to be able to answer on the importance of the forest industry on funds for expansion, and the construction of new pulp and paper mills in Canada. Hon. members will agree on the importance of this subject to Canadians. This is borne out by the fact that over one quarter of our exports is related directly or indirectly to wood products.

As I say, I am pleased the hon. member has brought forward this motion for the production of papers this afternoon. I represent a constituency in New Brunswick. Seventy-five per cent of that province is inundated with forest products. I think I am making my case as to the importance to my area, the Atlantic region, and indeed to all of Canada of this most important subject.

The government did not consider this matter in its deliberations when preparing the throne speech. There is no mention of or reference to the government's position regarding plans for research and development of the resource industry, its position on exports, or its disposition on financing to assist the pulp and paper industry. The Prime Minister (Mr. Clark) and his advisers will want to look seriously at putting this all important subject under the purview of a specific minister in the cabinet who will answer to this House and ensure that this important industry is protected in the manner it should be. There was no reference to this in the Speech from the Throne.

The Minister of Industry, Trade and Commerce is nowhere near this House. We cannot pose questions to him or receive responses as we should. This minister ran in the last election, and was defeated. He now sits as a Senator and controls this all-important portfolio. Apparently he is the chief adviser to the government on economic development in this country, with specific reference to industry, trade and commerce, which is all encompassing. This brings me to the topic we are discussing today, the forest industry.

I thought the Minister of State for International Trade would have taken this subject to heart, concerned himself, and been briefed. I thought he would have discussed this with his colleague in the other place, the Minister of Industry, Trade and Commerce. He could have at least apprised himself of the status of this important subject.

I have already made the case as to the importance of this. I do not think much has to be said. It speaks for itself. It involves the economy, employment, and is of importance to Canadians in the process of development of this rich natural resource. What do we have from the government which whiles away its time talking about the past,—what this minister did, what that minister did, and what that minister did not do? We all know that leading up to May 22 they were telling Canadians they were ready and wanted to govern. However, since that time all we have heard is that it is the other fellows' fault, that they did it last year. When is this government going to take a serious look at accepting its responsibility to govern, if that is what it wants to do?

I come to the question before us today with regard to the forest industry in Canada. I make a plea to the Prime Minister and his cabinet colleagues to concern themselves seriously with the development of the forest industry in Canada. How can they justify their position and their operations on a day to day basis while totally ignoring the paper industry?

The hon. member for Davenport (Mr. Caccia) in his committee responsibilities is responsible for the environment. Naturally he is concerned with forestry as well. He debates and discusses with members of that committee what can be done to develop an over-all strategy for the future of the forestry industry in Canada. We will be hearing more from the hon. member for Davenport as he carries out his duties with respect to the environment. He will obviously be concerned with the protection of this all-important resource.

This leads me to the question of reforestation. In recent years many private corporations have taken the positive decision to accept their responsibility and direct funds to reforestation. For years we have been preaching that they cannot continue to rape our forests without giving some thought to the future and the replenishment of this resource.

In the region I represent there are many companies such as the Irving interests, Rosay Pulp and Paper, New Brunswick International Paper, CIP, Fraser companies and Bathurst Consolidated. They have taken this matter seriously in recent years. It is not only a question of discussion. They have put their money where their mouth is, and taken decisions to allot funds, millions of dollars for silva culture, nurseries, and the restoration of this important product.

● (1740)

I fail to understand how a government which has only recently come to office can continue to be as negligent as it is by not specifically identifying a minister as being responsible for this natural resource. I am not talking only about one region of the country. This concerns many regions from coast to coast. We all know the importance of the forest industry to British Columbia. We know its importance to Quebec and to the maritime provinces.

The government has talked about a merchant marine fleet, it has referred to a few other pale, weak topics in the document known as the Speech from the Throne. Why did ministers not avail themselves of the opportunity to say something about the forest industry, letting us know what their plans are, what their thinking is on this subject? But, no. They missed this glorious opportunity and now, to add insult to injury, we discover from personal experience that it is very hard to find ministers who are able to reply to our questions on this subject.

The Minister of Industry, Trade and Commerce (Mr. de Cotret) is not in this chamber to answer questions, and when we put questions to the Minister of State for International Trade (Mr. Wilson) we find he is not sure of the position—he has to look into the matter and find out. No one objected to giving members opposite a few months, a honeymoon period, in which they could find out how the system ticks, where their offices are located, and who is responsible for what. But here we are, on November 1, 1979, getting ready to go into the eighties with a minority government which has not yet been able to sort these things out. It is a serious situation, and a serious problem faces all Canadians because every Canadian is affected directly or indirectly by this industry.

I am taking this opportunity to go on record as making a plea to the government to consider this important topic and develop its strategy, and announce whatever plans they may be able to agree upon. I refer particularly to the minister responsible for the environment, the Minister of Finance (Mr. Crosbie), the President of the Treasury Board (Mr. Stevens), the Minister of State for International Trade, the Minister of Employment and Immigration (Mr. Atkey), and the Minister of Labour (Mr. Alexander). All these ministers have responsibility, directly or indirectly, to Canadians who are affected by this industry whether they work in the forests, in the cutting operation, whether they are employed in the mills or whether they are affected as users or consumers of the finished product.

The government should remember, too, that it is not only the forest product we are talking about. We are talking about people. We say we want to act on the people's behalf and it is people we should primarily be concerned about. Why does the government not express some form of good faith by designating a minister who is to be responsible for forestry? It surprises me that the new government would not seize the opportunity to appoint a minister of state with full responsibility—

An hon. Member: Why didn't you do it?

Mr. Harquail: —for a ministry of forestry. Consider that a quarter of everything we export results from forestry. Consider the stagnation of the economy and the excuses the government makes for its failure to address the problems of the day. Its solution is to increase interest rates and reverse its position on the statements and promises which it made on television and in public forums.

They told the Canadian people why they wanted to govern this country, and what they wanted to do. Yet we find that

within a short period of time it has all been forgotten. It is not a question of members opposite being tired. They are not able to cope with the situation. They are in trouble, and on behalf of my constituents, on behalf of all who live in New Brunswick and Atlantic Canada, and on behalf of all persons connected with the forest industry I express concern because of the urgency of the situation. There is no room for excuses by members of the government who all too often blame their own inaction on what the other fellow is supposed to have done. This attitude will not carry us very far. The situation of the country is serious when an administration runs out of steam so quickly.

If I have accomplished nothing else this afternoon I hope the Minister of the Environment (Mr. Fraser) will at least discuss this matter with his colleagues. They cannot escape coming to grips with this question. As I say, the Minister of Industry, Trade and Commerce is not able to answer in this House because he does not have a seat here. The Prime Minister might suggest to the Minister of State for International Trade that he get a little closer to this topic. I am flabbergasted that the hon. gentleman had nothing to say in reply to the forestry question which was put to him today.

We often hear criticism of different aspects of our procedure and of the limited opportunities given to private members to express themselves in this chamber. But this is one occasion on which I am convinced of the benefits of the private members' hour inasmuch as it afforded the hon. member for Vaudreuil an opportunity to introduce this motion for the production of papers, and has given me an opportunity to speak on the subject as well. This is the first occasion I have had to express my concern as forcefully as possible and to make a plea to the government to take its responsibilities seriously in this area. We shall be following ministers' actions closely to find out exactly what they intend to do. We are anxious to see whether or not there will indeed be meetings between the Minister of Industry, Trade and Commerce and the Minister of State for International Trade and his other colleagues who, I am convinced, have an interest in this field.

● (1750)

I am convinced the Minister of the Environment has an interest. He represents a riding in British Columbia. I would be surprised if he stood in his place and said it was not. I know he is sincere in his concern about forestry, and he has a direct responsibility, as he mentioned to me a few moments ago, as Minister of the Environment, with respect to the whole question of the protection of this important resource, its planning, development, sale and export. He is responsible for reforestation, protection of jobs, and the economy.

I am going to—

Mr. Friesen: Sit down.

Mr. Harquail: —suggest to the Minister of the Environment, his backbenchers and some of his colleagues from B.C., who have the audacity to laugh and joke about an important subject such as the forestry industry, that this is not the way to run a government or a country.

Hon. members opposite are supporting a government which does nothing about the forestry industry. The government said nothing in the throne speech about the forestry industry. Hon. members opposite sit on their hands and laugh. I do not think that is the way to run a government at all. They have a lot to learn, and we are going to be watching. We have been very liberal about allowing them time, but six months is just about enough time in which to get on with the job or at least to be able to identify in this House who is answering for the government on forest development and on the forestry industry nationally and internationally, in terms of the over-all development of this important natural and rich resource.

Mr. Knowles: Question! Let's have the vote.

Mr. Harquail: Thank you, Mr. Speaker.

Mr. F. Oberle (Prince George-Peace River): Mr. Speaker, I could not begin to tell you how delighted I am with the initiative we have seen taken this afternoon by two of the four members of the official opposition who are in the House who expressed some concern over what is considered to be Canada's most vital and sustaining industry in terms of the economy. Of course we on this side were amused, particularly by the hon. member who has just taken his seat, but the forestry industry is not laughing about the critical situation it is in. We were laughing at the attitude of the two hon. members who have given us their credentials here this afternoon with respect to forests.

The hon. member for Restigouche (Mr. Harquail) contradicted himself three times. He wants a ministry of forestry immediately. Hon. members opposite are terribly impatient, and the House knows how impatient I and some of my colleagues have been over the last ten to 15 years with the performance of the former government. The hon. member wanted a ministry this afternoon. Then he said that all ministers, including the Minister of Industry, Trade and Commerce (Mr. de Cotret), the Minister of State for International Trade (Mr. Wilson) and some other ministers who are not even in the House, should be involved in the forest industry. The fact is that the Minister of the Environment (Mr. Fraser) is responsible for forestry. He has inherited a department in which 15 other departments meddle.

Mr. Harquail: Do something.

Mr. Oberle: Hon. members opposite are telling us that in six months we should clean up a mess which took 15 years to make. We had a minister of forestry and a proud Canadian Forestry Service when hon. members opposite took over. They degraded the ministry to some kind of minor department in which ministers, department heads and bureaucrats could walk in at any time of the day and insert their own views and opinions.

Since hon. members opposite took over in 1963 the man-years in the Canadian Forestry Service dropped by 50 per

cent. There is only half the number now engaged in research and development in the Canadian Forestry Service that there was in 1963 when these great guardians of the green gold took over.

Let me make a few comparisons with what it is like in the United States, and point out how critical the problem is. Federally-funded research and development at forest products laboratories amounts to about $14 million in the United States compared with $7 million in Canada. State expenditure on forest products research provides large-scale facilities in Oregon, California, Michigan and Mississippi, but no provincial counterparts exist in Canada. University expenditure on forest products research is about $6 milion in the United States but a mere $200,000 in Canada.

Mr. Whelan: Who controls it in the United States?

Mr. Oberle: A single American company, Weyerhaeuser, spends almost twice as much annually on research and development as the entire Canadian Forestry Service. The hon. member opposite who is now entering the debate should know something about research and development because he did some slashing himself in the Department of Agriculture.

Mr. Whelan: Mr. Speaker, I rise on a point of order. The hon. member said I did some slashing of research in my department when I was minister of agriculture. That is not true. The hon. member did not tell the House that in the United States of America, which he says is doing such a great job, it is the secretary of agriculture who is in charge of the forest industry, not the secretary of the environment.

Mr. Taylor (Bow River): That is not a point of order.

Mr. Oberle: Mr. Speaker, I shudder to think of what would have happened to our forests if they had branched into the hon. member's department. We probably would not have any trees left.

An hon. Member: We would have a marketing board.

Mr. Oberle: We would have a tree marketing board.

The cuts and expenditures to which I referred were made at a time when the federal government realized $1 billion from the forest sector in the form of royalties, taxes, licences and fees from the forest sector. An equal amount of $1 billion accrued to the provinces every year while hon. members opposite were cutting research jobs, expenditures and funds which would have sustained a once proud Canadian Forestry Service.

I do not have very much time to get to the crux of this matter.

Mr. Whelan: Thank God.

Mr. Oberle: It made me nervous when an hon. member opposite got up today and suggested yet another takeover or whatever, another Crown corporation. Hon. members opposite are making recommendations as to how some mystical body outside this place can solve the serious crisis in the forest sector. The responsibility lies here, and a very responsible senior minister has taken charge. There is a new air of confidence, enthusiasm, and excitement in the Department of the Environment. Some scientists who have left are thinking of coming back. Perhaps some of the bureaucrats who stayed behind to keep notes on what nobody was doing are reconsidering their positions, and perhaps they will leave.

We on this side are very serious about forestry. I agree that there was no mention of forestry in the throne speech, but let me tell those hon. members opposite who have finally shown an interest in forestry that if they practised half of what they preached, the trees would grow tall and green and be converted into gold once again. Our economy would once again smile, and we would all be much happier.

● (1800)

Mr. Fraser: Mr. Speaker, I rise on a point of order. May I suggest, with your permission, to the hon. member for Vaudreuil (Mr. Herbert) who introduced this motion, that it became apparent during the debate over the past hour that the document or the study that the hon. member was requesting is clearly not a feasibility study into establishing a Crown corporation or other body to carry out forestry research. The hon. member has identified, or nearly identified, some study or document. Through you, Mr. Speaker, I would indicate to the hon. member that in the interest of open government I will certainly seek to find this document to which the hon. member has referred, if it does exist and, of course, it will be made available to him.

The Acting Speaker (Mr. Scott, Victoria-Haliburton): The hour for the consideration of private members' hour having expired, I do now leave the chair until eight o'clock.

At 6.05 p.m. the House took recess.

● (2000)

AFTER RECESS

The House resumed at 8 p.m.

GOVERNMENT ORDERS

[*English*]

INCOME TAX ACT

MEASURE TO AMEND

The House resumed consideration in committee of Bill C-17, to amend the statute law relating to income tax and to amend the Canada Pension Plan (Mr. Crosbie)—Mr. Laniel in the chair.

The Chairman: When the committee rose at five o'clock, p.m., clause 38 of the bill was under consideration and the hon. member for York East had the floor.

Mr. Ritchie (York East): Mr. Chairman, when the committee rose at five o'clock, I was in the midst of beginning a response to some of the comments and questions made by several hon. members on clause 38. In particular I was beginning to respond to some of the points raised by the hon. member for Broadview-Greenwood and the hon. member for Spadina. I had suggested that it was possible some of their comments, particularly the ones of the hon. member for Spadina, were based on some misconception as to what this clause was intended to accomplish and what in fact it said.

This clause is to correct an advantage which had been given unexpectedly by the small business preferred tax rate. When the provision was drawn in earlier legislation, I am sure it was not intended to cover what are now proposed to be declared non-qualifying corporations. The special tax privilege which exists and which has widespread support, is designed to encourage small Canadian businesses. It was not designed to encourage the kinds of businesses which quite properly under the law began to take advantage of the preferred rate and which are now removed from that advantage by this proposed legislation.

Hon. members will recall that the treatment to be accorded to these businesses in the budget proposals of the former minister of finance would have placed a penalty on incorporation for personal services covered in this proposal, because it would have found them paying a greater tax under the general public corporation rules than the proposal now before the House.

The hon. member for Broadview-Greenwood asked me yesterday and today what is meant by neutralization. This is what this clause is designed to do. It is designed to ensure that these non-qualifying businesses, by getting a 33⅓ per cent tax rate and having the normal gross-up and dividend tax credit treatment, will leave their owners in the same position as if they received the income directly in the first place, with one provision, that in fact the income is paid out fully in the form of dividends. If the income is not paid out fully in the form of dividends, as the hon. member for Saint Henri-Westmount has mentioned in particular, there is advantage to be gained by tax deferral. It is a limited advantage because, if the money not so paid out is invested and produces investment income, it incurs the 46 per cent to 50 per cent tax depending on what province one is in and not the 33⅓ per cent tax.

While there can be some advantage in the deferral provision, it is likely to be a limited one. In general, moving from the 25 per cent rate accorded under the small business provision which these corporations now enjoy to the 33⅓ per cent rate proposed, leaves their owners in exactly the same position as if they had paid themselves salaries directly. This is because by the route concerned they can pay a corporate tax, and then through grossing-up and receiving a dividend tax credit, if they are in a high enough tax bracket, they pay a personal tax. The sum total of the tax paid in the corporation and on the dividends received is the same as it would have been on a similar direct income amount.

That being the case, I find it hard to accept the statements suggested by the hon. member for Spadina who seemed to think that this was some kind of giveaway. In fact it is a kind of take-back which is designed to put these taxpayers in a non-privileged position as compared to the position they are in today. It is a take-back which does not impose an extra penalty that would deter such activities from taking place in incorporated form, because often there are very good non-tax reasons for doing so.

I should like to respond to some specific questions raised by hon. members. The hon. member for Dauphin inquired as to the effective date of this proposal. Generally speaking the effective date would be for the taxation year 1980 or one beginning in that year, as I understand it. In other words, the old provisions are in effect up to this moment.

● (2010)

The hon. member for Jonquière informed us of some of the concerns of one of his constituents, a doctor. I would like to respond to the questions he raised. First of all, if I heard the concerns expressed correctly, his constituent was thinking in terms of what was proposed by the former government, in other words going into the same tax bracket as a public corporation and the positive disadvantage for incorporation that would imply.

His basic question was about these groups of people. I think I can do no better, sir, than to refer to a statement I have here which gives some of the reasons. I would preface this by saying that whatever division is drawn it is somewhat arbitrary. There are always going to be people on one side or other of the line about which one could argue. I think there are some very good reasons for the decision that has been taken.

The first point is that these professional groups by and large do not face the kind of business risks that are common to other businesses, including other areas of the service sector. The demand for services from these professionals is relatively inelastic, for obvious reasons. On the other hand, the demand for services such as those of engineers, architects and consultants, like those in most other businesses, is exceedingly sensitive to cyclical instability.

A second point is that these professional groups, especially doctors, lawyers, dentists and accountants, face much less competitive risk because the supply of their services is rigidly controlled through the existence of professional regulations and standards that make entry into the profession difficult, at least over the short and medium term.

Consultants, retailers, wholesalers, barbers, general insurance agents, manufacturers and so on face strong competition because of the ease with which new businesses can enter the field. In some cases these other concerns face strong competition from large multinational firms. It is no coincidence that bankruptcies among these professional groups are rare, whereas in the other groups they are a continuing conspicuous phenomenon.

In short, the mix of a relatively fixed demand for their services and restricted entry into their profession distinguishes these professionals from virtually all other businesses where the forces of competition operate in a way that greatly increases the element of risk.

A third major point is that because of the more limited element of risk, incorporation is not and has not been an essential element for the successful conduct of these professions. In fact, incorporation has been sought largely, if not exclusively, in the past for tax reasons. The one province that allows professionals to incorporate does not permit limited liability. Other business sectors, including other personal services and other professions, have a history of incorporating which pre-dates the existence of favourable tax treatment, and that is explained by the need to protect shareholders from excessive financial risk.

Another point is that the element of providing special incentives for small businesses so as to permit them to become established, to grow and to eventually turn into large competitive domestic and international corporations and provide large numbers of jobs to Canadians, is not an aspect that applies to the professions mentioned. They will not be a main source of increasing growth in job opportunities. Other business sectors, including services, are where future growth and expansion will occur, either through small businesses growing into large businesses or through an increse in the number of small firms in those sectors.

The hon. member for Jonquière may consider that some of these are very compelling reasons for the particular division that has been drawn, even though I am sure he and his constituent might argue about some activities at the boundaries.

The hon. member for Saint-Henri-Westmount raised some questions of principle about the tax. I am not sure that they can be fully met by the proposal before us, but I trust he will consider that the merits of this proposal outweigh any of the negatives which he feels may exist.

The hon. member is concerned about the principle of neutrality and equity as I think all of us are, and he raised a question about the value of the deferral privilege. I have already commented on that and I hope he considers that the qualification I have suggested as to the importance has some practical significance. He raised also the question of regional equity and pointed to the fact that only in some jurisdictions is incorporation permitted. That is indeed a fact, though it is not a static fact and it may change. I think it is reasonably fair to say that there are other instances where tax burden varies regionally because of legislative actions or regulations by other jurisdictions within the federation. There is no compelling and effective answer to his point, except to say that such imperfections exist, and probably are not too important unless they are major.

The hon. member for Skeena raised the question of how many individuals are affected by this proposal. I am sorry that I have not been able so far to obtain a number. I am told that for the professionals there are very few, but for all categories involved there are a very few thousand entities affected.

I think those are the main questions that called for answers, Mr. Chairman.

Mr. Johnston: Mr. Chairman, the Parliamentary Secretary to the Minister of Finance has done a very credible job of defending the indefensible in terms of some of the points raised. I must say I do not understand the last comment the hon. member made when he suggested very few entities were affected. I am not sure in what context that was made, but perhaps he could clarify that in responding to a couple of points I would like to put to him.

There is some validity to the thesis the hon. member put forward, that what is being done is taking away something which existed rather than creating further tax inequities. The hon. member says we are moving to approximately 33 ⅓ per cent depending on the provincial jurisdiction and the incidence of tax in that jurisdiction as I read the statute, as opposed to say 25 per cent to which these groups would otherwise be entitled. The hon. member makes the point, as I understand it, that this provision was originally intended to permit the accumulation of capital in industries where future growth and future job expansion is anticipated. I understand all of those points quite well, but what I am troubled by is the fact that this still remains a very arbitrary provision in terms of singling out these particular professions for what the hon. member would now describe as less preferential treatment, if you like. In fact it is not preferential treatment as most of these professions at the moment are accorded no such treatment because they cannot incorporate.

I think I am correct in saying, certainly with regard to accountants and lawyers, that across this country for the most part, with the exception I believe in the case of Alberta, such incorporation is not permitted. Therefore I say the tax neutrality principle is really offended in a very major way because there are other industries today, admittedly growth industries such as management consulting firms, which are placed in exactly the same position, or should be regarded in the same way as law firms and accounting firms. As you know, most of our major management consulting firms in this country, or a large number of them, are affiliated with or are offshoots of our major accounting firms.

● (2020)

I am not really satisfied that we should put this definition in the act as to those specific professions that should benefit, or be prejudiced by, 33⅓ per cent rate. Talking about the limited advantage, I do not regard that as a limited advantage. When a professional in my jurisdiction is subject to 70 per cent income tax on personal income in excess of $60,000, I believe it is a year, as opposed to a position where he or she is subjected to an immediate 33⅓ per cent tax with an indefinite deferral until such time as dividends are paid up, particularly in a time of inflation, and it is hardly offset by the fact that the additional revenue which one receives on the tax savings will be taxed at 46 per cent.

If it were not a very substantial advantage, I suggest that we would not have this legislation before us and the government would have accepted Bill C-37 which was introduced last year. Obviously this bill is not intended to take the entire advantage which the government believes exists with respect to some of these corporations, and I cannot accept that as a valid position.

I am not trying to defend Bill C-37. I did not like its provisions either. I believe that this whole area is fraught with inequity and is basically a real "Rube Goldberg" type of legislation in terms of small business corporations. We now have 25 per cent rates, 33 per cent rates, and 46 per cent rates. We had different provisions with respect to dividend payouts. We have eight pages in the statute to cover this particular amendment.

I for one have always pushed for simplifying these statutes, and I find that this is not only offensive to the principles of tax neutrality but it is also offensive to the principles of tax simplification. Going beyond that, I find myself on the horns of a dilemma because I am really not quite sure what to tell the government to do with this provision. I am not sure basically how we should be looking at it at this stage of the proceedings in terms of how it can be improved. I can think of ways of improving subsection (*f*)(i) because, as I say, that is too limited. But as long as there is a recitation of people who benefit, somebody is always bound to be left out. That is why that particular kind of legislation is offensive in itself, just as the provision—and hon. members may be familiar with them—with regard to income averaging annuity contracts are limited to certain specific types of beneficiaries.

I have always felt that this is unfair because other people also have fluctuating incomes. Why should they not benefit from income averaging annuity contracts instead of only entertainers, writers, authors, musicians and so on. I am very concerned about enumerating this group and putting them into this special category. I also take issue with other arguments, but I do not see much point in doing so when the government is saying that these particular professions are not sensitive to cyclical instabilities. Obviously the government is not familiar with the situation of a lawyer in my province over the past few years whose specialty is seeking financing, or the government would take issue with that statement and say, "Yes, lawyers are subject to cyclical instability." Or if one were a member of the notarial profession, which I know is not covered in this list in Quebec, and basically dependent on real estate transactions, one may take the same point of view.

As a general statement, considering the climate in which we live, particularly in my province, I suggest that any of these professions are subject to cyclical instabilities, even in the dental and medical fields. I wonder if it would be possible some time in the course of these discussions to obtain a commitment from the Minister of Finance that he will take it upon himself to study this area in an attempt to come up with some better legislation than we have here and to come up with legislation which rationalizes the entire use of corporations, particularly in the small business sector, and corporations for use by professionals.

[Mr. Johnston.]

We are still subject legitimately to criticism by the whole range of wage earners in this country who receive no deferral. Once they have moved into the $15,000 a year bracket, they become subject to taxes in excess of 33⅓ per cent. I do not think that this is a fair provision, nor did I think that the original provision was fair. I think that we are grafting another provision onto this Income Tax Act which will result in further inequity and complication. I would very much welcome intervention by the Minister of Finance—perhaps it could be in his budget in November—to improve the Income Tax Act.

Frankly, I would like the improvements to be broader than just this one area, but this one area which has always troubled me, because in a country where there are such different jurisdictions and different vehicles, particularly in the corporate vehicle, it seems dreadfully unfair to me that a person's fundamental income should be subject to such great differences by virtue of a vehicle he selects, to do his business through, and that he is obliged to select, for example, in law, the partnership, where lawyers in Alberta can enjoy the enormous benefits which they already enjoy plus this income tax advantage which, on its face, creates a great disparity between the position of lawyers—and I cite lawyers because I am familiar with the profession—in the east and lawyers in the west.

Mr. Rae: Mr. Chairman, I am delighted that my earlier intervention and the interventions of my party have finally prompted the other party to move away from their slumber and attempt to come to grips with a very important provision of this bill. One of the ironic features of this debate is that there is not one member of the Liberal party, with the exception of the hon. member for Spadina who is no longer here, who is attempting to defend or even understand the provisions of Bill C-37. That party is not prepared to stand by a very important amendment to the Income Tax Act which it put forward a short 11 months ago. It is not prepared to indicate their support for it or for any of the arguments which are in writing and which are written at length in the bills which accompany the budget of November, 1978. Where is the Liberal party?

[*Translation*]

In his remarks, the hon. member for Jonquière has referred to the problems of professionals without dealing with the fundamental issue, namely, the principles of justice within our tax system, and he has been unable to defend the policy of his colleague, the hon. member for Saint-Maurice, the former minister of finance.

[*English*]

Although I disagree with the implications of many of the things stated by the hon. member for Saint Henri-Westmount, I learn something every time I listen to him. He too is not prepared to support the fundamental propositions laid out in Bill C-37. The hon. member could give no indication of what those propositions are other than calling virtually for a new Carter commission, a new look at the whole question of corporate income tax and its relationship to personal income

tax. I agree that that would be a good idea, but it does not address itself to this particular problem.

The hon. member has said that he does not know what to do about this particular measure, and he cannot give any positive recommendations as to what should be done about this particular provision which is before us. That is no surprise, though, because the hon. member for Saint Henri-Westmount is a Liberal. He cannot make up his mind whether he should support something which comes from the last Parliament or whether he should be against it.

Mr. Crosbie: He should get cloned like the financial critic.

Mr. Rae: I would rather be cloned than well honed like the Minister of Finance. I believe that the basic principles which were put forward and which the parliamentary secretary attempted to defend have really not been answered. The first critical question is fairness—what tax lawyers call "equity". That question really has not been addressed. There has been much talk of tax neutrality, yet the minister has said in the statement accompanying this change that the effect of the measure will be to grant an advantage to those who incorporate over those who do not incorporate. I suggest to him that he has given no figures which would indicate the reverse. He has introduced no figures to indicate the contrary. There are no tables accompanying his proposals to indicate that there would not be a significant advantage to incorporating rather than not incorporating.

● (2030)

I suggest to the parliamentary secretary that if there were not this advantage, we would not be having this debate tonight. He knows perfectly well the only reason we are debating this is that those people who were affected by the changes recommended by the hon. member for Saint-Maurice, were going to lose money over the proposition. It would have required them to start paying tax as if they were like other income earners. It is not simply that they would be employees; that is not what is being disputed. What is being disputed is that even those people who are self-employed would be paying tax at a higher rate than if they were allowed to incorporate.

I suggest to the parliamentary secretary that, for all the talk of tax neutrality, he knows perfectly well that were there not a significant advantage to this group of professionals in incorporating, we would not be here tonight debating the measure. It is only because the government proposes to give them that advantage over the measures proposed by the hon. member for Saint-Maurice, that we are here tonight.

The first point the parliamentary secretary made was that nothing is given; something is being taken away. That is only true if you ignore the fact that the budget was presented in which certain propositions were put forward and in which certain facts were revealed to the Canadian public. If we pretend there was no November budget and if we pretend there had not been this powerful lobby mounted by the various professionals on the Parliament of Canada, if we pretend that those things had not taken place, then what the parliamentary secretary says might be true. That is not what happened, however. We had a budget which presented a very coherent statement, which attempted to underline something of the clear abuse which had taken place as a result of court decisions and of behaviour in the market place.

Hon. members opposite who are interested in the market place know perfectly well what is going on out there. They know perfectly well that professionals who incorporate have a significant tax advantage over people who do not incorporate. They know perfectly well that people who can declare themselves to be self-employed have a significant tax advantage over people who are not self-employed. I suggest it is not possible for us to wipe away 11 months of history. It is not possible for us to wipe away a fact which has become evident, that there was an abuse in the system.

The government has admitted there was some kind of abuse because it has attempted to respond to the various court decisions outlined in my earlier remarks, by bringing in this new half-baked, hybrid measure. This hybrid measure creates a third category of incorporation, as if the Income Tax Act were not complicated enough and as if we did not have enough difficulty understanding the statute. The Conservative party has introduced yet another measure. The only reason for it must be that it provides a significant advantage to a group of taxpayers who would be adversely affected were we to attempt to introduce an element of equity and fairness into the system.

I should like to point out to the minister and the parliamentary secretary that whatever the half-hearted nature of the Liberal proposal and the Liberal criticisms of this measure, our criticisms of it are quite clear; it is an offence to fairness and it is an offence to the simplicity and comprehensibility of the tax act.

The more we keep adding in every budget with a series of incomprehensible amendments to the Income Tax Act to provide for particular provisions and particular rules relating to particular groups of individuals, the more this Income Tax Act becomes a compendium of abuse, rather than a clear indication to the taxpayer of his rights and obligations under the laws of Canada.

I have suggested to the parliamentary secretary that he can not really defend the anomalies. They are crystal clear. There is not even fairness within professions let alone between professionals—let alone between professionals and employees or professionals and other self-employed individuals who, for various reasons, do not choose to incorporate themselves. There is absolutely no justification for this particular measure other than as a sop to those professionals who manage to mount a successful political lobby on the Government of Canada and the Conservative party of Canada. We know perfectly well that is exactly what happened.

There is no justification in equity; there is no justification to the rationality, and there is no justification in simplicity for the recommendations that have been put before the House by the government. All this simply creates yet a new category. It is an invitation to litigation, an invitation to abuse, an invitation to those individuals seeking to harbour or to hide away or

to defer taxation which they owe not simply to the Government of Canada, as is so frequently stated by members opposite, but to their fellow Canadians.

The parliamentary secretary is going to have a very hard time convincing this party that there is either logic of fairness in this particular proposal. We know it is a political requirement of the time that the party in power—which is the party of business—be seen as giving in to particular professionals. I suggest to the minister, however, that he has not given us any figures in relation to the numbers of people involved except to say it is "a few thousand", which means nothing. He cannot tell us how much it is going to cost or how much is going to be lost to revenue as compared to the standard rate of taxation. I suggest we are entitled to both those figures.

We know that the small business tax credit costs in the area of $900,000 or $1 billion. Surely it is not beyond the power of the government to estimate how much this is going to cost so that the people of Canada can see in dollars and cents how much tribute they are paying to the professionals of Canada in order to allow them to incorporate themselves and take advantage of the other citizens of Canada.

The least we can expect from the parliamentary secretary is more than a vague answer. We want answers to these particular questions: how many individuals are going to be affected, and how much is it going to cost?

The Chairman: Shall clause 38 carry?

Some hon. Members: Carried.

Mr. Rae: On a point of order, and with respect, Mr. Chairman, I asked a particular question.

The Chairman: Order, please. If the parliamentary secretary or the minister did not stand up, I have to put the question. The hon. member has a few minutes to go if he wants to keep on talking.

Mr. Rae: Mr. Chairman, I think the people are entitled to know, and it is on the record, that when asked specific questions about how much a particular measure was going to cost—I see his officials kibitzing now—we have not had any particular answer. We have not had—

Some hon. Members: Oh, oh!

An hon. Member: Kibitzing?

Some hon. Members: Withdraw.

Mr. Rae: The hon. member for Burlington should learn how to relax. He has done nothing but render abuse since debate on this bill started. He has not contributed a positive or constructive note to the debate.

Mr. Kempling: Neither have you.

Mr. Rae: I do not think that is fair. It is perfectly fair and reasonable for us to ask the Government of Canada to give the figures of how many people are affected by the proposals the government is making. How much is it going to cost? I do not think that is an unreasonable thing to ask. If they are not prepared to tell us, that should be on the record.

The Chairman: I wish the hon. member would be careful with the expressions he uses toward officials who are in the House to render service.

Some hon. Members: Hear, hear!

• (2040)

The Chairman: Shall clause 38 carry?

Some hon. Members: Carried.

Mr. Knowles: Mr. Chairman, this is the 1st of November. This Parliament has not been in session for a month, but already we have this attitude of complete refusal to answer questions. We have a crowd over there just like the Liberals. All they can do is shout "carried". Whether members across the way agree with what my friend for Broadview-Greenwood has said or not, I suggest he deserves an answer to the questions he has put instead of just giving us this "carried" chorus.

Some hon. Members: Hear, hear!

Some hon. Members: Carried.

Mr. Ritchie (York East): Mr. Chairman, I can respond to some of the points raised by the hon. member for Broadview-Greenwood. I hesitate to say that I can convince him of the merits of this proposal in all respects. On the number of people affected, I said a short time ago that some few thousand were affected. We have to make an estimate here. We think that something less than 10,000 will be affected. That includes mostly management service and other service organizations associated with professionals and not the professionals themselves because, as has been pointed out, most of them are not free to incorporate.

There is an estimate, not of what this measure will cost us but of what it will save us compared with the present situation. In fact not very many professionals and personal service corporations had been formed to take advantage of the present regulations which allow them to exist under the low small business tax. It is estimated that were this proposal not enacted and the existing rules were to continue, the cost in revenue would be in the area of $150 million.

It might be useful to make one further comment. There has been some valid discussion on the merits and demerits of the deferral aspect of this. There can be no argument about the neutrality aspect for income that is received and paid out in the form of dividends immediately. There can be an argument about the virtues and otherwise of the deferral. I suggest the demerits, if any, are at least modified by the higher tax rate which immediately applies to investment income.

There is another point which can be taken into account. While businesses of this kind do not have the same working capital requirements and equipment capital requirements and

so on that many other businesses have, they are not without such requirements. There could be a justification for at least some withholding of payout for financing of the enterprise.

I think the hon. member for Saint-Henri-Westmount would agree that in this world there is no such thing as complete tax equity. Every time we try to achieve complete tax equity, we get unintended inequitable consequences. We have tried it for the past decade and a half in this country. I think hon. members will agree we are not too much further ahead than before we tried. It may be impossible to get complete equity, because what is equity for one is inequity for another in terms of judgment of equity.

I would not pretend this is a fully equitable provision, but it is a much better provision than the present situation. It is a much better provision than originally proposed in C-37. Therefore, I believe it is a good measure but, like all good measures, it has certain imperfections.

Mr. Rae: If the figure is $150 million, which the parliamentary secretary estimates as being saved in comparison with the present situation, will he agree that the cost of this measure is somewhere between zero and $150 million in comparison with the measure put forward by the hon. member for Saint-Maurice in his original budget. If I might continue, it is approximately one third of that amount. Is that a fair estimation?

Mr. Ritchie (York East): Mr. Chairman, I am not certain I could make a good estimate or that anyone else really could make a valid estimate. Certainly it is not without cost as compared to the original proposal.

Mr. Rae: With respect, Mr. Chairman, this is not a trivial matter. The Minister of Finance said he would bring in a budget in November. I remind him that we are now into November. He said he is going to deal with the question of tax expenditures. Surely the department has some mechanism now for estimating what they think the cost of this measure will be. They have a figure of $150 million. They must have some basis on which to calculate the amount, whether we are talking about millions, tens of millions, or more, or less.

Mr. Ritchie (York East): Mr. Chairman, the estimate of $150 million is based on the beginnings of a rapid escalation in the numbers of entities which were prepared to take advantage of the favourable tax treatment. Now that we have something that is intended to be neutral in its tax effects, it is very hard to estimate how many incorporations will take place with this provision. I think it is safe to say that, compared to the present situation, it will be very few, for tax purposes at any rate.

Mr. Johnston: Mr. Chairman, I have a very quick question for the Parliamentary Secretary to the Minister of Finance. Would it be possible for the Minister of Finance to raise this issue in the discussions with the provinces at some point, which I do not think has been done in the past, to encourage the various jurisdictions to try to establish some uniformity in Canada with regard to the incorporation of these professional firms, which is not a matter of federal jurisdiction? I think the inequities should be pointed out to the provinces and an attempt made to encourage them to try at least to establish incorporations for tax purposes, which can be done as in the case of Alberta, without essentially destroying the client-professional relationship which is very much cherished by the professions.

That would at least go some way toward achieving a measure of tax neutrality, at least among these professionals. It does not address itself to those professions which are not named, but they still enjoy the 25 per cent rate on the first $150,000. That would be a significant step forward if the provincial counterparts could be prevailed upon to try to bring this forward.

Mr. Ritchie (York East): Mr. Chairman, I think the objective of that suggestion is excellent, but I question whether it would fall on the government or the Minister of Finance to raise such an issue. I think it would come better from the professions themselves.

Mr. Rae: On a point of order, Mr. Chairman, in the midst of my frustrations at being unable to get certain information from the government, I referred to the officials of the Department of Finance as kibitzing. This might be interpreted as an unfriendly remark, but those of us who play cards realize that kibitzing is a common activity. I certainly did not mean it as a criticism of the officials. I want to apologize to them if I have offended them in any way.

Some hon. Members: Hear, hear!

● (2050)

Mr. Rae: While I of course want to make it clear that I still feel very frustrated about the lack of information from the department on this important tax expenditure, I am certainly not one to give offence to civil servants unnecessarily. I do not mind giving offence to my hon. colleagues across the way. They expect that.

Mr. Hnatyshyn: We can take it.

Mr. Rae: So can I, but I apologize to those who are not in a position to hurl abuse back at me.

However, I still feel extremely frustrated about the lack of information on this tax expenditure.

Clause 38 agreed to: Yeas, 34; nays, 8.

Clause 39 agreed to.

On clause 40—

Mr. Rae: Mr. Chairman, as I understand it, this clause deals with an important matter, the question not only of comparative rates of investment credit to be given for investment in different parts of the country but also for research and development in different parts of the country.

As I indicated in my speech at second reading, the concern we in my party have with respect to this measure is about its effectiveness. I think we are entitled to ask, as time goes on

and as we have experience with these investment tax credits, whether these really are the mechanisms and the incentives which change the behaviour of business—in effect, direct investment—and whether this is the most effective way to direct investment.

Initially I would like to ask the parliamentary secretary if he can tell us what the cost of these various measures is and something of the history of the experience of the country with investment tax credits since they were initiated.

Mr. Ritchie (York East): Mr. Chairman, I can give some of the data the hon. member is seeking. The estimated cost of the enrichment aspect of this investment tax credit for the current year in terms of amounts likely to be claimed, that is, from firms which have profits against which to claim them, is $130 million.

In terms of amounts estimated to be earned, the amount is $385 million, and the difference presumably will be claimed in future years should the firms concerned earn suitable profits.

The only piece of information I have which I think bears on the broader question asked by the hon. member is that during the first half of this year real business investment spending on plant, machinery and equipment rose by 9.3 per cent. One cannot say how much it would have risen without the investment tax credit, but it would not have been that high in current circumstances, I am sure. That is not a very precise answer to the hon. member's question, but it is the best I can produce at this moment.

Mr. Rae: I know the Liberal party is not interested in arguing about this, but I think it is a very important problem. I have a question to which I hope the minister will find the time and the ability to address himself at some point. The Minister of Regional Economic Expansion perhaps will be able to deal with it as well. It is a very fundamental question. Is the investment tax credit working? It is a very substantial sum of money to be giving to corporations to invest in particular areas when two things are possible, and we do not have the information before us.

The first problem is that investment might have taken place in these areas in any event, in which case the expenditure of government money is completely unnecessary and provides a substantial benefit to companies which might well have taken the same decision in the absence of any incentive or movement by the government. It is very critical to ask whether this is the best way to be spending $130 million of government money in a particular year and how it compares with the direct expenditure of money. There are very few ways of controlling the credit compared with capital cost allowance. Even in comparison with capital cost allowance it strikes me as being an inefficient way to carry on in terms of tax expenditures.

Second, does this form of tax expenditure, which is designed not just to increase investment but to increase investment in particular regions of Canada, provide the government with an excuse for not carrying out direct expenditure?

For example, in the field of scientific research and development the parliamentary secretary knows perfectly well that the private sector can decide, for reasons which may have nothing to do with the validity of the research and development expenditure, to do certain work in order to take advantage of a particular credit.

If you accept—and I know from the remarks made last night that the parliamentary secretary does not—the premise that there is such a thing as a tax expenditure and that it is just as much a form of public expenditure as direct expenditure, then I think the question for the taxpayers of Canada becomes, in research and development and in general investment: is this the best way to spend public money, and is this a very poor and inadequate substitute for the kind of direct expenditure in research and development and the kind of controlled and focused activity in terms of scientific research which really should be coming from the Government of Canada?

There are, admittedly, very real differences here between ourselves and the government. The government, of course, feels that if the private sector decides to carry on research and development in a particular area, the research and development that should go- ahead. But I think we're entitled to put forward our point of view, which is to say that neither the budget papers nor the statements made by the parliamentary secretary tonight give us the slightest evidence as to the benefits, as to the merits of the government's proposal or as to how the money is to be spent.

• (2100)

We are in a similar position to the one which faced us a few days ago when the Minister of Finance asked us to agree to giving him a $7 billion cheque. We are aware that not enough research and development are being carried on in Atlantic Canada. We do not know whether these meaures will stimulate development or whether the development they may stimulate is likely to be in the long-term interests of the people of Atlantic Canada. We do not have any information. In any socio-scientific research some evidence is required that what we are doing is worth the expenditure, whether the development which is going on is in place as a result of the investment or whether it would be going on anyway.

I am reminded of the old discussion about cause and effect. Does the fact that everyone sings the national anthem before the Blue Jays game mean that the singing causes the game to start? Of course not. One event merely follows the other. The same can very well be true of investment tax credits. Does the fact that a certain amount of investment takes place in a province following certain benefits mean that it would not have taken place without the benefits? How do we know? What research is being carried on? What evidence does the government have that particular projects are taking off? What evidence do we have that scientific research projects are growing and developing in a coherent fashion because of tax credits which have been given?

I can see the scorn being shown by members on the other side; it is typical of the intellectual interest they show in these subjects. Nevertheless, I think I am entitled to ask these questions. If there is evidence, I wish the parliamentary secretary would provide it and tell us which projects are under way, and justify the spending of this money.

When we introduce the concepts of the tax expenditures which hopefully we will get into the centre of the next budget, we will be entitled to ask ourselves whether this is the best form of regional incentive and whether it is the best way to stop the concentration of wealth in central and, now, in western Canada, at the expense of the other regions. I suggets that these mechanisms, by comparison to the very powerful forces acting in the marketplace at the present time, are totally inadequate for the purpose. They are a poor excuse for the economic planning. They are a substitute for economic planning, a substitute for the regional investment which should be going on.

My hon. friend from Humber-Port au Port-St. Barbe and my hon. friend from Winnipeg North will be explaining in terms of their experience how this policy of tax expenditure is a very sad excuse for a serious policy on economic development in Atlantic Canada on one hand, and in terms of scientific research and development on the other.

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

Mr. Hnatyshyn: This should be good.

Mr. Johnston: Did I understand the hon. member to suggest that direct government control of scientific research and development in terms of specific grants should be substituted for investment tax credits given to the private sector in general in determining what their priorities should be? Is that the thrust of that comment?

Mr. Rae: I am very glad the hon. member asked me that question, because it gives me the opportunity not only to answer it but to answer the comments he made at some earlier point in the discussion to the effect that this party would not be happy until everybody received all their moneys from the state and paid all their moneys to the state. That is an example of the kind of ideological ignorance which I anticipate from certain members opposite but which is not so often evident from the Liberal benches. It justifies our view that there is not really much difference between those two parties. In any event, that is not what I said.

What I said was this: as we look at the tax expenditure figures given to us by the government in relation to scientific research we believe there is a very real tendency for the government to substitute credits, incentives and give-aways in the tax fields for positive policy. I am suggesting that active co-ordination of an effort by the government and by the public sector must be substituted for what I regard as a rather blind, uncontrolled, and uncontrollable approach by way of investment tax credit. I believe the burden is on those who have tried the investment tax credit approach and the research and development tax credit over the years to demonstrate its effectiveness rather than on those who have been inclined to criticize that approach as not being satisfactory.

So, the answer to the two questions is, no, we do not want everybody in Canada to be an employee of the Government of Canada. No, we do not want everyone in Canada to wear uniforms and be dressed in the same way. No, we do not look forward to a totalitarian state in Canada. And, finally, we do not want all scientific research to be directed and controlled by bureaucrats in Ottawa. That is not the thrust of what I was saying. If the hon. member took that meaning, I may have been expressing myself poorly. But my message is clear. We must not use tax expenditures as an excuse for the lack of thoughtful, intelligent, and rational government intervention.

Mr. Ritchie (York East): I am sure the hon. member agrees that one of the causes of a rather unsatisfactory economic performance in this country, particularly in the secondary sector, has been inadequate expenditure on research and development. Another cause, I think we can fairly say, is inadequate investment in general. There are some figures which may interest the hon. member.

In the opinion of many, an opinion I share, Canada has been deficient in research and development in terms of gross amount spent and in terms of who should do the research. Here are some interesting comparisons in terms of gross amounts: Canada, 1.1 per cent of its GNP; Germany, 2.1 per cent of its GNP; Japan, 1.7 per cent of its GNP; Switzerland, 2.2 per cent of its GNP, the United States, 2.3 per cent of its GNP.

• (2110)

The second aspect is how much of that research is performed by government and how much by industry, and the distinguishing characteristic of Canada is that not only have we had a lesser share of our GNP going into research, we have had a lesser share that has been put in by industry. Those two factors are both very significant in the kind of economic performance we have had in this country. Canada's percentage has been 40 per cent, which is very, very low by comparision with others such as Germany with 61 per cent, Switzerland with 77 per cent, Japan with 64 per cent, and the United States with 68 per cent.

One of the attractions of this particular proposal, and of its predecessors on which it is built, is that we are now beginning to encourage, as we did not for many years, research and development expenditure by industry, which, to my mind, is one of the best guarantees that R and D expenditures will be productive economically. That is the record of other industrial nations, and the hon. member has to produce some evidence unknown to me to counter it effectively.

The hon. member raises the question of whether these expenditures are effective—investment expenditures, investment tax credits, research tax credits. It is clear that they should be more effective than a comparable expenditure made directly by the government because, for one thing, there is a powerful multiplier effect. We give a tax credit of 5 per cent, 7

per cent or 10 per cent that is not given unless the expenditure has been many times that, of course, and so we are inducing by this incentive substantial expenditures.

Another factor, and it arises out of experience I have had over many years in having to take part in decisions about investment expenditures and R and D expenditures, is that if an investment expenditure is going to cost you less or if an R and D expenditure is going to cost you less, and with the tax credit they do, then you spend money and it is worth your while to spend more, so you do spend more. I do not know if it would be possible for someone with the best sociological or economic weapons to go and determine how much more is spent collectively, but it is a matter of knowledge and logic that more is spent.

There is one other factor which I think is of great importance. Unlike the hon. member, I have far more faith in the ability of those investment decisions to produce good results when they are made by people who have a direct interest in them, a direct knowledge of how the money is going to be used, what it will do for the firm concerned, than I have when it is done by the wisest bureaucrat in Ottawa. Therefore, I think I have to disagree very strongly with almost the total burden of what the hon. member had to say in his last two interventions.

Some hon. Members: Hear, hear!

Mr. Faour: Mr. Chairman, to begin I would just like to comment briefly on what the parliamentary secretary has just finished saying. I have really no quarrel with almost everything he has just finished saying in response to the comments of my colleague, the hon. member for Broadview-Greenwood. But the parliamentary secretary has still not convinced me that there is some relationship, any sort of relationship, between the investment tax credit that the government is proposing and the increase in the research and development that is done in this country. If we are going to be proposing solutions or some sort of encouragement to industry to increase the amount of research and development that is done in this country, perhaps we must look at some of the reasons why research and development in this country are at such a low level, and no studies of which I am aware, no studies which the government, through the parliamentary secretary or the minister, has been able to demonstrate to us, has shown that the low level of R and D and investment in the country is due to some deficiency in the tax laws which do not allow investment credits. It is the cause and effect relationship that has to be shown, and I do not think the government has shown it.

About ten years ago, and perhaps still now but we do not hear too much about it these days, there was very strong concern in this country over the amount of foreign investment in the country and the sort of effect that that level of foreign investment was having in certain sectors of the economy. One area that was always cited as a very serious effect of the high level of foreign investment in Canada was the low level of R and D carried out by branch plants, by the branch plant economy. It would appear to me that this proposal of the government really does not meet that question. I am not saying that that is the only reason that there is a low level of R and D undertaken in the country, but the investment tax credit in this area does not answer any of the other deficiencies that have been shown to me to be the cause of the low level of R and D in Canada. It is basically a question of cause and effect.

What we are talking about in this case is the effective expenditure of a very large amount of money in times of restraint, which could be used to alleviate some of the very serious social effects of the restraint program of the government in various areas of the country. I would like to look at this in terms of the regional development of the country because one of the prime aims of this clause, as set out in the budget of the hon. member for Saint-Maurice last year, was that this measure would encourage development in certain designated areas of the country, specifically the four Atlantic provinces and the Gaspé part of Quebec. At that time my criticism of that particular provision was that we did not know whether it was going to encourage the level of investment in the Atlantic region.

It seems to me that businessmen who are contemplating an investment are going to look beyond the initial tax credits available to them in pursuing a certain investment, that the real factors affecting their decision as to whether or not to invest will be the over-all market conditions in a region, the availability of skilled labour, access to markets and so on, basic factors of the economy that this investment tax credit does nothing to solve. It has not been shown at all that providing this additional tax credit in certain areas of the country will do anything other than give a windfall to those individuals and corporations which have already, for other reasons, decided to invest in the particular region.

The business community in the Atlantic region is doubtful whether this particular provision has any effect on new construction or new investment in that region. I spoke with several individuals last year when this provision came out in the budget and the response I got was that the real problems in Atlantic Canada cannot be solved by some initial credit on investment in the region. The real problems are basic structural problems, fundamental problems in the relationship of the Atlantic region with the rest of Canada. It has nothing to do with the tax structure on investments. As I mentioned, the problems involve access to markets, the problems of a small local market, and the problem of the whole tariff structure which is geared historically to protect central Canadian industries to the detriment of the east and the west in the country.

● (2120)

As I said, this particular provision is a very serious one because it is costing such a large amount of dollars, at the same time as the restraint program of the government takes dollars out of the Atlantic region. I should like to mention a couple.

The unemployment insurance cutbacks over the last year have taken an amount of money out of the Newfoundland economy the equivalent of a small industry. There is a relative-

ly large pulp and paper mill in my constituency which provides salaries of some $40 million a year to the economy of Newfoundland. It would be unthinkable that any Newfoundland politician or citizen, or any Canadian citizen for that matter, would allow that industry to shut down and take $40 million away from the Newfoundland economy. In the unemployment insurance cutbacks announced first by the Liberal government and then enacted by the Conservative government, that is precisely what is happening in terms of the actual amount of dollars. The same amount of dollars is being taken out.

The hon. member for Jonquière put the impact of this particular legislation into perspective from his point of view. It would be equivalent to the Alcan smelter pulling out of his riding. That would have very serious effects.

The cost of this will not create the benefits which such costs should, especially if they were directed in some other manner. Before the government effectively spends this amount of money, there should be some idea of the effects which it will have. The business community is very doubtful as to whether this measure has any effect on any new investment, certainly in the Atlantic region and perhaps across the country.

Another very serious question raised by this particular measure is that it allows the government to say, "Look how much we are doing for the Atlantic economy." This is precisely what the hon. member for Saint-Maurice said last year when he introduced this measure in his budget. He said that they were going to encourage development and investment in the Atlantic region. He did not provide anything else in his budget for the Atlantic region. In fact in many ways he took money out of the Atlantic region. This was one particular item which he was able to point to and say that he was promoting development in the Atlantic region. The government is doing precisely the same.

The measure provides the government with an easy excuse not to do anything constructive. The $130 million would do a lot more if it was put into transportation to upgrade the system in Newfoundland and the maritime provinces. Many other things could be done. The Atlantic Provinces Economic Council recently released a report which I have not had a chance to study thoroughly, but I am sure the government would find many useful areas in which to spend that amount of money if it was seriously interested in promoting development in the Atlantic region.

Basically, to my mind and to the minds of many members of the business community in Atlantic Canada, this particular measure will tend to give a tax break to individuals and corporations that for other reasons have decided to invest. It will give them a tax break and a windfall in dollars. I should like the government to demonstrate that this particular measure will have a positive effect on the Atlantic economy related to the amount of dollars it will cost.

The hon. member for Broadview-Greenwood asked the goverment to show the correlation between the cause and the effect, the correlation between investment tax credit and whatever potential positive effects there may be in various areas, whether it be research and development or regional development. I do not think it is too much to ask a government which is proposing to spend this amount of money, that its homework be done to the point that it knows the effects of this particular expenditure.

I do not know what more I can add. The parliamentary secretary has attempted to show a correlation. Frankly I do not think he has. Perhaps he can try again. If the government is serious about regional development, I implore it to use this estimated $130 million in some other fashion. It could be used to upgrade the transportation system. It could be used through the Department of Regional Economic Expansion to promote real development in the region. I ask the parliamentary secretary if he has any other data which might provide this correlation. Given the representations of the hon. member for Broadview-Greenwood, it almost seems fruitless, but my frustration is no less than his.

It seems to me a very substantial amount of money is being spent, collected, or not collected, to no end at all. When the government is practising restraint on the backs of the unemployed and the poor people in the region, I do not see how an effective expenditure of hundreds of millions of dollars can be justified unless it is shown that it will create some investment which will create jobs, employment, and economic activity in the region.

Mr. Ritchie (York East): Mr. Chairman, I have just a brief comment which might be of value to the hon. member. There is one specific value to these proposals which I am sure he would have in mind. For nearly a year firms in the Atlantic provinces and all across Canada have been making their decisions in light of these proposals, because these proposals are in effect when passed for the current year. When the Minister of Finance in his statement on second reading made the comment that he had muted enthusiasm for some of the proposals in this act, indirectly he was emphasizing the fact that whether or not we agree, some of these things, in fairness, must go through at least for the current year. In fact I think there are far more powerful reasons in this case. While it is very difficult to measure quantitatively the effect of these inducements on investment, because one cannot really know what would have taken place without them, it is a certainty they have some effect.

All hon. members from the maritimes and other parts of the country will be interested in the new additional investment tax credits now given for investment in various transportation equipment and facilities. It is a matter which should be of interest to anyone in the Atlantic provinces.

Mr. Orlikow: Mr. Chairman, for years now members on this side of the House, members of the New Democratic Party, and members of the Conservative party when it was in opposition, criticized very vigorously the assistance given to scientific research and development during the time when the Liberal party was the government. They criticized the programs and policies vigorously because they were such obvious failures.

● (2130)

In June of last year, when the then minister for science and technology announced a program with a proposal that by 1983 we would increase the percentage of gross national product spent in this country by the government, by universities and by private industries on research and development from the then 1 per cent to 1.5 per cent, he was criticized by the present Prime Minister, who spoke for the Conservative party, as well as by the spokesman for our party. Both of those hon. members said that even if we achieved that goal within the five-year period we would still be spending substantially less in terms of percentage of our gross national product for scientific research and development than is being spent by most industrialized countries in the world.

I am not going to go over the figures again, as the parliamentary secretary gave some of them a few moments ago. We said then that this was not enough and we called for increased efforts in government laboratories, in universities and in private industries in the field of research and development. We all agreed that what we should be aiming for was an expenditure of 2.5 per cent of gross national product, and sooner than 1983. That government, having set as its goal 1.5 per cent of the gross national product by 1983, proceeded within less than three months, because of the so-called need for restraint, to cut back on the money expended by the federal government, either through its own research laboratories or through grants to universities. It cut back on already woefully inadequate funds provided for scientific research.

This is not the time to talk about what is happening in government research laboratories operated by the National Research Council or by various departments concerned with agriculture, fisheries and forestry, but I want to deal with the situation in relation to the government's apparent belief that we can do better than we have in the past through some kind of greater concessions to the private sector of our economy.

Former governments, Liberal and Conservative, have tried to encourage private industry in this country to become involved in research and development. This government may believe that the carrots proffered to the private sector by former Liberal governments were not big enough or juicy enough. However, the former government did have programs. It had the Industrial Research and Development Incentives Act, and it had a program for the advancement of industrial technology. Those programs did not succeed.

I was not here when my colleague, the hon. member for Broadview-Greenwood spoke, as I was attending a committee meeting, but I am certain he did not suggest that all research should be done by the government and monitored by government bureaucrats. No social democrat believes that. In spite of the fact that most members of the Conservative party are ignorant of the politics of government in other countries, there is a social democratic government in Germany and there was a social democratic government in Sweden for some 40 years. There have been social democratic governments in Great Britain, Norway, Belgium, Holland and Denmark. Most of those countries are far ahead of Canada in terms of the efficiency of their industry.

In all those countries which have or have had social democratic governments, whose philosophy and policies are very much like those of the NDP, the private sector is alive and flourishing.

An hon. Member: And trying to defeat the government.

Mr. Orlikow: And often trying to defeat the social democratic government, as is its right. There is a vast difference between those governments and this government or the former Liberal government. Those governments are not bound to wipe out or destroy the so-called free enterprise system. They accept the fundamental reality that we live in a mixed economy in which some parts of the economic system are owned and operated by the state and some have less government ownership or involvement. I think Sweden and Germany, which have or have had social democratic governments, have less public ownership than we have in Canada.

We have a tremendous amount of public ownership. We have a publicly-owned railway brought in by Liberal and Conservative governments, not by the social democrats. We have Air Canada, a publicly- owned air transport system, and in virtually every province we have publicly-owned electric power systems. I do not think there is a member in this House from any party who would suggest that was a mistake because we are getting electric power in Canada much cheaper than they are in the United States, for example, with privately-owned systems.

In the three prairie provinces we have publicly-owned telephone systems. In my province of Manitoba we have had a publicly-owned telephone system since 1909, brought into being by a Conservative premier, Sir Rodmond Roblin, whose name, I am sure, is known at least to some members in this House. We have a Conservative government in Alberta which not so long ago bought control of Pacific Western Airlines. When we advocate public ownership or government involvement in planning we are talking about hard reality and not some kind of unproven or untried theory.

Let me talk for a few minutes about this particular item. I have to assume that the parliamentary secretary suggested the government was going to make it easier and more profitable for industry in this country to spend money and effort on research and development, and that this is going to change the sorry state of research and development in this country. I do not want to go over the figures again, but among the industrial countries of the world Canada is, if not right at the bottom, close to the bottom in terms of the percentage of gross national product spent on scientific research and development. When we consider applied research we find that Canada is the last of eight industrial countries in terms of dollars devoted to industrial research and development.

● (2140)

Not only is the quantity of research and development conducted by industry in Canada very poor, but the quality

appears to be very poor. For example, it has been estimated that of the 110 significant innovations in the world since World War II—which covers a wide range of the science intensive industry including electronic components, pharmaceutical plastics, computers, among others—none were first developed in Canada. This survey covers the time period up to 1970, but recent data suggests that Canada still shows a poor performance. Of the 926 companies identified by Statistics Canada that were funding research and development in Canada during 1973, only $10.8 million was received from foreign countries as payment for patent licences and technological know-how. These same companies expended $75.6 million abroad for technology.

What are the reasons for the poor level of industrial research and development in Canada? There are two major reasons. First of all, most of Canadian industry which is Canadian-owned is in the resource extraction area, such as mining and forestry. Such industry requires very little research and development.

For example, in 1969 among the 14 nations belonging to the Organization for Economic Co-operation and Development, Canada had the second lowest percentage of workers in the manufacturing area, 23 per cent, and it has gone down since. Ireland was the lowest at 20 per cent. West Germany was 28 per cent, the United Kingdom 36 per cent, and the United States 34 per cent. The second reason is that Canada has the highest degree of foreign ownership and control among the OECD countries. If one thinks of all the major industries—the automobile industry, the rubber industry, the electrical industry and so on—virtually all of them are almost completely dominated in this country by the multinational corporations.

The Toronto Star conducted a survey about one year ago. It contacted approximately 20 of the major industrial corporations in this country, General Motors, Ford, Westinghouse, Kodak, and Xerox among others. It knew how much business these companies had done in Canada, the amount of sales and so on. It asked each company how much research they did worldwide and how much research they did in Canada. The answers were very illuminating, and ran from no research and development for Kodak of Canada to virtually nothing for the automobile companies. That outlines the problems which this country faces and which this government is ignoring. These large multinational companies must do their fair share of research and development in Canada, and it must be comparable with their sales activity in Canada. There is no evidence that if we give them tax concessions they will do the job.

That brings me to small companies which employ a large number of people in this country. Small companies are usually Canadian-owned and are interested in going ahead. This system does not help small businesses because they must make a certain amount of money before they can take advantage of the tax benefits proposed in this bill. We need more than just a tax gimmick to get companies which operate in Canada to do research and development here. We need a much more aggressive and much more planned system, as well as a great deal more government involvement in the form of consultations, co-operation and direction.

I had the opportunity recently to spend a couple of days in Japan. While there our group received a briefing by the Canadian ambassador to Japan. I want to say to the parliamentary secretary that his description of the role which the Japanese government plays in how the country will operate and how industry will be encouraged to expand to meet the needs of the domestic market and the international market so that Japanese workers will have jobs, was very broad.

Japan has a free enterprise system of government. The socialist party is not very strong there. However, any resemblance between the free enterprise system of Japan and that of Canada is almost completely coincidental because there the free enterprise government plays a very active role. It meets on a day to day basis with companies, and it insists that what they do when these companies expand should help, not just the companies, but the Japanese people by providing better jobs and more efficient, technologically oriented industry. Until Canada can achieve that level of expertise, these tax concessions which are being proposed will not begin to meet our very serious failure to modernize and make Canadian industry competitive not only in the Canadian market but in the international market where we must get our share of sales if our unemployment figures are to remain low over the next ten years or 20 years.

Clause agreed to.

Clauses 41 to 65 inclusive agreed to.

• (2150)

On clause 66—

Mr. Rae: Mr. Chairman, earlier in our discussions the parliamentary secretary told us that if we were to have a discussion on income debentures, bank taxation and the current situation with respect to the banks and what was happening, that had best take place on clause 66.

I should like to put certain questions to the parliamentary secretary. First of all I should like him to explain how it is that the effective rate of taxation of the banks now stands at 10.7 per cent in the third quarter of 1979, even though no new term preferred shares or income debentures have qualified for preferential tax treatment since November, 1978?

I should like him to tell us how much longer we can anticipate that this low rate of taxation will apply. The conclusion I would draw, without wanting to say any more, is that in a sense the door has been locked well after the horse has bolted. Can the parliamentary secretary explain how it is that we have reached the stage where the rate of the effective taxation is so low, and can he tell us whether the government or the Minister of Finance have any intention of addressing this particular problem in the next budget?

Mr. Ritchie (York East): Mr. Chairman, I am not familiar with the figure the hon. member has quoted. Such data as I have is not quite as recent as the third quarter of the fiscal

year, which would ordinarily come at the end of October. The figures I have show—and one assumes that this is largely because of the effect of term preferred shares—that the effective tax rate on banks, which had been in the same league as other corporations in the years 1972 to 1975, was around 46.5 per cent, 47 per cent and 48 per cent. They began to decline in 1976, and by 1978 had reached the level of about 29.4.

I think it is reasonable to expect there might be some decline into 1979, because the full effect of term preferred debentures taken on before the budget of November, 1978, would not have been reflected up to that time. For instance, one might cite the $1.5 billion of term preferred debentures that were used for the purchase of PetroCan would not have been in that figure. I thought the hon. member might share some of the feelings that I had on that point. At the moment I have no later figures that I could cite to the hon. member that would really measure the effect. It would not surprise me if it were below 29.4 per cent but I find it very difficult to imagine it being as low as ten point something.

Mr. Rae: I can assure the parliamentary secretary that the figures reached my research department and myself, just judging from the statement of the quarterly—

Mr. Chairman, if the hon. member for Burlington is going to be on television sitting behind the Prime Minister, he had better learn how to smile. His unpleasant visage is causing great concern to the children of the country and certainly to many members, particularly on Hallowe'en. As we are in the Hallowe'en season I think he should take his mask off.

Mr. Andre: Look around you.

Mr. Kempling: They would frighten anybody. They still have their masks on.

Mr. Rae: These are the members that he is frightening and I think he should be aware of that.

Mr. Andre: Who is the Sasquatch beside you?

Mr. Kempling: Look at the Ayatollah.

Mr. Rae: Mr. Chairman, I know it is late and we have been here through a long debate. I should like to ask the parliamentary secretary if between now and tomorrow, he could look at the quarterly figures that are available for 1979 and look at the fact that in the second quarter of 1979 the Canadian Imperial Bank of Commerce received a tax credit. I cannot cite a figure but I think it is in the area of $1 million. For the third quarter of 1979, both the Banque Provinciale and the Banque Canadienne Nationale, before their merger, received bank credits of over $4 million.

The question in the minds of those Canadian taxpayers who have been made aware of these figures is that if the loophole has been closed, as it is supposed to have been, how is it we now see such a low rate of effective taxation? According to my calculations, in the case of the five majors it is down to 10.7 per cent. I would ask him to look at the figures and, if they are wrong, I will gladly correct them before this Committee of the Whole House; but if it is that low, what do we intend to do about it? My concern is that it may not be adequate because of the length of time over which these term preferred shares take place. We may be looking at a situation in which significant amounts of revenue may be lost to the treasury as a result of these measures which took place, I think, before this government came to power.

I suggest that some extraordinary measures may be necessary in order to remedy the situation, so that we do not see a very low level of taxation taking place over an extended period of time.

I would call it ten o'clock, Mr. Chairman, and I would appreciate it if the parliamentary secretary would endeavour to get that information for tomorrow.

Mr. Lalonde: Or the minister.

The Assistant Deputy Chairman: Order, please. It being ten o'clock it is my duty to rise, report progress, and request leave to consider the bill again at the next sitting of the House. Is it agreed?

Some hon. Members: Agreed.

Progress reported.

• (2200)

PROCEEDINGS ON ADJOURNMENT MOTION

[*Translation*]

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

ENERGY—OIL PRICES—REQUEST GOVERNMENT ABANDON PLANS FOR FURTHER INCREASES

Hon. Marc Lalonde (Outremont): Mr. Speaker, the rules of this House give us only seven minutes to express a point of view at this time. It is difficult to control one's anger for seven minutes on the policy of this government with respect to oil and energy prices in particular. Yesterday the Economic Council of Canada released a review the French title of which is "The Burden of Inertia". I think one could hardly find a better description of this government, particularly with respect to its energy policy.

We have a government that does not listen to public opinion. We saw how this government does not take into account public opinion with respect to Petro-Canada. Not only do we have a deaf government, we now have before us a government which has grown mute when it comes to energy prices and oil prices in particular. The provinces have expressed very clear opinions—the province of Alberta, the province of Ontario. But the

Canadian public and this House have been unable to extract any information whatsoever from this government on the policy it intends to carry out with respect to oil prices. That is showing contempt for this House and the Canadian public. It is unacceptable that after being in power for more than five months the government should still be unable to say to this House what it is actually proposing to Canadians in terms of an oil price policy.

Yesterday, the Minister of Energy, Mines and Resources (Mr. Hnatyshyn) appeared before the Standing Committee on National Resources and Public Works and we were unable to get any information whatsoever from him. Even members sitting on the government side could not get any information at all from that minister. That completely withrawn approach of the government must be denounced, and I am sure, rejected, and considered unacceptable by Canadian public opinion.

[*English*]

The irresponsible attitude of the present government concerning the matter of energy pricing, oil pricing in particular, is to be condemned. The province of Ontario and the province of Alberta have come out with clear statements on where they stand. This government will not tell the House and the Canadian public where it wants to take the people of Canada with regard to energy pricing, oil pricing in particular.

At the present time there is an agreement in existence with the provinces which provides for a $1 a barrel price increase in January. This would guarantee peace with regard to energy pricing until July 1, 1980. We now hear the government wants to dump this agreement and to tax the people even more by substantially increasing the price of oil. It wants to do this although we have an agreement that has been signed, sealed and delivered on this subject, with the province of Alberta.

This government only thinks about increasing the burden upon the Canadian public. We now have the highest interest rates in our history. Under this government we are heading toward the highest ever prices for oil and gas. According to what we can distinguish from this government's policy, every Canadian home owner and car driver will be taxed an additional $200 at least in the next year. That is over and above the additional cost that will be incurred because of the high interest rates this government has brought forward since taking office in early June.

These are steps that should be fought by all Canadians. They will be fought by the opposition both inside and outside this House. Our position is that we should not be chasing after international prices. That position was made quite clear in 1976 in our white paper on energy. Hon. members can find it on page 127 of our white paper on energy. It reads:

● (2205)

It is the federal government's objective to see domestic oil prices increase to a level sufficient to bring on new Canadian supplies. To the degree that this level is lower than international oil prices it is a differential for the benefit of Canadian consumers and Canadian producers, industrial and agricultural.

Let us have the price determined in Canada by Canadians for Canadians. Let us not slavishly follow a price set up by the international cartel which is called the OPEC countries. The attitude of the government in taking this country to international prices is one which will drive this country into a recession next winter and next year, in addition to the high interest rates being imposed on our citizens at this time. I urge the government to reconsider its course and to maintain the policy which the previous government set up, one of moderate and gradual increases in price and one where the highest level would be determined by the cost of finding and distributing new resources in Canada rather than being at the mercy of the OPEC countries.

Some hon. Members: Hear, hear!

Mr. Bob Jarvis (Parliamentary Secretary to Minister of Energy, Mines and Resources): Mr. Speaker, I would point out to the hon. member for Outremont (Mr. Lalonde) that we have had 11 years of inertia. We have seen the maritimes left totally dependent on foreign oil and gas; we have had a nation without an energy policy for 11 years—nothing under way though proven supplies were falling.

The government is working today on a national oil policy based on energy self-sufficiency. Oil self-sufficiency for Canada is essential. In order to achieve self-sufficiency we cannot continue to rely on foreign sources of oil over which we have no control as to the price charged or the quantities available. The government is now working with the provinces and the industry to establish a domestic price for oil which will provide incentives for, and cover the cost of, the production of new oil. Appropriate pricing can also contribute to reducing growth in demand. We cannot continue to expect that international supplies of oil will be available in quantities sufficient to meet rapid demand growth. We must plan to get through the next decade with more limited requirements.

Among many other important matters which are being discussed with the provinces to obtain agreement on an energy policy package are the implications of an energy price increase. These include the effects on home owners, car drivers, industry and so on. The macro-economic implications are also being studied by my department.

In his original question the hon. member referred to a communication from the provincial premiers following their meeting on October 23. They asked the Minister of Energy, Mines and Resources (Mr. Hnatyshyn) to re-establish the technical advisory committee on petroleum supply and demand and to improve formal communication between the provinces and the National Energy Board.

● (2210)

In reply to the premiers the minister noted that he was reviewing the current and prospective oil product supply situation and is likely to require reconvening the technical advisory committee, particularly in light of its tenuous legality. He also noted that the National Energy Board data is regularly reviewed with the provinces and that the next such review was scheduled for November 5. This government will shortly announce a Canadian energy package based on pricing for

Canadians guaranteed to ensure energy self-sufficiency in Canada, by Canadians and for Canadians, by 1990.

ENERGY—TANKER TRANSPORTATION OF CRUDE OIL ON WEST COAST

Mr. Jim Fulton (Skeena): Mr. Speaker, my question is in relation to Alaskan oil, and before I get too far along with it I would like to put a few quotations on the record. The dilemma with which this country is now faced is the result of an inheritance from the previous Liberal administration, and the difficulty is that the Alyeska line was built from the north slope down to Valdez, and tankers have been transitting down the British Columbia coast for the past two years. The Liberal administration did absolutely nothing in terms of dealing with either liability, jurisdiction, clean-ups or any of the ongoing difficulties which were arising at that time.

The Liberals simply brushed those off, and in speaking with the Prime Minister (Mr. Clark) two weeks ago and questioning him in relation to the difficulties on the west coast and in relation to both the Foothills proposal and the northern tier proposal as well as the TransMountain proposal, I recognized that he has in fact inherited a very serious difficulty from the Liberal party.

I would like to quote first from the Thompson statement of proceedings from 1978, pages 62 and 63. In the first one he states very clearly in his testimony that "a dangerous situation now exists in the waters of southern British Columbia." That was in 1978. On page 63 he states:

> Since an increasing amount of this traffic is originating from Valdez and travels along the entire outer coastline of British Columbia, in the middle of our fishing zone, this assessment must encompass a broad geographic region.

He was speaking in relation to environmental, social, navigational and safety aspects of the tankers which were already there. From a recently released environmental impact statement by Cecil Andrus, from pages 37 and 39 I quote as follows:

> Presidential Executive Order 12114, signed January 4, 1979, exempts from detailed environmental analyses those portions of a major federal action which might have an effect on the environment of a foreign nation.

That is directed specifically at Canada. At page 39:

> If a major oil spill occurred in the Strait of San Juan de Fuca, Port Angeles Harbour, or along the cross-sound pipeline route, it would affect marine resources, water quality, shorelines, shoreline structures, boats, and waterfowl over a wide area. Such an impact could also affect the Pacific coastline, the U.S.-Canadian shorelines of the Strait, and Puget Sound.

Further down on the page:

> The cumulative effect of small chronic oil spills is expected to have more adverse impacts than an occasional major spill.

The point I wish to make in all of this—and there are further quotations I will give in a moment—is that the federal government has not given appropriate sanctions or studies in relation to tanker traffic which exists off the coast of British Columbia. The Prime Minister and the new government as well as the previous government of this country have allowed the United States to blackmail us economically and environmentally, and the Prime Minister has done absolutely nothing to deal with the deadline the United States Congress and President Carter are now setting, which is December 6.

The Prime Minister has done nothing to cut through all our regulatory processes, nor has he done anything else to expedite the construction of a line, from which we will get absolutely no oil by American law, and I think we have to consider the fact that the Alyeska line is constructed. Tankers are moving down our coast at this point, and we have no legislation in place to protect Canadians. The government seems to be sitting idly by hoping, for some strange reason, that either Trans Mountain will suddenly develop itself or that Foothills will suddenly come into flower, knowing full well, as the Prime Minister did when he responded to me, that the National Energy Board had ruled Foothills deficient. Quite frankly, for a Prime Minister to stand up when the national regulatory agency has ruled a corporation deficient makes a mockery of the National Energy Board, and I make no bones about it. I think that is quite improper.

There are two further quotations I would like to give. One is from the U.S. Department of the Interior. It is a news release dated October 15, 1979. The quotation is found at the bottom of the page:

● (2215)

> The permitting process is exclusively within our federal and state jurisdictions, thereby minimizing risk of potential delay resulting from obtaining approval from the Canadian government.

Quite clearly, the U.S. government is not interested in what this government has to say, and I must say neither the corporate sector nor the Liberal nor Conservative governments have actively pursued options of either tanker safety or minimizing of spills, and also in terms of spill clean-ups on the Pacific coast have not actively pursued the possibility of either moving oil from Alaska in the northern region by rail or having Petro-Canada initiate an involvement in the hearing process in order to pursue options other than simply allowing Foothills to have access to the corridor which is Canadian territory. It is in fact our jurisdiction, and we have regulatory processes in this country which should be heard and not be circumvented either by the Prime Minister or by anyone in the House.

Mr. Bob Jarvis (Parliamentary Secretary to Minister of Energy, Mines and Resources): Mr. Speaker, may I, through you, first congratulate the hon. member for Skeena (Mr. Fulton) for joining us in condemning the previous government for leaving us with a dangerous situation with respect to oil, particularly on the west coast. Protection of our environment, of our Canadian coasts and of our fisheries, is the prime goal of this government and one which we intend to pursue with all energy and direction.

With respect to the hon. member's reference to the Department of the Interior and to the position of the U.S. government, I would advise him that the U.S. government has requested that this government put forward its position. On October 20, after this question was first raised by the hon. member, a supplementary aide memoire was sent to the U.S.

government stating that the Canadian government's position was unchanged. I will read the text of the aide memoire now since it is brief. It reads:

The United States government is referred to its request of February 28, 1979, for an expression of Canadian views and preferences regarding various proposals for transporting Alaskan and other crude oil to the U.S. northern tier and other inland states. On April 16, 1979, the Government of Canada told the United States government of its preference for the proposal put forward by Foothills Oil Pipe Lines Ltd., of Calgary. On August 20, 1979, Foothills significantly modified its application eliminating the need for tankers by proposing an all-overland pipeline route from Alaska. The Government of Canada expressed its clear preference for the modified Foothills proposal in an aide-mémoire of September 28, 1979, because it would reduce the number of tankers travelling along the west coast.

On October 15, 1979, Foothills informed the Government of Canada that for a number of reasons it was withdrawing from the contest as an applicant, at least for the present. The Government of Canada remains firm in its objective, as stated on September 28, of minimizing the risk of environmental damage on the west coast from oil tanker traffic and of seeking means whereby current risks, including those in the sensitive inner waters of Juan de Fuca strait and Puget Sound may, if possible, be reduced. It should also be said again that the Government of Canada cannot make any final decisions until completion of National Energy Board consideration of the application now before it.

The President of the United States will be visiting Ottawa on November 9 and 10, 1979. The Prime Minister of Canada looks forward to this opportunity to discuss the full west-to-east pipelines question with him at that time.

Mr. Speaker, I should also add that the United States is aware of the time required for the completion of the Canadian regulatory process—

The Acting Speaker (Mr. Scott, Victoria-Haliburton): Order, please. The hon. member for Ottawa-Vanier (Mr. Gauthier).

[*Translation*]

NATIONAL UNITY—QUEBEC REFERENDUM—INQUIRY WHETHER PUBLIC SERVANTS WILL HAVE FREE VOTE

Mr. Jean-Robert Gauthier (Ottawa-Vanier): Mr. Speaker, I asked for a debate this evening to discuss further the important question of the participation of federal public servants in the referendum campaign which will be held in Quebec next spring. On October 17 last I asked the Prime Minister whether his government would clarify the legal position of federal public servants in the referendum campaign. Mr. Speaker, freedom of speech is one of the fundamental rights of a free society. Each citizen, whether he is a public servant or not, must have this right and be able to exercise it. In the specific case of federal public servants, the oath of allegiance must not be viewed as forbidding this freedom of speech, especially in the case of a referendum and in view of the importance of this referendum for Canada as a whole.

There are, of course, certain restrictions to the freedom of speech of certain public servants involved through their duties in the development and implementation of government policies. However, to suggest that all public servants must be excluded from some sort of political involvement is not quite realistic. Most public servants are not involved in the development of policies and do not have access to the type of information which could threaten the government. Because of this, I believe that they should be excluded from section 32 of the Public Service Employment Act. These public servants should be free to take part in an election or a referendum campaign.

Indeed, this is essentially one of the recommendations of the committee on management and personnel, the famous D'Avignon committee, which has been referred, so we are told, to a cabinet committee for consideration or indefinite shelving, despite the fact that the D'Avignon committee realistically and democratically recommended that most public servants be excluded from section 32 of the act and be free to take part in an election or a referendum.

It must be emphasized, however, that some officials must still be restricted from participating in elections in which I include the referendum, by reason of their responsibilities. It is to be regretted that the Progressive Conservative government could not recognize the soundness of the proposals put forward by the D'Avignon committee and accept the suggestion that there are three classes of civil servants: those who should be free to participate, those who should ask permission before they can do so, and those who should be restricted or completely forbidden from participating. I would have hoped that this government would not have hidden behind the screen of the Public Service Commission, that it would have shouldered its responsibilities and taken a position. Unfortunately it preferred to hide behind the Public Service Commission. Well, they hide behind this committee, that committee—everything is referred to committees. This is a no action government.

● (2220)

[*English*]

I know well that the Public Service Commission delivered an opinion yesterday based on legal advice given to them by justice. It was a recent one because I understand that they also had one, an official one—

[*Translation*]

—*officieuse* as we say in French, an informal opinion that was given to us in July or June last. According to my information, there is contradiction between the two and I wonder if in the spirit—

[*English*]

—of freedom of information, can the Prime Minister (Mr. Clark) or his parliamentary secretary table those two legal opinions in the House so that members of Parliament and the Canadian public can see the difference between the opinion given unofficially in June or July saying no, they cannot participate, and the one given recently saying yes, they can participate? I want to know what the reasons were for this change of face or this change of mind.

Also I would like to take this opportunity to question the Prime Minister. A policy was announced last week regarding the contributions of Crown corporations which are supposed to be at arm's length and not under the auspices or under the

control of the government. Instructions were given by the Prime Minister to Crown corporations, specifically Air Canada and Canadian National. He said, "You do not contribute funds to the support of the yes side of the referendum debate". I question these policies because they contradict somewhat the position of the Prime Minister regarding freedom of participation for the public service. On the one hand he said that they are free to go and participate in the referendum, and on the other hand he said to the Crown corporations which are supposed to be at arm's length with the government that no, they cannot participate. I would like to have from the parliamentary secretary a logical answer to this rather tenuous and rather difficult reasoning of the Prime Minister which, in my view, does not stand up to logic or reason.

Finally, I and many other Canadians are asking the Prime Minister: where is the leadership; where is the Canadian leadership; where is the Prime Minister on this question of the Quebec referendum? I speak to you, Mr. Speaker, as a Franco-Ontarian, not as a Quebecker, a fellow born and raised in Ontario. I am a fourth or fifth generation Ontarian. I believe strongly in this country of mine, Canada. I would like to see my Prime Minister involved directly in this referendum campaign because I think the fabric of my country is at stake. I asked him, "Will you participate in this debate", and he said no.

● (2225)

I say to him, is he going to hide his head in the sand like an ostrich, is he going to shadow box with the Canadian public and then say, "You see, I won the referendum?" Is he going to suggest that because he shadow boxed himself into a situation where he did not know what was going to happen and in which he did not participate—is he then going to claim that he saved the country? Is this the kind of Prime Minister we are going to have, or is the parliamentary secretary going to tell me tonight that the Prime Minister will once and for all tell the people that he will vote no, and encourage all Canadians to say no to this referendum, or is he going to wishy-washy himself into a position which nobody understands yet? Will he please clarify the situation for me tonight?

Mr. John Bosley (Parliamentary Secretary to Prime Minister): Mr. Speaker, I have had some conversations in the past with the hon. member for Ottawa-Vanier (Mr. Gauthier), and tonight he again has done what he has done in the past and has done in the committee. He starts with one question and winds up with about six more. I am perfectly prepared to get him some other information if he wants that, but I think perhaps the fairest thing to do is deal with the original question which is before us for the late show, and which involves the matter that we promised we would deal with, providing the House, as we did at the Miscellaneous Estimates Committee, with the position given to us by the Public Service Commission after seeking legal opinion.

An hon. Member: That is their opinion.

Mr. Bosley: That is also the opinion of the government, and that is the position that needs to be made clear perhaps to the hon. member.

I think the hon. member has a copy of this position, but for the record I should perhaps read some of it so that it is clear. It states in part:

—the commission has come to the conclusion that as the law now stands it is possible for federal public servants to engage in some referendum activities without violating section 32.

Without reading all of the letter perhaps I should read the caveat clauses, which are these:

—federal employees must recognize that there may well be partisan party work going on during the campaign.

As the hon. member knows, it is that section in relation to partisan party work to which we are referring.

It states:

—there may well be partisan party work going on during the campaign. Therefore, the commission considers it appropriate to advise federal employees to take special care and use their own discretion to ensure that any activities they undertake do not actually engage them, as such, in partisan party activity.

Furthermore, the commission must also emphasize that in general, federal employees, in deciding whether to become involved and, if so, in deciding what the specific nature of that involvement might be, should at all times be conscious of their obligation not to engage in activity which might adversely affect their ability to perform their functions in the federal public service in an effective and credible manner.

We also emphasize that. It then continues:

The foregoing consideration should be of particular importance to senior federal employees, especially those directly involved in... policy advice to the government.

Finally, in all instances, employees are advised to consult with their deputy heads—

I think that is perfectly clear and I know of no other position taken by the Public Service Commission, to which the hon. member alludes. If he can give me some evidence that there is, I would be happy to search it out, but I do not know of any.

Our position on why Crown corporations should not make financial contributions to either side of the referendum campaign is probably most easily understood as being the same reason that we feel strongly about the rights and privileges of senior public servants, to which the hon. member refers. We suggest that the act that governs the behaviour of individuals does not prohibit activity in the referendum, subject to some limits. I suggest that it is equally appropriate to say that federal Crown corporations, which belong in some sense to all Canadians, are in a difficult position if they take a position one way or the other.

There is a question as to what the federal government's role should be in this—

The Acting Speaker (Mr. Scott, Victoria-Haliburton): Order, please. The motion to adjourn the House is now deemed to have been adopted. Accordingly, this House stands adjourned until tomorrow at 11 a.m.

At 10.29 p.m. the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Friday, November 2, 1979

The House met at 11 a.m.

• (1105)

ROUTINE PROCEEDINGS

[*English*]

NATIONAL UNITY

QUEBEC REFERENDUM—ROLE TO BE PLAYED BY FEDERAL AGENCIES—MOTION UNDER S.O. 43

Mr. Donald J. Johnston (Saint-Henri-Westmount): Mr. Speaker, I rise, under the provisions of Standing Order 43, on a matter of urgent and pressing necessity.

Whereas the government of the province of Quebec has used substantial public funds to publish partisan propaganda in the form of a white paper supporting the Péquiste sovereignty-association option, and whereas on October 25, 1979, the Prime Minister (Mr. Clark) advised the House, in reply to a question by the hon. member for Beauce (Mr. Roy), that federal Crown corporations should not subscribe to campaigns pertaining to a referendum in the province of Quebec supporting the federal option, I move, seconded by the hon. member for Thunder Bay-Nipigon (Mr. Andras):

That the Government of Canada reverse its position with respect to the role to be played by federal agencies in the referendum and undertake to support the federal option with every means at its disposal to negate the Péquiste propaganda and ensure that the benefits of the federal option are known to every resident of the province of Quebec.

Mr. Speaker: The introduction of such a motion for debate at this time can be done, pursuant to Standing Order 43, only with unanimous consent. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

ENERGY

POSSIBLE OIL PRICE INCREASE—REACTION OF CERTAIN MINISTERS OF FINANCE—MOTION UNDER S.O. 43

Hon. Marc Lalonde (Outremont): Mr. Speaker, whereas our millionaire Minister of Finance (Mr. Crosbie) declared yesterday in Toronto that he had not heard any complaint in Canada about the possibility of the price of gasoline going to $1.30 a gallon, and whereas the Ontario minister of finance was present and said that obviously he would have to raise his voice to be heard by the present Minister of Finance, I move, seconded by the hon. member for Lac-Saint-Jean (Mr. Lessard):

That the government provide a free medical examination in Ontario, without overbilling, to both ministers in order to assess the hearing abilities of the Minister of Finance of Canada and the voice problems the minister of finance of Ontario may have.

Mr. Speaker: Order, please. The hon. member for Nunatsiaq (Mr. Ittinuar).

* * *

PUBLIC SERVICE

CALL FOR SETTLEMENT OF AIR RADIO OPERATORS' DISPUTE TO ASSIST NORTHERN COMMUNITIES—MOTION UNDER S.O. 43

Mr. Peter Ittinuar (Nunatsiaq): Mr. Speaker, I rise, under the provisions of Standing Order 43, on a matter of urgent and pressing necessity.

It has not been widely publicized that the radio operators' strike is inflicting hardships on residents of the Northwest Territories. We are concerned about safety, but on top of this is the fact that food and mail are no longer being shipped into communities whose only contact with the rest of the world during the winter months is by air. Supply shortages are impending. The backlog of freight in places like Churchill will take weeks to clear.

I therefore move, seconded by the hon. member for Comox-Powell River (Mr. Skelly):

That the President of the Treasury Board:

(1) empower his negotiators to resume immediately negotiations with the radio operators;

(2) assure that the negotiators are empowered to negotiate a settlement of the dispute, and;

(3) after this has been communicated to the union, ask members of the union to return to work until a settlement has been resolved.

Mr. Speaker: This motion can be presented for debate only with the unanimous agreement of the House. Is there unanimous agreement?

Some hon. Members: Agreed.

Some hon. Members: No.

S.O. 43

[*Translation*]

UNEMPLOYMENT INSURANCE

NEW BRUNSWICK—REQUEST FOR INQUIRY INTO SUSPENSION OF CERTAIN BENEFITS—MOTION UNDER S.O. 43

Mr. Eymard Corbin (Madawaska-Victoria): Mr. Speaker, under the provisions of Standing Order 43, I ask for the unanimous consent of the House to move a motion dealing with a matter of pressing and urgent necessity.

In view of the fact that hundreds of seasonal workers in New Brunswick, and especially in the economic area of Madawaska, are being deprived of their unemployment insurance benefits; considering that the services of those individuals working for provincial minimum wages are essential to the survival of local industries, not to stress the necessity of an adequate income during the hard winter months for the families of those workers, I move, seconded by the hon. member for Grand Falls-White Bay-Labrador (Mr. Rompkey):

That the Minister of Employment and Immigration immediately investigate that situation and send on the spot one or several officials, if he does not want to go himself, and ask them to report to him in the shortest possible time.

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

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

[*English*]

PUBLIC SERVICE

REQUEST MINISTER OF LABOUR INTERVENE IN AIR RADIO OPERATORS' DISPUTE—MOTION UNDER S.O. 43

Mr. William Rompkey (Grand Falls-White Bay-Labrador): Mr. Speaker, I rise, under the provisions of Standing Order 43, on a matter of urgent and pressing necessity.

As a result of the renewal of the strike by air radio operators because of the apparent change in the offer of the federal Treasury Board, Nordair has now cancelled its flights to northern Canada. Undoubtedly, the service of other airlines will be cut as well, including those in and out of Labrador.

● (1110)

As these flights are the only means of transport for people and materials, this situation will cause great economic hardship, particularly for those depending on government sources for their income. It will also mean severe personal hardship for families which are separated, for small business, and for those who depend on regular air travel to earn their living. In view of the fact that personally and collectively people in northern and rural Canada will suffer severely from this prolonged strike, I move, seconded by the hon. member for Madawaska-Victoria (Mr. Corbin):

That this House call upon the Minister of Labour to intervene personally in this dispute and to call the parties together immediately for bargaining in good faith and in an attempt to settle this dispute now.

Mr. Speaker: The introduction of such a motion at this time can be done only with unanimous consent. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

[*Translation*]

NATIONAL UNITY

QUEBEC REFERENDUM—REQUEST FOR FEDERAL-PROVINCIAL CONFERENCE ON SOVEREIGNTY-ASSOCIATION—MOTION UNDER S.O. 43

Mr. Dennis Dawson (Louis-Hébert): Mr. Speaker, pursuant to Standing Order 43, I seek the unanimous consent of the House to move a motion on a matter of urgent and pressing necessity.

We definitely know now what the Quebec government means by sovereignty-association. We also know that this publication presents a misleading analysis of the situation and history of Canada and will be widely distributed in Quebec at the taxpayers' expense, as emphasized by the hon. member for Saint-Henri-Westmount (Mr. Johnston). Therefore, I move, seconded by the hon. member for Charlevoix (Mr. Lapointe):

That the Minister of State for Federal-Provincial Relations and the Prime Minister take immediate steps to convene a federal-provincial conference where this proposal will be debated and where the provinces may state emphatically that they reject the association proposed by the PQ, while assuring Quebeckers that there is in Canada a will to change and that the federal system is the best to effect that change.

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

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

[*English*]

VETERANS AFFAIRS

CALL FOR INTRODUCTION OF LEGISLATION BEFORE REMEMBRANCE DAY—MOTION UNDER S.O. 43

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, under the provisions of Standing Order 43, and seconded by the hon. member for Oshawa (Mr. Broadbent), I move:

That this House notes that Remembrance Day is only nine days away, and therefore urges the Minister of Veterans Affairs to introduce before that day his promised legislation respecting veterans, and this House expresses the hope that the proposed legislation will include prorata pensions for widows where the veteran's disability pension was below 48 per cent, necessary adjustments in the Compensation for Former Prisoners of War Act, the restoration of the basic rate of the 100 per cent disability pension to the take-home pay level of the five designated categories in the public service, and substantial improvements in the War Veterans Allowance Act, it being the view of this House that our tributes on November 11 to the fallen and to those who have died will have more meaning if we make proper and adequate provision for those who have survived.

Some hon. Members: Hear, hear!

Mr. Speaker: The introduction of such a motion at this time, pursuant to Standing Order 43, can be done only with the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

[*Translation*]

PUBLIC SERVICE

REQUEST ANNUAL REPORT BE REFERRED TO HOUSE COMMITTEE—MOTION UNDER S.O. 43

Mr. Jean-Robert Gauthier (Ottawa-Vanier): Mr. Speaker, under the provisions of Standing Order 43, I request the unanimous consent of the House to present a motion dealing with an important and urgent matter.

Considering the importance of the deliberations of the standing committees of the House of Commons on the main estimates for 1979-80; considering the fact that several agencies have published and, in some cases, even tabled their reports in the House of Commons; considering the fact that those reports are of national interest and should be studied in depth by a standing committee of the House; and considering that because those standing committees of the House may not meet without a referral from the House of Commons, I move, seconded by the hon. member for Spadina (Mr. Stollery):

That an order of the House be made to the effect that the annual report of the Public Service Commission of Canada be referred immediately to the Standing Committee on Miscellaneous Estimates for study and consideration.

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

Some hon. Members: Yes.

Mr. Speaker: Since the House is agreed unanimously, I shall put the motion. Seconded by the hon. member for Spadina (Mr. Stollery), the hon. member for Ottawa-Vanier (Mr. Gauthier) moves:

That an order of the House be made to the effect that the annual report of the Public Service Commission of Canada be referred immediately to the Standing Committee on Miscellaneous Estimates for study and consideration.

Is it the pleasure of the House to adopt the said motion?

Some hon. Members: Agreed.

Motion agreed to.

* * *

[*English*]

HOUSE OF COMMONS

PRESENCE IN GALLERY OF CHAIRMAN OF NATO MILITARY COMMITTEE, GENERAL ZEINER GUNDERSEN

Mr. Speaker: Before proceeding to oral questions, I should like to signal the presence in the gallery of a distinguished visitor in the person of the Chairman of the Military Committee of the North Atlantic Treaty Organization, General Zeiner Gundersen.

Some hon. Members: Hear, hear!

• (1115)

ORAL QUESTION PERIOD

[*Translation*]

NATIONAL UNITY

QUEBEC REFERENDUM—INQUIRY WHETHER GOVERNMENT WILL ACTIVELY PARTICIPATE IN "NO" CAMPAIGN

Hon. Marc Lalonde (Outremont): Mr. Speaker, yesterday the Quebec government released a white paper in which it clearly stated its position. In this document, the Parti Québécois government reiterated that its option was in favour of an independent Quebec, with the possibility of some limited ties with the rest of Canada. The government also stated unequivocally that the referendum question would be based on this option of independence with limited ties with the rest of Canada. My question is for the right hon. Prime Minister.

Since this is an extremely important and significant development as far as the existence and the future of our country are concerned, can the Prime Minister tell us if he will advise his ministers and his Quebec ministers in particular to campaign actively under the leadership of the federalist group which the Quebec referendum legislation provided for and to answer "No" to Mr. Lévesque's question?

Right Hon. Joe Clark (Prime Minister): Mr. Speaker, I realize that since the Quebec government has now made its official position public, the situation is much clearer than before. We now have the government's official position. It is no longer simply a party's stance. This is incompatible with the

idea of confederation and it is unacceptable to the Canadian government. Also, the federalists in my party's Quebec wing intend to take part in the fight against the ideas expounded in this document. But I do not want to limit the activities of government members to the province of Quebec or to the organization under the leadership of Mr. Ryan.

I think the main thing for the Canadian government to do is to continue to show that there is in Ottawa a government that has already initiated major and specific changes to the federalist status quo.

QUEBEC REFERENDUM—INQUIRY WHETHER QUEBEC CONSERVATIVES WILL ACTIVELY PARTICIPATE IN MR. RYAN'S GROUP

Hon. Marc Lalonde (Outremont): If I understood the Prime Minister's reply correctly, he said that his supporters and his ministers, especially those from Quebec, will vote no in the referendum and will participate in the federalist group under the leadership of Mr. Ryan. If so, am I to infer that the statement made a few days ago by the Minister of Supply and Services, to the effect that it was too early to decide whether the Progressive Conservative Party would participate in the federalist group provided for in the Quebec legislation, is no longer valid, and that one may assume that the Quebec wing of his party will officially join the federalist group led by Mr. Ryan?

Right Hon. Joe Clark (Prime Minister): Mr. Speaker, I am somewhat tempted to ask whether all Liberal militants will rally under Mr. Ryan's umbrella. A few have indicated that they are ready to participate. I think a rather important matter of principle is involved here, and I believe the hon. member for Outremont is well aware of it.

The question is whether it would help the cause of federalism to have a federal minister from Quebec join a somewhat limited group formed by Mr. Ryan. I think that now that we are in a position to discuss party strategies here, it would probably be better for us to let the supporters join that umbrella committee and to let the federal ministers from Quebec or elsewhere show through their actions and their activities this government's determination to bring about a truly renewed federalism.

● (1120)

Mr. Lalonde: Mr. Speaker, I should like to ask a supplementary question.

The answer is getting more and more confused and incredible. The ministers of this government, especially those from Quebec, do not sit here only as members of the Progressive Conservative Party, but as members of the Canadian government and the government of all Canada, including Quebec. I find it incredible that the members of this government, especially those from Quebec, would be in a position where they would not take an active part in the activities of the federalist group headed by Mr. Ryan and would not be really taking part in—

Mr. Olivier: Roch, you don't seem to know it, but you will talk when your leader tells you to.

Mr. Lalonde: I hear the Minister of Supply and Services—

Mr. Speaker: Order, please. I think we should go on listening to the hon. member's question.

Mr. Lalonde: I would like to put my question to the Prime Minister. Can he assure us that government members, especially those from Quebec, will be actively involved under the umbrella organization that will be led by Mr. Ryan during the next campaign on the referendum or should we understand that they will continue to do what they have been doing until now, that is sit and wait hoping that others will do the job for them and assume the key role of the Canadian government?

Mr. Clark: Mr. Speaker, cabinet ministers will actively promote federalism in Quebec and in the other provinces. Our government will continue to make concrete proposals such as that on lotteries or that concerning jurisdiction over offshore resources, both opposed by the Liberal party. These proposals show that since the last election on May 22 the federal government in our country is not prisoner of the status quo, that it is determined to set out various approaches to the issue of federalism in Canada, and that it can, in co-operation with all provinces which it considers as partners and certainly not as enemies, demonstrate the possibility of a renewed federalism.

[*English*]

QUEBEC REFERENDUM—GOVERNMENT POSITION ON QUEBEC WHITE PAPER

Mr. Rod Blaker (Lachine): Mr. Speaker, my question is a supplementary addressed to the Prime Minister. I might indicate that for those of us who are resident in the province of Quebec, we find it nearly mind-boggling that the Prime Minister of Canada indicates that his answer to the threat of separation has something to do with lotteries.

I want to ask the Prime Minister, given the publication of the Quebec white paper, and given his position as Prime Minister of Canada, what sort of response can he now offer to all the people of Canada and specifically, of course, to the people of Quebec? Is he going to cause his government to issue an answering paper or document? What mechanism can he bring to bear to reach out to the hearts and souls of Quebeckers and encourage them to remain part of Canada? Is constitutional reform one of his answers? What answer does he give?

Right Hon. Joe Clark (Prime Minister): Mr. Speaker, the answer I give is that this government will continue the process we began as soon as we became the Government of Canada, to make concrete changes in the constitutional status quo of the country and, indeed, to make changes which the former gov-

ernment refused to make and, by refusing, associated the reputation of the federal system with the status quo.

• (1125)

We believe that it was very important indeed, on the question of the lotteries, to demonstrate that there was a willingness to work with the provinces where co-operation is possible and not simply to use this as another occasion for confrontation. We thought it was very important, on the question of jurisdiction over resources under the sea, to indicate that this was a government with an open mind toward a full future in a new confederation for all the provinces in Canada. We have taken those steps, not by talking about constitutional reform, but by acting on constitutional reform—and that is the path we will continue to take.

Some hon. Members: Hear, hear!

Mr. Blaker: Mr. Speaker, the Prime Minister is referring to government-to-government and administration-to-administration concepts. My question to him is based on the people-to-people concept. The Prime Minister is now asked to lead, in the face of possible dissolution of our country.

The Prime Minister talks about constitutional packages. I will put a question in that regard. The Prime Minister will be aware that the previous government provided grants to citizens or plaintiffs who wanted to check the constitutionality of minority language rights, minority education rights and religious rights. I give him, as examples, the Forest case in Manitoba and—

Mr. Speaker: Order. Would the hon. member put his supplementary question.

Mr. Blaker: Does the Prime Minister and his government have a policy now for the granting of moneys to support plaintiffs who choose to pursue their constitutional rights under the British North America Act?

Mr. Clark: Of course we do, Mr. Speaker, and it is the policy that we have already demonstrated in regard to the Manitoba case cited by the hon. member. I should make one thing clear. I think, and it may well be, that there is a difference of opinion in the Liberal party. My view is that in the minds of the people of Quebec, as they come to a decision on the referendum campaign, the time for rhetoric is over. They do not want to have missionary leaders coming before them and making vague promises: they want to see what governments are doing.

What we are doing, as the national government, is going before the people of Canada and before the people of Quebec, whose judgment and capacity to come to decisions on the basis of what the government is doing, rather than just in terms of what the government says, we trust. We are trying to demonstrate that in Ottawa, now, there is a national government prepared to open doors which the former government had closed. I trust the people of the province of Quebec to see the effect that that will have upon renewing the federal system in this country; and we intend to give leadership by action, not leadership by rhetoric.

Some hon. Members: Hear, hear!

[*Translation*]

QUEBEC REFERENDUM—INTENTIONS OF PRIME MINISTER IN PRE-REFERENDUM PERIOD

Mr. Edward Broadbent (Oshawa): Mr. Speaker, I have a question for the Prime Minister. In its white paper the PQ has stated very clearly its policy about the future of our country. My question is the following: What will be his personal contribution to the important debate on the referendum in the province of Quebec?

Right Hon. Joe Clark (Prime Minister): Mr. Speaker, I want to continue to have a federal government determined to respect the aspirations of Quebeckers and to find means that will make it easy for us to seek true agreements, and not only a government always seeking means or reasons for confrontation. It is this spirit that has prompted the federal government to take these initiatives on the questions I have mentioned today. In fact, it is this spirit that prompted my decision not to threaten with a federal referendum, because it was indeed considered as a threat by the people of the province of Quebec. I am convinced that this threat did influence some Quebeckers into considering the PQ option because it was felt that the federalist option as presented by the former government was full of threats.

QUEBEC REFERENDUM—INQUIRY WHETHER GOVERNMENT WILL PARTICIPATE IN DEBATE OUTSIDE HOUSE OF COMMONS

Mr. Edward Broadbent (Oshawa): Mr. Speaker, I have a supplementary question for the Prime Minister. As Prime Minister, and particularly as an English-speaking Canadian from outside Quebec, is it his intention to take part in that debate not only in the House of Commons in Ottawa, but also in Jonquière, in Montreal and in every region of the province of Quebec, in order to explain to Quebeckers that there are people in the other provinces who want a renewed federation and who can give Quebeckers an opportunity to be both Quebeckers and Canadians?

Right Hon. Joe Clark (Prime Minister): Mr. Speaker, just like the Leader of the New Democratic Party, I am an English-speaking Canadian who lives outside Quebec. Just like the Leader of the New Democratic Party, I try to be present in Quebec as frequently as possible, and it is my intention to continue to act the same way. I hope and I am sure that the Leader of the New Democratic Party will also be there. But I will be there as the Prime Minister of Canada, to show Quebeckers that with a Prime Minister who does not come from their province, their aspirations will be respected. I will be there as the Prime Minister of Canada to explain the way in

which the federal system will be efficient for Quebeckers. I will be there as the Prime Minister of a great country, and not as a mere participant in a debate on a very important matter for that province.

● (1130)

[*English*]

Mr. Broadbent: A final supplementary question, Mr. Speaker. Earlier this week, Premier Lougheed made it clear to the people of Canada that he wanted economic sovereignty and political association with the rest of Canada, whereas Mr. Lévesque wants the opposite: he has indicated that he wants economic association and political sovereignty. Both represent clear and distinct threats to the future of this country; I do not think there is any doubt about that.

Are we to understand from the Prime Minister that he intends, therefore, to participate fully in a referendum debate throughout the province of Quebec, and not only participate but make concrete suggestions for change to the people of the province of Quebec, in order to make it clear to them that we can create in this country a society for our two principal linguistic groups that is both decent and exciting?

Mr. Clark: Mr. Speaker, regarding the situation in Alberta, I would suggest, with all respect, that the Leader of the New Democratic Party might find it instructive to consult with Premier Allan Blakeney regarding his interpretation.

Some hon. Members: Hear, hear!

Mr. Clark: It does not appear to accord exactly with the interpretation of the Leader of the New Democratic Party in this House.

Concerning the approach that this government intends to take in the province of Quebec, we are going to continue a policy which we have begun—I think with some modest success—to demonstrate to the people of Quebec that there is a government of Canada now that holds open questions which the former government has held closed.

An hon. Member: Which ones?

Mr. Clark: A former minister asks me, "Which ones? One had to do with the co-operation on lotteries, which was an important, symbolic difference.

Some hon. Members: Oh, oh!

An hon. Member: Change the name.

Mr. Clark: The second has to do with the question of jurisdiction over resources under the sea. The third has to do with the question of the referendum and whether it will be helpful to federalists to have the menace of a national referendum waved around by the federal government. An area in which we happen to be in accord with the former government has to do with the role of Crown corporations: we think they should not be playing an active role on one side or the other, as agencies or emanations of the Government of Canada, in that debate.

I make the point clear that we have been acting through the past five or six months to take concrete action to demonstrate the determination of this government, not simply to sell federalism but to reform federalism. What the people of Quebec are looking for is not an exercise in salesmanship; they are looking for an exercise in reform. What they have with this national government is a national government committed to constitutional reform.

Some hon. Members: Hear, hear!

* * *

THE CANADIAN ECONOMY

GOVERNMENT ACTION TO STIMULATE ECONOMY

Hon. Robert K. Andras (Thunder Bay-Nipigon): Mr. Speaker, my question is directed to the Minister of Finance. On Wednesday, *The Globe and Mail* quoted the Minister of Finance as confirming that his party, which very recently claimed that a stimulative deficit, an increased deficit, was the only way to get the economy moving, now is claiming that a reduced deficit is the only answer. Will the minister explain to the House this transformation, not only in his policies but in his economic theory as well?

Hon. John C. Crosbie (Minister of Finance): Mr. Speaker, my economic theories have never changed.

Some hon. Members: Hear, hear!

An hon. Member: You never had any.

Mr. Crosbie: When I observe the huge deficit which this country has borne as the results of the previous government's actions for the last two or three years, and the heavy drag that is on the country, the way that it is forcing up interest rates and the way it is competing with the private sector, then it becomes obvious to me that a stimulative deficit for this country next year will be one that is lower and lowers financial requirements for the government. We have to reverse the suicidal course we were on when the government changed last May.

Mr. Andras: A supplementary question, Mr. Speaker. There has been no substantial gap between the economic forecasts or the deficit as known to the hon. minister before May 22 and now. Would the minister confirm to this House that it is not changed economic circumstances, but it is the change of theories that is responsible for this amazing reversal in his policies?

Mr. Crosbie: Mr. Speaker, it is a change in observing what the financial condition of the government is and what the results would have been, as shown in the statement that was issued by my learned colleague, the President of the Treasury Board, and myself last July. This showed the projections of

where we would be if the government's same policies and programs continued into the next three or four years. We would reach, I think, a national debt of $104 billion in four years' time if that kind of policy was continued.

When we looked and saw the lack of stimulus that these huge deficits had been having, and have had this year, and when we looked at the forecasts in the budget of November 16 and saw how inaccurate they were, with a 6½ per cent inflation forecast which now turns out to be 9.6 per cent, with no mention of a deficit, and encroaching on the balance of payments in the international account in excess of $7 billion which I had to reveal for the first time on July 26—I could go on and on with the monstrous revelations we have had since we came into power.

Mr. Andras: A final supplementary question. The hon. minister is indulging in great—

Mr. Speaker: Order. The hon. member for Stormont-Dundas.

GOVERNMENT'S FINANCIAL REQUIREMENTS FOR 1978-80

Mr. Ed Lumley (Stormont-Dundas): Mr. Speaker, my question is also for the Minister of Finance. He has again maintained that the reason his government has cancelled or postponed the campaign promises they made is as a result of the financial situation they found when they took office.

Will the minister now confirm to the House his forecast of July 26 to which he just referred, to the effect that not only are the government's financial requirements for 1978-79 $1.16 billion lower, but also the anticipated cash requirements for 1979-80 are $750 million lower than the forecast of his predecessor on November 16, 1978? Will the minister also confirm that the current figures are actually lower than our November 16 forecast, lower than the figures given by the President of the Treasury Board on July 20, and lower than the wildly inflated predictions on which his party, nevertheless, based their whole campaign platform?

Hon. John C. Crosbie (Minister of Finance): I will say this, Mr. Speaker, that last July 26 it appeared that the borrowing requirements of the government would be some $750 million less than had been forecast in the budget of November 16. That was last July 26. The latest, most up to date figures will be produced in our coming budget, which we hope will be this month. I hope that improvement continues. But, as hon. gentlemen know, we have had heavy additional expenditures, and the oil import compensation program caused by international energy price increases—

• (1140)

An hon. Member: Worse.

Mr. Crosbie: Not worse. It is a lot better than it would have been, Mr. Speaker, because of the strict economies practised by the President of the Treasury Board who has now put fear into the hearts of all those who would come forward with overruns—whereas before, nobody cared.

Some hon. Members: Hear, hear!

Mr. Lumley: Mr. Speaker, the minister just referred to one of the reasons why he could not implement some of these promises as being the result of the increase in international oil prices. He referred previously to the increased cost to the government of the oil import compensation payments and the consequent drag on the government's finances.

Will the minister reaffirm to this House the validity of the figures he released on July 26 which demonstrated that the increased compensation payments will be almost completely offset by increased government revenues from Canada's energy exports?

Mr. Crosbie: Mr. Speaker, in so far as the campaign promises are concerned, one of our major promises is before the House in the form of the mortgage tax credit and interest credit bill. I am hoping that hon. gentlemen opposite will join with us in assuring the promise is kept before Christmas, so that the people of Canada will have benefit of the tax reduction that the home owners of Canada were promised.

Some hon. Members: Hear, hear!

Mr. Crosbie: Other promises will be kept as the years go on. The longer we are in power, the more we will be able to keep them, because the financial situation will be improved and because our economic situation will be improved the longer we are in power.

ELECTION PROMISES OF CONSERVATIVE PARTY

Mr. John Evans (Ottawa Centre): Mr. Speaker, I have a question for the Minister of Finance. The Minister of Finance and the President of the Treasury Board, in their July press conference, indicated that the terrible fiscal outlook of the country at that time had forced them to curtail their election promises.

Is the minister saying directly to the people of Canada, right now, that he uncovered something in the fiscal forecast that it did not know about before the election, and was it that change in the fiscal forecast that caused him to deny the people of Canada all the election promises he had made?

Hon. John C. Crosbie (Minister of Finance): Mr. Speaker, I have to observe that this is a juvenile line of questioning.

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

An hon. Member: You are talking juvenile.

Mr. Crosbie: It was the people of Canada who stopped hon. gentlemen opposite from carrying out their campaign promises—

Some hon. Members: Hear, hear!

Mr. Crosbie: —and they are going to continue doing it. Our campaign promises are going to be carried out as economic and financial conditions permit: I can assure hon. gentlemen of that.

Some hon. Members: Hear, hear!

Mr. Evans: Mr. Speaker, on July 20 the two ministers to whom I just referred indicated shocked surprise that the 1982-83 financial requirements of the government were going to be $10.41 billion. Yet on February 15 of this year the President of the Treasury Board told this House, when he was in opposition, that the financial requirements would rise to $13 billion by 1981. I ask the minister, why was he paralysed into inaction by that surprise, when the forecast of what is actually happening is less than the forecast they made in February?

Mr. Crosbie: Mr. Speaker, that is one of the most convoluted questions I have heard.

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

Mr. Crosbie: Anyone who can understand that question has to be a genius—and they are obviously on the other side!

Some hon. Members: Oh, oh!

Mr. Crosbie: In July, the President of the Treasury Board and I submitted certain figures to the Canadian public that showed the financial requirements would be stupendous if the present course of the government did not change, and that is what we are engaged in changing. We are going to reduce the financial requirements to give the private sector more room so we can reduce interest rates and improve the prospects for Canada and Canadians in the coming years.

ECONOMIC FORECASTS—ELECTION CAMPAIGN PROMISES

Mr. Donald J. Johnston (Saint-Henri-Westmount): Mr. Speaker, I would like to continue this juvenile line of questioning!

Some hon. Members: Hear, hear!

Mr. Johnston: In terms of convolution, we are learning from the master. He has been complaining loudly and clearly about not being able to implement his election promises because forecasts have not been as they were supposed to have been. We are puzzled by that, and I would like the minister to confirm, for example, that in two very important areas we forecast unemployment, last November, for 1979 being in excess of 9 per cent. In fact, I believe it is something just over 7 per cent. In addition we forecast, very conservatively, job-creation at 250,000. I understand it is 325,000 for the current year. Would you confirm that to the House, Mr. Minister?

Hon. John C. Crosbie (Minister of Finance): Mr. Speaker, I will confirm to the House that this party has kept, and is keeping, its election promises. In particular, the main election promise was to put this country on a proper sound economic course, to reduce the federal deficit, to get spending under control and to run this country properly. Just another example that I gave a couple of minutes ago is the mortgage interest tax credit plan.

As to forecasts, the budget of November 16, 1978, contained no forecast of what the unemployment rate would be. Apparently that was too tricky for the minister to include in his budget and he did not forecast what the unemployment rate would be. Luckily for us and luckily for Canada, the unemployment rate is better than any of the forecasters had predicted. I am glad of that; I am delighted with it. I do not know whether it can be ascribed to anything hon. gentlemen did. If it can be ascribed to anything they did, I congratulate them for it.

Mr. Johnston: Mr. Speaker, the minister has not put forward a scintilla of evidence that there was anything he did not know about at the time he came to office. In fact, all the forecasts, for the most part, are more favourable than those originally forecast.

I would ask the minister this question: With respect to economic growth in this country, under the Liberal budget, independent observers—as I recall—estimated between 2.2 per cent and 3.4 per cent for the current year. I understand—and I wish the minister would confirm this to the House—that last Wednesday he stated the economic growth of the GNP this year for Canada would be in the order of 3.5 per cent; and all of this under a Liberal budget!

Some hon. Members: Hear, hear!

Mr. Crosbie: Mr. Speaker, it is a wonder that this country is surviving Liberal budgets. What the former minister of finance forecast, the member for St. Moritz—

Some hon. Members: Oh, oh!

Mr. Crosbie: What the member for Saint-Maurice forecast, whose bills I am bullying through the House now and trying to get the House to adopt—

An hon. Member: They are your bills.

Mr. Crosbie: —was an economic growth rate of 4 per cent to 4½ per cent. As it turns out, it is certainly going to be under 3 per cent. But in the budget, hopefully, later this month we will give our latest forecast for this year and for next year.

Mr. Trudeau: Hopefully, under 3 per cent.

Mr. Crosbie: Hopefully. It is likely to be under 3 per cent, so unfortunately the minister's economic growth rate forecast has not turned out to be accurate.

PUBLIC SERVICE

AIR RADIO OPERATORS' DISPUTE—LATEST OFFER OF GOVERNMENT NEGOTIATORS

Mr. Ray Skelly (Comox-Powell River): Mr. Speaker, would the minister explain to this House the present position of his department on bargaining with the radio operators, and explain any conditions which his negotiators have imposed as a prerequisite to bargaining? Specifically, would the minister explain and justify to this House the last offer submitted by his negotiators to the radio operations union?

Hon. Sinclair Stevens (President of the Treasury Board): Mr. Speaker, our position in the Treasury Board, with respect to this unfortunate labour dispute, is that we are willing to meet with the radio operators' negotiators at any time. We feel it should be a condition, though, that prior to such meeting they stop breaking the law and that they ask and have their designated employees return to their proper jobs.

As far as our offer is concerned, I would assure the hon. member that there is surprisingly little difference, I understand, between the union's last demand and our offer. In short, if the union is willing to reveal its bargaining position, we are willing to reveal ours.

Mr. Skelly: Mr. Speaker, I ask the President of the Treasury Board this question: Would it be fair to say that there are no air or coastguard radio services in Canada because the offer put forward by the negotiators could in no way be construed as a fair or serious offer, and that the offer was, in fact, a retreat from the previous government position?

Mr. Stevens: Mr. Speaker, if I may answer that point, the simple answer is no. I will expand on that. The previous government's mandate was to offer a 7 per cent increase in the first year and to offer a further 7 per cent increase in the second year. A conciliation report recommended that in the first year the increase be 7.79 per cent, and in the second year the increase be 7.13 per cent. That conciliation report was agreed to by the union representative on the board looking into the matter. We have indicated to the union that those terms are acceptable to us, and have suggested a further settlement for a third year if the union wishes to negotiate for the third year.

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TRANSPORT

MOVEMENT OF GRAIN THROUGH CHURCHILL—INQUIRY WHETHER GOVERNMENT WILL EXTEND SHIPPING SEASON

Mr. Charles Mayer (Portage-Marquette): Mr. Speaker, my question is to the Minister of Transport, who is also responsible for the Canadian Wheat Board. It has to do with the port of Churchill. I noticed recently that the shipping season was extended in the St. Lawrence Seaway from December 15 to December 18. I was wondering whether the minister has given any thought to increasing the length of the shipping season at Churchill, with an eye to increasing the utilization of the port and improving the over-all movement of grain out of the prairies.

● (1150)

Hon. Don Mazankowski (Minister of Transport): As the hon. member knows, this government is committed to expanding utilization of the port of Churchill. This is something I am personally endeavouring to undertake. With this in mind, we have been exploring a number of initiatives aimed at increasing the utilization of the port and extending the length of the shipping season.

I am pleased to announce to the House that arrangements were completed, on October 30, I believe, to move a cargo of some 24,000 tons of barley from Churchill to Poland. The *mv Arctic* will be contracted to do this job and will be arriving at Churchill about November 10. This is certainly a major breakthrough for the future development and utilization of the port.

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[*Translation*]

UNEMPLOYMENT INSURANCE

NEW BRUNSWICK—INQUIRY WHETHER MINISTER WILL CONDUCT INVESTIGATION INTO SUSPENSION OF CERTAIN BENEFITS

Mr. Eymard Corbin (Madawaska-Victoria): Mr. Speaker, my question is for the Minister of Employment and Immigration. In view of the very tense social climate surrounding demonstrations by hundreds of seasonal workers who have been besieging Canada Manpower centres in northwestern New Brunswick for the past ten days, could the minister tell the House when he intends to study the legitimate demands of these workers so that they be not unjustly and arbitrarily deprived of a minimum amount of unemployment insurance benefits to which they thought they were entitled through hard work last spring or last summer for the Irving or McCain companies and for tomato and tobacco producers in southern Ontario?

[*English*]

Hon. Ron Atkey (Minister of Employment and Immigration): We are directing attention to the situation in Edmundston—the application of new amendments to the Unemploymemt Insurance Act to people in that region, and the allegations of unfairness which have arisen. It is a very difficult situation, and I would point out to the hon. member that this matter relates to amendments put forward very vigorously by his party, which was the government in the last Parliament. They were put forward very vigorously and were passed into law.

We are now seeing, of course, the result of those amendments and in their administration we do see some examples of unfairness. To the extent that they relate to regional consider-

ations and difficulties involving boundaries, I will be looking at the situation to see if I can provide some relief.

[*Translation*]

Mr. Corbin: Mr. Speaker, before putting my supplementary, I would like to remind the minister that the regulations were proclaimed by the government opposite. The minister does not seem to be at all aware of the urgency of the situation from the social point of view, a situation which I brought to his personal attention and that of his officials. Is he at last seriously going to turn his attention to these incidents and send an official or a team of civil servants to that area to report back to him as soon as possible before violence breaks out?

[*English*]

Mr. Atkey: In answer to that, Mr. Speaker, I should say that the long-term solution to this particular problem is to find long-term employment for the people who are seeking unemployment insurance. That is what will happen under this government.

* * *

[*Translation*]

FEDERAL-PROVINCIAL RELATIONS

INQUIRY WHETHER AGREEMENTS REACHED WITH PROVINCES WILL APPROVE SOVEREIGNTY-ASSOCIATION

Mr. Yvon Pinard (Drummond): My question is to the Minister of State for Federal-Provincial Relations. When being interviewed this week, he advocated a so-called new approach to federalism and the constitution and talked about bilateral agreements with terms varying from one province to the other. We know very well that similar agreements were made by the previous government not so long ago with the provinces, particularly respecting immigration. Can the minister say today what is different in the type of bilateral agreements he has in mind, and whether such agreements can go far as sanctioning sovereignty-association, for example?

Hon. Bill Jarvis (Minister of State for Federal-Provincial Relations): Mr. Speaker, I think there are two types of bilateral arrangements. First, as in the case of offshore resources, a bilateral arrangement is a starting point for constitutional negotiations. Second, there are other things like the duplication of services, the overlapping of jurisdictions. In this area, I am not sure whether arrangements have been made with one, two or three provinces where this is more important to an area, for example. About the duplication of services, we have resumed the bilateral negotiations which began under the former government. There is now more motivation for this group in my office.

[Mr. Atkey.]

[*English*]

NATIONAL UNITY

SUPREME COURT DECISION—EFFECT ON CANADIANS' CIVIL LIBERTY TO PARTICIPATE IN POLITICAL AFFAIRS

Mr. Paul Dick (Lanark-Renfrew-Carleton): Mr. Speaker, I should like to ask a question of the Prime Minister or the minister in charge of federal-provincial relations. In view of the Supreme Court decision in *McKay v. The Borough of Etobicoke,* argued by a former colleague, Andrew Brewin, in which it was decided that all Canadians had a civil liberty of political action in the federal field, and thus that no municipal or provincial legislative authority could derogate from the entrenched and inalienable right of Canadian citizens to participate in political affairs touching our federal government; and in view of the Quebec white paper and prior legislation forcing people to work in groups either for or against, is it the opinion of the federal government that such action is ultra vires of the Quebec legislature and that all federal people, or people interested in keeping this country together, could in fact work independently, because this touches the very essence of the federal nature of Canada being the retention of the state of Canada?

Hon. Bill Jarvis (Minister of State for Federal-Provincial Relations): I apologize to my hon. friend; I am not familiar with the details of that judgment, but I will undertake to make myself familiar with it at the earliest date and report to him on Monday.

What the hon. member is asking me to conclude is the opinion of the Department of Justice with respect to what might flow from that decision. I regret I cannot comment on that aspect, but I will respond to the hon. member on Monday at the latest.

* * *

THE CANADIAN ECONOMY

INCREASE IN PRICE OF GASOLINE—DETRIMENTAL EFFECT ON ATLANTIC CANADA

Mr. Fonse Faour (Humber-Port au Port-St. Barbe): Mr. Speaker, my question is directed to the Prime Minister. Yesterday, the Minister of Finance stated in a speech to the Empire Club in Toronto that Canadians can handle a 30-cent increase in the price of gasoline.

Bearing in mind that no agreement has yet been reached with the provinces, I should like to ask the right hon. gentleman whether this is now government policy and, if so, whether the Prime Minister realizes the serious problem it presents to people in Atlantic Canada who, along with people in the north, currently pay the highest price in Canada for gasoline?

Right Hon. Joe Clark (Prime Minister): The minister in his remarks yesterday made it clear that it is not government policy. In answer to the second part of the question, I may say we are certainly aware that any increase in fuel prices will

have a particularly serious impact on some regions of the country and on people with lower incomes. We shall certainly want to take account of that unfortunate consequence either in the energy package or in the budget.

Mr. Faour: If it is not government policy, why is the minister making these statements? The minister also said yesterday—I am paraphrasing him—that he had not heard anyone complain about a proposed price increase. Perhaps he is deaf.

I should like to ask him whether he has talked to people in the Atlantic region, particularly to people in his own riding. If he has, or if he has not, I am sure he has heard these things. Why is he misleading the people of Canada by making statements like this?

• (1200)

Hon. John C. Crosbie (Minister of Finance): Mr. Speaker, I regret that the hon. gentleman was not at the Empire Club yesterday to listen to my address.

An hon. Member: You should have been in the House.

Mr. Fleming: Parliament, or the Empire Club, which comes first?

Mr. Crosbie: It was a 40-minute address enthusiastically applauded by the 1,200 who were there.

Mr. Dawson: They must have been laughing.

Mr. Crosbie: It dealt with the serious economic problems this government is going to overcome. One of the matters dealt with was the effect of the energy situation and the possible effect of that on balance of payments deficits in the 1980s, which is a reason this problem has to be overcome. The people of Atlantic Canada and people in my district know this problem has to be overcome, and they are prepared to do their share. They trust this government which is trying to do something long term and fundamental for the people of Canada.

An hon. Member: What an empty answer.

* * *

NATIONAL UNITY

QUEBEC REFERENDUM DEBATE—EFFECT OF PARTICIPATION BY FEDERAL GOVERNMENT

Right Hon. P. E. Trudeau (Leader of the Opposition): Mr. Speaker, the Prime Minister told this House during the throne speech debate that being a member of Parliament from Alberta would not prevent his being the Prime Minister of all Canadians. He is reported to have said, after his meeting with Mr. Ryan last week, that, not being a citizen of Quebec—I wonder where he got that expression—he would not participate actively in the referendum debate. He is reported this morning as having said at a press conference that not only would he not participate but, and I quote:

> There is a very real danger that the participation of the federal government could be seen as an interference that would be counter-productive to the federal cause.

We have all these assurances that neither the Prime Minister nor the government as such will participate in the debate, I believe a position which was confirmed by the Prime Minister's answers this morning regarding himself personally; but in so far as the government is concerned, he did say that he would stand firmly against the status quo.

Can the Prime Minister say as clearly that he is against sovereignty-association and that his ministers will be for a "No" to the sovereignty-associationists' "Yes"?

Right Hon. Joe Clark (Prime Minister): Of course, Mr. Speaker, I can repeat that assurance. I perhaps should suggest to the right hon. member, whose influence in the province of Quebec I respect, that I hope that fairly soon he will begin to turn his attention to dealing directly with the threat that is posed in the sovereignty-association document which has now been published by the government of Quebec, and will stop trying to create doubts in the minds of Quebeckers or other Canadians as to the intentions of this government.

The right hon. member and I may differ as to the strategy involved. He followed a course which had a very active interventionist role in defending the type of federalism which he had developed over time. My view is that the very vigour of that defence in many ways caused people who might have become supporters of federalism to be driven away from a status quo which they saw as rigid. So we have removed some of the policies which were followed by the right hon. gentleman when he was Prime Minister because we believe that they were counterproductive to serving the interests of federalism.

We are not going to have an information group in the FPRO which is seen as a propaganda agency. We are not going to threaten Quebeckers with a federal referendum in the spirit of menace. We are not going to have, as I believe the right hon. gentleman did not want to have, Crown corporations making contributions which could be construed as an undue interference in the political affairs of Quebec in a way which would have given the separatists an extra weapon.

We want to take initiatives against sovereignty-association, not simply by declaration but by concrete actions of the kind we have taken, and also by removing irritants which can serve the cause of separation if those irritants persist.

Some hon. Members: Hear, hear!

Mr. Trudeau: Mr. Speaker, I understand the message of the Prime Minister. It was given several times this morning. I think we would have preferred a clear answer to the question. Nobody in this House heard the Prime Minister say that his ministers would campaign for a "No" in this referendum—and that was my question.

The Prime Minister assures us that there are many things he will not do. He gave some examples. He has given two

examples of things he would do regarding lotteries and the offshore, on which there had already been signed agreements between the federal government and the provinces. Could he tell the House whether he will present to the people of Quebec and Canada his formula for a new federalism? He wants to get out of the status quo. Will he hold a federal-provincial conference on the constitution very soon, so that the people of Canada can know what this new federalism of the Prime Minister is?

Some hon. Members: Hear, hear!

Mr. Clark: Mr. Speaker, I have no intention of convening a federal-provincial conference on constitutional matters quickly, and I should suggest to the right hon. gentleman that most of the people of Canada are much more capable of understanding our approach to federalism than he is. That is probably because he is so blinded—and I hope this is an affliction he can overcome—by what he has done that he will not see the limitations in what he has done and the possibility that the stance he and his government took as the Government of Canada became an instrument capable of exploitation by the Parti Québécois as a means of encouraging Quebeckers to move toward separation.

Mr. Trudeau: Count your members from Quebec.

Mr. Clark: I understand how difficult it is for the right hon. gentleman to admit that there was some error in what he did in the past. I am quite pleased to admit, as I have done on several occasions, that several of the actions of his government contributed substantially to making French Canadians and Quebeckers feel more at home in the nation, but as his government grew older it became perceived as a government which was more rigid, and one of the major things we have to do is make it clear that that rigidity no longer prevails. That is what we intend to do as a national government.

Mr. Breau: The Liberals got 62 per cent of the vote.

* * *

PRIVILEGE

MR. PENNER—FAILURE OF MINISTER TO PRODUCE DOCUMENTS

Mr. Keith Penner (Cochrane): Mr. Speaker, I rise on a question of privilege which arises from a question I asked yesterday during question period of the Minister of Indian Affairs and Northern Development. I asked the minister why he had not released to me a number of documents which I had requested of his department last Friday. These were documents pertaining to an incident which occurred at a drill site in the Beaufort Sea on October 23.

Nowhere in his reply did the minister give any reason why he would not release the documents in question. I realize that his failure to do so, however inconsistent that may be with the spirit of the freedom of information bill which the government has introduced, does not in itself constitute a question of privilege. On the contrary, I suspect that the minister himself has not been able to obtain from his officials all the documents related to the incident, just as I suspect that the minister himself was not informed and did not approve of the order given by one of his officials to continue drilling in poor weather conditions.

What the minister did, however, was to implicate himself in an effort by senior officials here in Ottawa to conceal relevant data and issue instead an interpretative statement in place of the documents which I requested. In doing so, I contend that the minister breached the privileges of members of this House, myself in particular, by promising one thing and delivering quite another.

Mr. Speaker, you may recall that I asked the minister why he had not released documents which would show whether or not the regional conservational engineer in Yellowknife had personally visited the drill site and had confirmed the decision of the well site inspector to shut down operations due to weather conditions and would show whether or not Dome-Canmar officials had threatened to go over the heads of well site and regional inspectors, which the minister now admits was done by a telephone call to Ottawa.

In reply to my question asking why the minister had not released the documents in question, the minister said, and I quote:

—I spoke to a colleague of the hon. member—

He was referring to the hon. member for Notre-Dame-de-Grâce (Mr. Allmand).

—and I am willing to make the information available.

There could be no doubt on the part of anyone on this side of the House; we all believed that what the minister was going to provide were the documents which were the whole subject of my question. The minister did not say to the House that he would not provide the documents because they contained advice to him and are therefore classified confidential. Nor could he have raised such an objection because the documents requested are not, or certainly should not be, confidential. They are documents which might have been requested by any Canadian citizen with the slightest familiarity with drilling, surveillance and reporting procedures. They are documents described in a report of 1978 drilling operations in the Beaufort Sea, and they are mentioned expressly for the purpose of assuring members of Parliament and the Canadian public that an incident of the kind in question would be documented and that documents pertaining to such an incident would be produced to remove any doubt as to the propriety of the actions of officials in this matter.

● (1210)

In reply to my question the minister did not say he would not provide the documents because they are confidential. Nor did he say he would not provide the documents I asked for but that he would provide further information. Instead, he offered yet another explanation of the incident that was under ques-

tion, and he concluded his answer to my request for documents by saying:

In terms of information, I spoke to a colleague of the hon. member and I am willing to make the information available.

What information? The information for which I asked was documents; but the information which I got was a four-page statement by the minister, once more interpreting events.

I understand, as everyone now must understand, that the minister never intended to supply the documents which I had requested. When the minister said "in terms of information," he meant to qualify what otherwise would be an unequivocal promise to supply the documents which were the subject of my question.

So with that background, I wish now to move, seconded by the hon. member for Châteauguay (Mr. Watson):

That the Minister of Indian Affairs and Northern Development be summoned before the Standing Committee on Privileges and Elections to explain his failure to provide specific information which had been requested after having indicated he would do so.

Hon. Jake Epp (Minister of Indian Affairs and Northern Development): Mr. Speaker, in reply to the alleged question of privilege which the hon. member has raised, I intend to describe to the House some of the aspects of this incident.

First of all, the hon. member persists in using a term regarding the incident which is simply not correct, and I mentioned in my answer to him yesterday that that term is not correct. Today again he used the word "drilling". The Dome-Canmar operation at the Nerlerk M-98 site was not in a drilling situation; they were not drilling into the hydrocarbon zone. What they were doing is production testing, which is quite different from the allegations that the hon. member insists on making. I suggest to the hon. member that he get his facts straight. They were not drilling. He knows it but he persists in using the term.

Further, it should be pointed out that I had made information available to the hon. member, to the hon. member for Notre-Dame-de-Grâce (Mr. Allmand), the former minister of Indian affairs and northern development, and the hon. member for Nunatsiaq (Mr. Ittinuar).

The hon. member is asking now for specific documents relating to information pertaining to the decision. I made the information available, as I said I would. I said I would make information available regarding the incident which has been the subject of debate or questioning in the House previously.

In the spring of 1979, the former government approved the Dome-Canmar drilling program for the 1979 season. That approval provided that all deep well drilling terminate by midnight, September 25, 1979, with provision, on authority of the Minister of Indian Affairs and Northern Development or his designated official, to extend drilling and other operations in a well a further 20 days, that is until October 15; and that production testing in a cased well, where conditions at a drill site of weather, sea and ice state permit, be allowed until formation of grey-white ice at Nerlerk M-98.

Deep well drilling and other operations at the Nerlerk well, among others, was extended for a ten-day period upon the September 25 termination date by myself based on the current and forecast weather, ice and sea state which was favourable at that time. That extension was effective until last October 5.

The chief conservation officer met in Ottawa on October 3, 1979 with his geological, geophysical and engineering experts, and then with senior officials of interested departments, namely the Department of the Environment, the Department of Energy, Mines and Resources and the Department of Transport, on October 4, to review Dome-Canmar's request to continue operation after October 5, 1979 at Nerlerk M-98, among other wells.

The consensus reached as a result of those consultations was that the "designated official" of the Department of Indian Affairs and Northern Development should assent to Dome-Canmar's request to—

—conduct in the case hole, testing, suspending or abandoning operations after October 5, 1979, and to continue, if required, any conditions made practicable, after October 15, 1979.

This consensus was reached in consideration of the following—

Mr. Speaker: Order, please. I think the House can readily see that, on the basis of a question of privilege, we are now getting into a rather extensive discussion of the substance of the matter. If a question of privilege exists in the proposal of the hon. member for Cochrane (Mr. Penner), it must surely exist upon one premise only, and that is whether the Minister of Indian Affairs and Northern Development (Mr. Epp), in his answer to the hon. member for Cochrane yesterday, said that he would produce some documents. The minister is now indicating what the history of the matter is, what the information is. This, I am sure, is interesting to the House but we have gone beyond anything close to a question of privilege.

The only question to which I have to direct my attention is the basis for the question of privilege of the hon. member for Cochrane, which is that the minister yesterday said he would produce documents and then did not. That is the area upon which I wish to hear the minister. The minister said yesterday:

I spoke to a colleague of the hon. member and I am willing to make the information available.

I have to know whether, by that statement, the minister said he was going to table documents or to make information available, whether he stands by that undertaking. If he has fulfilled it, then the question of privilege, it seems to me, would be terminated.

Mr. Epp: Mr. Speaker, I spoke to the hon. member's colleague before the question period yesterday. I am referring to the hon. member for Notre-Dame-de-Grace. The information which I had in hand was the information from which I was reading and the information which I made available to the hon. member for Cochrane, to the hon. member for Notre-Dame-de-Grace and to the hon. member for Nunatsiaq. Further, what I undertake to do, if there are documents relative to what the hon. member for Cochrane is referring, is to check

and see if the documents are in existence, and if so then I can make those available as well.

Mr. Speaker: Order, please. That being the case, I think the House will realize that for the moment the only basis upon which I could found a question of privilege—and the only basis upon which I have been asked to found any question of privilege—is that the minister made a specific undertaking to produce documents and did not do so. The minister says today that his undertaking was only to make information available. His language is that he will undertake to make information available. In fact, he says that not only did he make that undertaking yesterday but that he provided the information. Further, he says that if it includes documents and if they can be produced, he will endeavour to do so.

If there is a matter to be taken up further in respect of the minister's undertaking to produce documents, the matter can be raised again; but until such time as the matter is explored, it should be set aside on procedural grounds today.

● (1220)

[*Translation*]

MR. JOYAL—INQUIRY WHY REPORT TABLED IN HOUSE NOT AVAILABLE IN BOTH OFFICIAL LANGUAGES

Mr. Serge Joyal (Hochelaga-Maisonneuve): Mr. Speaker, I rise on a question of privilege following the tabling in the House yesterday afternoon by yourself of an interim report by the Auditor General of Canada on the management of the administrative and financial services of the House. Unfortunately, Mr. Speaker, that report was tabled only in English, contrary to section 3 of the Canadian Official Languages Act which states clearly, and I quote:

3. Subject to this Act, all instruments in writing directed to or intended for the notice of the public, purporting to be made or issued by or under the authority of the Parliament or Government of Canada or any judicial, quasi-judicial or administrative body or Crown corporation established by or pursuant to an Act of the Parliament of Canada, shall be promulgated in both official languages.

I am all the more surprised, Mr. Speaker, that you tabled that report only in English, because for at least five consecutive years the Commissioner of Official Languages has pointed out the difficulty or faults in certain services of Parliament, the Senate or institutions as a whole to which members have access. I believe, Mr. Speaker, that in the context of a renewed federalism, the Prime Minister (Mr. Clark) said earlier today in answer to questions in the House—

[*English*]

—he wants leadership by action and not by words.

[*Translation*]

He went on to say:

[*English*]

"I want to remove irritants".

[*Translation*]

Those are irritants, Mr. Speaker. When members of this House receive a document in only one of the two official languages, they have every reason to complain that after the Official Languages Act has been in effect for 11 years, there is still some way to go. It is not only a matter of making speeches, but of taking action, and I deplore that the President of the Privy Council who spoke following the tabling of that report did not refuse to have it tabled. He sits on the government side and it is his strict responsibility to make sure the spirit and the letter of the Official Languages Act are obeyed with respect to documents tabled in this House.

Consequently, Mr. Speaker, I should like to ask you that in the future reports, documents and letters be tabled in the House in both languages and that an order be made for the parliamentary committees to follow exactly the same procedure.

Last week, in the Standing Committee on Miscellaneous Estimates, the Comptroller General of Canada, Mr. Rogers, who was appearing as witness, tabled a brief in English only. Why should it be that documents are always tabled in English and not the other way around? I would have risen also had that report been tabled in French only. I feel that when all parties in the House support the one policy and the same objectives, it is the duty of the Chair to see that they are respected.

Mr. Speaker: The hon. member must understand, I am sure, that yesterday the document was not tabled under Standing Order 41. It was merely a matter of tabling, on a voluntary basis, the correspondence exchanged between the Speaker of the House and the Auditor General, three or four pages in all. That correspondence was exchanged in English. When I write a letter, at times I write in English, at others in French. I am sure the case is the same for most hon. members, and I do not always ask for my correspondence to be translated. I am sure the Auditor General does the same. He sometimes writes in English, sometimes in French, but not always in both languages.

I received a message Tuesday or Wednesday morning, and decided to table it immediately in the House.

If the hon. member means to say that I always have the obligation to translate all the communications I get as Speaker of the House before tabling them, I want him to know that this is an obligation which I do not accept. As to documents and reports tabled in the House pursuant to our Standing Orders, there is an obligation to table them in both official languages. But this is not what I did yesterday. I merely advised the House of a communication I had received. Contrary to what the hon. member indicated, this was not a report.

Yesterday I did not table any document under Standing Order 41(2). I repeat again that the Auditor General is an officer of Parliament, and so is Mr. Yalden, the Commissioner of Official Languages. We are now carrying out a study on the whole procedure of the House and all the administrative practices, and I have invited the Commissioner of Official

Languages to take part in this study to make sure that the behaviour at every level of our administration is beyond reproach as far as both our official languages are concerned; this, however, does not change anything to the communications I get. I am under no obligation to assume responsibility for the translation of the communications I get from the Auditor General. If the Auditor General wishes to write his communications in both French and English, that is his choice, but I am almost sure that all hon. members here write their communications either in French or in English, but almost never in both languages at the same time. The Chair recognizes the hon. President of the Privy Council.

Mr. Baker (Nepean-Carleton): Mr. Speaker, I must say to hon. members that it is of utmost importance that Parliament comply with the Standing Orders of the House of Commons. Official documents of the Parliament of Canada are tabled in both official languages. I mention this merely for the hon. member's information, for this is the Standing Orders of the House.

* * *

[*English*]

BUSINESS OF THE HOUSE

Mr. Baker (Nepean-Carleton): Mr. Speaker, I want to say that yesterday following normal matters I did not designate Tuesday, November 6 as an allotted day in accordance with the schedule which we had agreed upon informally. I noticed in *The Globe and Mail* that November 6 was the "day of crunch", and I did not want to disappoint the official opposition with respect to the allotted day. Therefore, I want to designate Tuesday, November 6, 1979, as an allotted day. I expect we will be receiving a motion on that day, and I assume that the normal procedures with respect to consultation as to the motion, and as to whether or not there will be a vote, will be followed.

* * *

[*Translation*]

POINT OF ORDER

MR. CAOUETTE—REFUSAL TO RECOGNIZE HON. MEMBER FOR BEAUCE

Mr. Armand Caouette (Abitibi): I rise on a point of order, Mr. Speaker.

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

Mr. Caouette: Mr. Speaker, my point of order refers to what took place this morning when you refused to recognize the hon. member for Beauce on such a fundamental and important question as the tabling of the white paper by the Parti Québécois, by the government of Quebec.

Given those events, Mr. Speaker, I am sorry to have, on my behalf and on behalf of the people of the constituency of Abitibi I represent, to cast a judgment on your performance in your office, which is supposed to be an impartial office in the House of Commons. That is why—

Mr. Speaker: Order, please. I am not prepared to accept such an intervention by the hon. member for Abitibi or by any other member, and it is the last time I agree to a discussion concerning the rights or privileges of the members of his party, the Social Credit Party of Canada which I have recognized as such. I still recognize the existence of the Social Credit Party of Canada and I accept that the hon. member for Beauce (Mr. Roy) be its leader. That party has five members and I have recognized it as a political party.

Yesterday I gave the floor to the hon. member for Beauce after the hon. member for Oshawa (Mr. Broadbent). Several times before when I was in the Chair I tried to give the floor, at a later time, to other members of the Social Credit Party of Canada during the oral questions period on the basis of their number of elected members in this House. I will continue to make a fair attribution, no more, no less.

Yesterday I recognized a member of his party, the hon. member for Beauce. Wednesday, another Social Credit member had the floor in the oral question period, the hon. member for Rimouski (Mr. Allard). So two members have been recognized on two consecutive days, and I suggest that the five members of the Social Credit Party of Canada are not entitled to have the floor again for a third day in a row. However, I repeat that I maintain carefully the right of every hon. member to participate in the question period, on a fair basis, no more, no less.

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PRIVILEGE

MR. JOYAL—INQUIRY WHY REPORT TABLED IN HOUSE NOT AVAILABLE IN BOTH OFFICIAL LANGUAGES

Mr. Hal Herbert (Vaudreuil): Mr. Speaker, I listened carefully to the remarks of the President of Privy Council and I think he is badly misinformed. As an example I recall the document that was tabled in English only by the Minister of Finance in the Standing Committee on Finance, Trade and Economic Affairs, as well as the Department of Agriculture press release D-50 dated October 19 that was tabled in English only and not in French, as he told us in his own terms about four minutes ago.

● (1230)

[*English*]

Hon. John C. Crosbie (Minister of Finance): Mr. Speaker, I would just like to make a correction. In the House of Commons Standing Committee on Finance, Trade and Economic

Affairs on Tuesday, I was asked by the finance critic of the opposition to present some facts and figures in connection with the interest rate increases. I explained to the committee that I had some notes from my department on that subject and that if they liked I would present them to the committee. I did not have them then and there in French also, but if they wanted to accept them then in English, we would supply a French translation later. It was on that basis that the committee said yes, they would accept them then.

I had another document later which we kept and which I tabled today in English and French. There has been no violation of either the spirit or the letter or anything to do with both official languages in the finance committee. I was pressed for something which was only a memorandum to me for my own use. Unfortunately, I am unilingual, but I was willing to make it available right then if hon. members of the committee did not object to the fact that I could not give them a French translation until later. I do not think it needs to be cited in this House as any breach of understanding.

ROUTINE PROCEEDINGS

[*Translation*]

FINANCE, TRADE AND ECONOMIC AFFAIRS

SECOND REPORT OF STANDING COMMITTEE

Second report of Standing Committee on Finance, Trade and Economic Affairs—Mr. Clarke (Vancouver Quadra).

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

* * *

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. David Kilgour (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, the following questions will be answered today: Nos. 67, 191, 192 and 205.

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

[*Text*]

THE ROYAL CANADIAN MINT

Question No. 67—**Mr. Orlikow:**

1. Who (a) is the president (b) are the vice-presidents of the Royal Canadian Mint?

2. What is the annual salary in each case?

Hon. Roch La Salle (Minister of Supply and Services):

[Mr. Crosbie.]

1. (a) Yvon Gariépy, president, chief executive officer (master)

   (b) G. A. Lahaie, vice-president, administration and finance

   Robert Huot, vice-president, marketing

   D. M. Cudahy, vice-president, manufacturing

2. (a) Salary range: SX3: $42,700—$58,500

   (b) Salary range for each: $35,000—$55,000

DEPARTMENT OF PUBLIC WORKS

Question No. 191—**Mr. Herbert:**

How many (a) permanent (b) term employees were on the Department of Public Works' payroll on March 31, 1979?

Hon. Erik Nielsen (Minister of Public Works): As of March 31, 1979, Public Works Canada had on their payroll: (a) 8,411 permanent employees (b) 605 term employees.

DEPARTMENT OF LABOUR

Question No. 192—**Mr. Herbert:**

How many (a) permanent (b) term employees were on the Department of Labour's payroll on March 31, 1979?

Hon. Lincoln M. Alexander (Minister of Labour): (a) 661; (b) 74.

● (0000)

DEPARTMENT OF SUPPLY AND SERVICES

Question No. 205—**Mr. Herbert:**

How many (a) permanent (b) term employees were on the Department of Supply and Services' payroll on March 31, 1979?

Hon. Roch La Salle (Minister of Supply and Services): (a) 9,730 permanent employees; (b) 1,108 term employees.

[*English*]

Mr. Speaker: The questions enumerated by the hon. parliamentary secretary have been answered. Shall the remaining questions be allowed to stand?

Some hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

INCOME TAX ACT

MEASURE TO AMEND

The House resumed from Thursday, November 1, consideration in committee of Bill C-17, to amend the statute law relating to income tax and to amend the Canada Pension Plan (Mr. Crosbie)—Mr. Scott (Victoria-Haliburton) in the chair.

The Assistant Deputy Chairman: When the committee rose on Thursday, November 1, 1979, clause 66 of the bill was under consideration.

On clause 66—

Mr. Rae: Mr. Chairman, there were a number of questions I had asked of the parliamentary secretary and the Minister of Finance yesterday. Before I invite them to reply I would like to clear up one figure I gave yesterday concerning the five majors. My calculations for the third quarter of 1979 indicate that the effective rate of taxation for all chartered banks was 10.4 per cent, and my calculations show that the rate of taxation for the five major chartered banks for that period was approximately 13 per cent.

I should just like to sum up in order to remind the parliamentary secretary of what I was trying to ask him yesterday. First of all, could he explain the way in which these income debentures work and the implications to revenue of the change to close the loophole or revise the tax treatment in respect of income debentures? Could he also explain why it is that, once the loophole was closed last November, the effective rate of taxation went down to the extent it has from, as the parliamentary secretary and I agreed yesterday, about 50 per cent in 1974 to 13 per cent or thereabouts this quarter? I think we are entitled to an explanation as to how long the government thinks this situation will continue before the effective rate of taxation goes back up to 50 per cent.

I see the Minister of Finance present in the committee. I wonder if he could tell us whether he is considering any supplementary measures to bring that effective rate of tax up to 50 per cent if the present effective tax rate continues for a long period of time?

With those four questions I will leave it for the parliamentary secretary to answer. I think the facts at the moment speak very loudly of the need for an explanation of how this financing mechanism is working and how it resulted in such a low effective rate of taxation. Once the loophole was closed in November, 1978, how is it that the effective rate of taxation for banks still remains as low as it is? How long does the minister think this will continue and, if it is going to continue, is it the intention of the government to bring in supplementary measures to raise the level of taxation on banks up to the previous 46 per cent or 50 per cent level?

• (1240)

Mr. Crosbie: Mr. Chairman, before the parliamentary secretary gives an answer to the question, I would like to say a few words. I want to thank my parliamentary secretary for the great job he has performed while I have been away. Yesterday I was away, and when I arrived back at the Centre Block at 4.45, I switched on the television to the House of Commons debates. All of a sudden an apparition rushed into the chamber in the form of the hon. member for Thunder Bay-Atikokan, who came into the chamber saying that shocking events had occurred, that I was not in the House, that the House of Commons finance committee was downstairs meeting on supplementary estimates and neither I nor my parliamentary secretary were present. He gave the impression that every convention was being violated from *haebeas corpus* right on up.

I would like to explain to the House that the finance committee had been informed that I could not appear on Thursday afternoon as I had a commitment, entered into several months ago, to speak to the Empire Club in Toronto, that I would be back later Thursday afternoon and that my parliamentary secretary would be tied up in the House in Committee of the Whole on this tax legislation. Since neither of us could appear, we assumed that some other minister would be called to deal with his supplementary estimates.

We were advised at 12 noon on Thursday that the committee wanted to go ahead with the supplementary estimates of the Department of Finance. We therefore arranged to have officials from my department go to committee to answer questions on supplementary estimates, and, in any event, all that can be asked on supplementary estimates are questions on those very estimates. It was at the request of the committee that they went ahead on supplementary estimates.

The position I am in relates to the legislation before this House. The Borrowing Authority Act has been here, and we are now on the Income Tax Act amendments. Next is the Customs Act amendments, then the Excise Tax Act amendments, all of which are from the last budget. There is also the municipal grants legislation, the Bretton-Woods amendments, the Bank Act and the legislation on tax equalization from the last Parliament to be dealt with. There is our own new legislation on the mortgage tax credit. I am hoping to have a budget ready before the end of November to bring before the House, following which, of course, we will have the resultant legislation.

The legislative program for the House for the next two or three weeks is almost all of a financial nature and dealing with my department. There is no physical way that I can be in the House, the committee, attend cabinet meetings or cabinet committee meetings and prepare for the upcoming budget; obviously, I cannot be everywhere at once, and, as I understand it, that is the purpose of the parliamentary secretaries.

Mr. Rae: You should be cloned.

Mr. Crosbie: I happen to have a first-class parliamentary assistant, and his job is to assist the minister in the House, which I am certainly intending to ask of him. I would ask hon. members to play the game, as we did in the past. We never insisted that the Minister of Finance had to be before the House all the time. My predecessor would introduce a bill and that would be the last time we would see him, usually until the matter was concluded, because his parliamentary assistant would carry on. I ask hon. members to understand that for the next three or four weeks there is simply no way that I can be here all the time, and my parliamentary assistant will be representing me.

For example, this afternoon I have a meeting to attend on my upcoming budget, otherwise there will be no budget. I

cannot make it here this afternoon, so my parliamentary secretary will be here. That is my response to the hon. member for Thunder Bay-Atikokan, who I thought was not playing the game when he carried on as he did here yesterday. I would certainly challenge the hon. member's inference that I am a lazy no-good who does not want to pay any attention to this House. I do not accept that, nor do I think that it is the way to play the game.

Mr. Johnston: Mr. Chairman, I have found the replies of the parliamentary secretary to have been most helpful and most sensible, as contrasted with the replies we receive from the minister himself during question period.

Mr. Crosbie: There is advantage for us all.

Mr. Johnston: I am delighted that we will be having further participation from the parliamentary secretary during the course of this debate on these various financial bills.

I would like to raise a question which really follows on a question raised by the hon. member for Dollard yesterday with regard to the so-called loophole. I think it is important, not in defence of the loophole but simply important, that the Canadian people understand exactly what the consequences of this legislation will be in terms of the lending practices of banks and the impact this will have upon certain borrowers. The hon. member for Broadview-Greenwood has made reference to the rate that banks pay on numerous occasions. The banks have taken advantage of this provision because it permits them to receive either interest on income debentures or dividends on preferred shares, and both are treated as dividends for tax purposes which are tax exempt or are deductible in the banks' hands. Therefore, the borrower is permitted in effect to obtain funds at a rate from banks much less than would be the case were the banks to receive taxable interest in the funds, which are in substance advanced to those various borrowers.

One can borrow with this kind of financing, and one can perhaps criticize this kind of financing, but I think it important for the people that they understand that with the elimination of this financing these same borrowers will be placed in a position of having to pay the normal bank rate instead of a rate of approximately 50 per cent, which they are now paying and which they are able to do out of their cash flows because they do not require the deductions for tax purposes. This presumably protects their cash flows from taxes through depreciation or some other division.

I raise the point because I would like some indication from the parliamentary secretary or the minister that that indeed is the case. I make this point largely from memory, but it seems to me that that is the thrust of the loophole and that in substance it is not really what it is often portrayed to be, and that is that there is some kind of major rip-off here, that the banks are effectively receiving a much lower return, but that they are prepared to accept it because they are receiving it in subtance on a tax free basis. I think that this question should be explained fully by the government in the course of the passage of this bill.

[Mr. Crosbie.]

Mr. Rae: I would like to respond to what the minister had to say earlier. Hon. members may remember that the hon. member for Saint-Henri-Westmount should be cloned by the financial critic. Perhaps he should be cloned. I can certainly understand the minister's position, and as for the inference he drew from the remarks of the hon. member for Thunder Bay-Atikokan, that he is a lazy and no-good minister, I want to make it clear that nobody in this party thinks that the Minister of Finance is lazy.

Mr. Crosbie: Thank you.

● (1250)

Miss Nicholson: Mr. Chairman, I cannot find it in my heart to be terribly sympathetic to the dilemma the Minister of Finance presented to us. His government has been in charge since June. They have been running the country on warrants. Certainly the minister has a tight schedule right now, although I question his priorities when he puts a speech to the Empire Club ahead of his responsibilities in the House of Commons. May I point out to him that if the Prime Minister had elected to call this House earlier he, the Minister of Finance, would have had a more reasonable schedule in which to plan his work.

The Minister of Finance also seems to be complaining because we are re-examining these budget bills. I would point out to him that these are now his bills. Since the bills were not passed by the last Parliament they are now coming back under his auspices. Surely it is our duty to re-examine them from the point of view of how they will be administered and with what intent the new regulations will be written.

I trust that the Minister of Finance was not suggesting that we should simply give blanket approval to all these bills without examining them, not only for actual new clauses but also in terms of the intent of how they will be administered. For the new government to ask us to take everything on trust is something they would have been furious about if we had suggested it in the last Parliament.

Finally, Mr. Chairman, may I congratulate the minister and the Prime Minister on having discovered that parliamentary secretaries can be useful. Earlier, the Prime Minister announced that he would not appoint any parliamentary secretaries as he had not been able to see a use for them. I am glad that conversion has occurred.

Mr. Ritchie (York East): Mr. Chairman, I would like to give a response to a question raised last evening by the hon. member for Broadview-Greenwood when he inquired about the effects of term preferred and income debentures on the banks' effective rate of taxation.

As the hon. member indicated, for the third quarter of 1979 the effective tax rate of the 11 chartered banks computed by expressing the provision for taxes as a percentage of their balance of revenue stood at 10.7 per cent. For the first nine months of 1979, the effective tax rate was 14.6 per cent, which was down from the previous year. Dividend income to the banks on these forms of after tax financing is, of course, not

taxable. However, the financial institutions on these financings turn over a significant portion of the tax savings to the issuing corporation in the form of lower interest costs. Banks thus receive a pre-tax income on these issues that is well below that of other financings. Typically, for example, if a bank received 12 per cent on traditional debt, its return both before and after tax on term preferred share financing would be in the range of 6 to 7.5 per cent. In other words, they share with the borrower in the tax advantage.

There are two major reasons for the decline in the effective tax rate of banks. The first, as I indicated yesterday, is that the full impact of income debenture and term preferred share financing entered into last year would not appear until this year. Secondly, it is apparent that the spread between borrowing and lending rates on conventional financing has fallen, resulting in less revenue from this part of the banks' operations. As a result, the mix of banks' income has shifted so that a smaller proportion is coming from fully taxable operations. The reduction in the spread can result in a decline of pre-tax balance of income and thus a loss for tax purposes which may be carried forward or backward to reduce taxes in other years.

It would be misleading to conclude from the decline in the banks' effective tax rate that they have been the major beneficiaries of income debenture and term preferred financing. As I have just indicated, banks receive a lower return on this lending.

Over all, for the first nine months of the 1979 year the balance of revenue after tax as a percentage of shareholders' equity has also declined, from 12.4 per cent in the same period a year ago to 11.9 per cent this year.

There was also a question addressed as to when we might expect this carry-over effect to alter. I can say that most of these agreements have a three to five-year term, so there is an automatic expiry which will begin to take effect with some almost immediately, but we will feel the effects for another three years or so at least.

Mr. Rae: Mr. Chairman, I appreciate that explanation which I think makes the situation clear for those of us who are attempting to understand the nature of this device. I do not think the reason that this has been closed was made particularly clear by this government. Some reasons were expressed by the previous minister of finance in his budget speech of November, 1978 to the effect that whereas this was initially put in the Income Tax Act in the 1930s as a method of providing easier means of financing for certain small companies, it was now becoming an increasingly common device used by all corporations in their corporate financing.

Mr. Crosbie: Not all. A few did not have taxable income.

Mr. Rae: Well, by many. One of the things that would be of interest to the Canadian people would be to know what kinds of corporations are in a position to take advantage, or have been in a position to take advantage, of this break. If it is not the banks that are taking advantage of that significant tax break, it will be the corporations. If there had not been some kind of abuse building up in the system over the past three or four years, I suggest to the parliamentary secretary and the minister that they would not have felt obliged to close this particular loophole.

I should like to ask the parliamentary secretary for something of the history of the use of this device, as I did last night, in order that we might understand how it is that what was begun as a technique for allowing smaller corporations to finance themselves has been used by other corporations.

Mr. Crosbie: What happened, of course, is that this was a provision in the act to assist corporations that were in financial difficulty during the 1930s. That is why these provisions were originally put in. What happened, however, was that borrowers started to use them who did not have taxable income, not because they were in financial difficulties, although that could happen, but because of existing tax incentives such as fast write-off, manufacturing assets, general treatment for exploration and development expense, or where a borrower's income was tax exempt, or it might be a public holding corporation receiving dividends from other Canadian companies.

What happened in the last three or four years when this started to get really popular was that most of the companies borrowing under these arrangements were large corporations and they used this provision to refinance existing bebt. It was used for purposes entirely unconnected with its original intention.

I do not know why no steps were taken sooner than last November, but in October, 1976, the holdings of income debentures and term preferred shares by chartered banks totalled $765 million. In October, 1977, they totalled $3,037 million, and in October, 1978, $7,200 million. On November 16, 1978, they totalled $10,100 million, which shows hon. members how rapid the expansion was.

• (1300)

The increase in bank holdings of that kind of instrument grew $6.9 billion between October, 1977, and November, 1978. Why some action was not take sooner to put a stop to this loophole, I do not know.

The Assistant Deputy Chairman: Order. It being one o'clock, it is my duty to rise, report progress, and ask leave to sit again later this day.

Progress reported.

Administration of the House

ROUTINE PROCEEDINGS

[*English*]

HOUSE OF COMMONS

COMPREHENSIVE AUDIT OF GENERAL AND FINANCIAL ADMINISTRATIVE SYSTEMS—APPENDING OF CORRESPONDENCE

Mr. Speaker: Order. If I might take a moment or two, I want to return to Routine Proceedings in the House in connection with a point raised a moment ago by the hon. member for Hochelaga-Maisonneuve (Mr. Joyal), who I think quite properly raised a difficulty about the translation of correspondence that I tabled yesterday.

I made the assumption, as I think members often do, that because we translate everthing automatically as part of *Hansard* so members may have it in both languages immediately, the tabling of correspondence, as I did yesterday, would receive the same treatment without any further action by the House. Of course, that is not correct. Documents only receive that treatment if the House makes an order that they be appended to *Hansard* on that particular day. I overlooked doing that yesterday.

I want to say to the hon. member for Hochelaga-Maisonneuve that his point in that sense is well taken. I had made the assumption that what he was referring to was the original correspondence from the Auditor General being in one language only, which is not my responsibility. I also made the assumption, as I think a lot of members do, that once we table documents they will be translated automatically. Documents are not translated automatically unless the House makes an order for them to be appended to *Hansard*. I have returned to the chair in order to ask the House to do this.

Is it agreed and ordered that my letter to the Auditor General in April and his reply of a few days ago, which I tabled yesterday, be appended to *Hansard* and translated for the benefit of members?

Some hon. Members: Agreed.

[*Editor's Note: For correspondence above referred to, see appendix.*]

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

● (1400)

AFTER RECESS

The House resumed at 2.00 p.m.

[The Assistant Deputy Chairman.]

GOVERNMENT ORDERS

[*English*]

INCOME TAX ACT

MEASURE TO AMEND

The Acting Speaker (Mr. Scott, Victoria-Haliburton): Order. Pursuant to standing order 54, I do now leave the chair for the House to go into Committee of the Whole.

The House resumed consideration of Bill C-17, to amend the statute law relating to income tax and to amend the Canada Pension Plan—Mr. Crosbie—Mr. Scott (Victoria-Haliburton) in the chair.

The Assistant Deputy Chairman: When the committee reported progress shortly before one o'clock, clause 66 of the bill was under consideration.

Mr. Rae: Mr. Chairman, the figures which were given us by the Minister of Finance were very useful and I appreciate the answers given by the parliamentary secretary. They clear up some of the confusion which has surrounded this issue. In my view, they point to two things. The first is the incompetence of the Liberal government with respect to the development of this expenditure. The figures given us indicate there was a quantum leap from $700 million to some $10 billion in preferred shares outstanding before the Liberal government realized what was happening and decided to put an end to the business.

This draws attention to the need for the government to maintain constant awareness of what is going on in the marketplace and of the various devices being used in the marketplace to avoid payment of tax. We are dealing here with a tax situation which has proved extremely costly to national revenue. It is important for the public to realize that the expenditure of hundreds of millions of dollars in terms of lost revenue is one of the principal reasons for the extremely high level of the deficit, a level which the government feels has prevented it from carrying out the election promises made to the people of Canada before May 22.

Another aspect, and here again the fault can be laid at the door of the government, is that the use of the income debentures was not effectively wiped out in November, 1978, but will continue, according to the parliamentary secretary, for between three and five years.

● (1410)

I think we are entitled to ask of the government that in the preparation of its next budget consideration be given to a special tax on banks and those corporations which have taken advantage of this particular device, and which have used this device to avoid the payment of taxes, particularly when we consider the statement made by the Minister of Finance before the lunch hour—a statement which was extremely interesting, useful and important—that a device which was intended to be used by companies in financial difficulty was now being used by companies which had no taxable income, not because they had no money but because they had taken advantage of other

government incentives, past depreciation, exploration allowances and so on, and thus avoided being in a position to have to pay any tax.

We can talk about double taxation and how terrible it is, but we have an additional principle here, and that is that we have in a sense double avoidance. Unless the government is prepared to present in its budget some special mechanisms to catch up with the revenue which has been lost as a result of the use of this particular device, we will be asking the Canadian taxpayer—not the doctor or the lawyer who has his own particular loophole to take advantage of, but the average Canadian employee—to make up the difference between what the banks and borrowing companies should have been paying and what they will be paying for the next three to five years.

So I say to the parliamentary secretary that while I recognize—and I hope the Canadian people do—that it is only the negligence and the financial incompetence of the previous administration which brought us to this sorry state with respect to the use of income debentures and their abuse, it is up to the Government of Canada to recognize now that as a result of the decline in revenue which has resulted from the use of this device there has to be some special consideration given to a tax to be fairly distributed between lender and borrower—those who have taken advantage of this scheme—in order to bring their effective rate of taxation up to the level it should be.

There is an argument here. I think the parliamentary secretary is thinking about the answer, and he may be thinking that that is a form of retroactive taxation, but it is not if it is seen as being a special tax which will be imposed in the next budget in order to take care of a future vacuum created by past income debentures and term preferred shares. So we are not asking him to tax back money which has been lost already. We are asking him to think of the possibility of an additional tax to solve the problem over the next two or three years.

I think that his figure which coincides with my own with respect to the amount of money which has been lost, is very substantial. We have a figure in terms of the rate of taxation which is being paid by banks. We do not have a figure as to how the effective rate of taxation of borrowing companies has been lowered, but one could imagine that they, too, are taking advantage of this particular measure to lower their rate of effective taxation.

I think it important for the government not just to consider what has been done and the error of what has been done. The government should also consider the possibility of making sure that the loophole is plugged and that we are compensated for the three-year to five-year period that these term preferred shares have to run so that public revenues will not be depleted and the rate of taxation of other Canadians will not be accordingly higher.

Mr. Ritchie (York East): Mr. Chairman, the hon. member for Broadview-Greenwood spoke of the incompetence of the previous government in not making this change sooner. It had warnings in terms of the figures concerned, and obviously it could have made the change sooner. I have to agree with the hon. member in his use of the word "incompetent", but I would add another word—"complicity". The previous government was an accomplice in this process.

In the months between October and November of last year the total amount of term preferred share financing of this kind went up by $2.9 billion. A little more than one half of that amount, $1.5 billion, was the special financing of Petro-Canada which was brought in just to get under the wire of what the government itself knew it was going to do. In November of last year the total amount outstanding in this kind of security was just over $10 billion. If one takes into account the Petro-Canada contribution and the Canada Development Corporation contribution, which is in the same category of a government-directed corporation, the total complicity of the federal government was about 20 per cent of the total.

The hon. member suggests that retroactive tax legislation should be considered. I know he suggested a way which he feels might escape the label, but in fact it would not. It would be retroactive legislation. Apart from the fact that retroactive tax legislation is wrong in principle and that no government should get into it—and certainly this government would not want to—I think there are some other factors which should be considered. One is the difficulty of picking out the bad from the good in what has been done. As the hon. member for Saint-Henri-Westmount mentioned earlier today, some of the financing which was undertaken through this route was legitimate and did fall within the original intent of this kind of arrangement. In the latter days much of it did not, of course, but even for those with whom one might quarrel in the latter days when this was ballooning, those were companies which were not taxable at that time, otherwise they could not have taken advantage of this arrangement.

It is very difficult, therefore, to see how the hon. member's suggestion could be made effective, because I have no doubt that some of those companies will not be tax-paying companies within the next two or three years.

The other saving grace—and I think to put things into perspective we should take account of this—is the arrangement of induced fast pay-out. That is why the measure taken to kill it extends the time limit to ten years, for instance, for term preferreds. Ten years is not attractive under this arrangement, and so the arrangements entered into were basically short-term—three years, five years and some of them on demand. The on-demand ones are already eliminated. Three to five-year terms are not, and so the effect of this will be very limited in time, and with all of the concerns a government properly should have about retroactive legislation and taking the other factors into account, I think the proposal, which is the proposal made by the previous government to correct this glaring gap, is as good as one could make at this time.

• (1420)

Mr. Breau: Mr. Chairman, I wonder if the parliamentary secretary can explain further what he meant by the word

"complicity". Could he elaborate on what he meant when he said that the former government was an accomplice to something?

Mr. Ritchie (York East): I would think, Mr. Chairman, that the hon. member should be aware of it; he was in the House at that time and he knew what was going on, no doubt, although perhaps not as much as the responsible people concerned. But it is a well known fact that PetroCan's largest purchase was financed, in large part, through the use of term preferred shares, an action which was taken immediately before the budget of November, 1976. It was a huge amount, $1.5 billion, perhaps the largest one negotiated with term preferred shares, although I am not sure about that fact. PetroCan was then a government emanation, as it still is. PetroCan could not have done this without the government knowing about it in advance, and I would be very surprised if the minister of finance of that day was unaware of it.

Mr. Breau: Mr. Chairman, the hon. member comes close to making accusations—

Some hon. Members: Oh, oh!

Mr. Breau: —that border on the legality of certain actions. PetroCan is indeed a corporation which was owned by the Government of Canada at that time and still is. We hope it will remain so. It is being administered by a board of directors set up by an act of this Parliament and it operates independently. The Minister of Finance does not sit on the board, so I wonder how the parliamentary secretary pretends the former minister of finance knew in what way PetroCan was being—

Some hon. Members: Oh, oh!

Mr. Breau: Mr. Chairman, I do not understand why members on the other side are so ticklish and sensitive on this matter. I am just doing my duty and asking a very simple question of a new member who, by the way, is doing pretty well in piloting this bill through the House. He mentioned the word "complicity", and I am just asking him to clarify what he means. Petro-Canada has a board of directors which operates independently of the government, but the parliamentary secretary says that the former minister of finance probably knew how PetroCan was going to finance a certain acquisition of Pacific Petroleums at that time. How does he explain that the former minister of finance knew of this since he did not sit on the board?

Mr. Ritchie (York East): If I am wrong in suggesting that the former minister of finance knew or should have known about this arrangement, I will gladly withdraw it, but as I understand it, one of the major arguments for the existence of PetroCan on the part of those who believe it should be continued as a government corporation is that the government of the day can direct it, can use it as an instrument. I presume that members of the former government considered that to be one of the purposes of PetroCan. In any event, I would think that when the government of the day was about to close off, and, I am sure, not without a great deal of thought, an avenue which they considered an abuse of the then tax law, they should have made terribly sure that no arm of the federal government pursued that kind of abuse, not on a small scale but on a major scale, and not far ahead of the decision but very close to it.

Mr. Breau: When the first bill on the creation of Petro-Canada was brought before the House, it was designed in such a way as to have left it more independent from the government, and it was members on that side of the House, who were then on this side, particularly the hon. member for York-Peel who was then member for York-Simcoe, who after a filibuster of five or six weeks in committee insisted that there be a mechanism for the Minister of Energy, Mines and Resources to direct the board of directors under certain circumstances. So it was not the Liberal government at first which wanted to have a close link with the board of directors of PetroCan but rather the hon. member's colleagues at that time.

PetroCan was a corporation operating as a private corporation under the laws of Canada and there was a provision in the act which permitted it to finance projects in a certain way. There was nothing wrong with that and it was not up to members of the board of directors or civil servants who are there to protect the interests of Parliament to make a judgment and say, "We think this is not an equitable tax system and therefore we should not finance ourselves in a certain way". These people are there to operate the corporation and be responsible for it on behalf of the taxpayers and all of us, and if the tax system is not equitable, it is up to Parliament to change it, not up to individuals on the board of directors of Petro-Canada.

So I resent the word "complicity" and the fact that the parliamentary secretary would imply there is something wrong in the way the government operated and in the way Petro-Canada achieved its means of financing the acquisition of Pacific Petroleums from Phillips Petroleum. There was absolutely nothing wrong with that.

The reason I am sensitive about this is that it is well known—

Mr. Rae: That you want to take up time.

Mr. Breau: Mr. Chairman, the hon. member to my left from Broadview—is it Greenwood?

Mr. Knowles: Broadview-Greenwood. You will get to know that name before long.

Mr. Breau: The hon. member says that I just want to take up time. I resent that. I have not abused my speaking time since the start of this Parliament. I have never taken up all my time. I have always tried to make my speeches as short as possible. I have never questioned anybody in the NDP when they have made speeches. I have never said they are wasting time. Sometimes I sit here and I say to myself that I will let them speak longer, and they might start to make sense and perhaps understand something after a while. So I do not think

the hon. member should say that I am abusing the time of the House.

But let me come back to the issue. The reason I am sensitive is that there was a very good civil servant of the government on the board at that time, namely, Mr. Shoyama, who was deputy minister in the Department of Energy, Mines and Resources. If there is any shadow of doubt left as to anybody having acted wrongly in any way, I am sensitive because it might mean that that individual was doing something that might have been wrong. I do not think the hon. member wishes to sugges that sort of thing. I am glad he withdrew from his position regarding the word "complicity" because I believe that a civil servant, whether it is Mr. Shoyama or anybody else, should never be put in the position of being criticized by us in Parliament for doing something on behalf of the government of which he is a servant. I am sure the hon. member for Nepean-Carleton, the President of Privy Council, will support me, and more and more Tories will accept the fact when I say that the civil servants have made the civil service of Canada as good as it is today. This came about after years and years of Liberal government, which means we brought in good laws and good recruiting procedures, as a result of which we have a very good civil service.

Mr. Cooper: Mr. Chairman, I rise on a point of order. I suggest that what the hon. member is saying is totally irrelevant to the matter under consideration. Certainly the parliamentary secretary made no statement whatever with regard to the honour and integrity of the civil service of Canada or any member of it. I should like to submit to the House that the present line of questioning that the hon. member is following is a waste of the time of the House and is not to the point.

Mr. Breau: I know the parliamentary secretary did not want to impute anything to anyone and I was in the process of thanking him and recognizing that he did not do so, because I am sure he would not have wanted to imply that the deputy ministers who were on the board of Petro-Canada at that time had done anything wrong. I did not bring up the acquisition of Pacific Pete by PetroCan, it was the member for York East. I accept the parliamentary secretary's withdrawal—he did it in a very gentlemanly way—and I am glad to see that he does not suspect, nor does anyone in the House, that there was any wrongdoing in the days or weeks leading up to the acquisition of Pacific Pete by Petro-Canada.

● (1430)

As I said before, whether it is a public servant or somebody from the private sector sitting on the board of Petro-Canada, it is not for him or her to make a judgment and say, "We should not use the tax system in this way, as a certain means of financing". They should not substitute themselves for Parliament and say, "This is a good way to finance an acquisition" or is not. They operate under the laws of Canada, under the same Income Tax Act as everybody else. I do not think it is fair to say that the government was in complicity with anybody with regard to this acquisition.

Mr. Andras: Mr. Chairman, I missed the comment by the parliamentary secretary which seems to have given rise to what I consider to be a very justified expression of concern on the part of my colleague, if in fact the word "complicity" was used. Since I was not in the House, I will reserve my judgment on that until I have had a chance to look at *Hansard*.

Mr. Breau: He has withdrawn it.

Mr. Andras: If he has withdrawn it, I will accept that. In debating with my colleague in connection with this clause, I know the hon. parliamentary secretary used the word "abuse" of the tax system. In connection with the use of income debentures, I think he used the word "abuse". Is this now the doctrine of his party? It is the game that goes on; Parliament passes tax laws and clever accountants, tax consultants and tax experts peruse them and look to see what avoidance—not evasion but avoidance—of tax legitimately and legally can be implemented to save the paying of moneys to the Receiver General of Canada. One may question whether that is proper or not in the ethical sense, but is it the doctrine of this party to classify the use of a section of the Income Tax Act which permits the financing of takeovers, etc., by income debentures? Is the parliamentary secretary defining that as the doctrine of his party, that that is abuse in the sense of being illegal?

Mr. Ritchie (York East): Mr. Chairman, not at all. It is just and right that any taxpayer pay the taxes which the law requires him to pay. I do not think it is his business to find ways to pay more taxes than the law requires him to pay. The only abuse in this situation that I saw was not from people who used the law as it stood until the government properly decided that that was not the way the law was intended to work. I do not think any proper criticism can be made of such persons. I intended to suggest that I thought the government of the day had consciously or inadvertently—and who can tell from the record—abused the system. It is the government of the day which decided or was on the point of deciding that this system had to be changed, if it knew about it. I think in a transaction of this size that someone in authority must at least have known about it.

Mr. Baker (Nepean-Carleton): I hope so.

Mr. Ritchie (York East): If it knew about it, that constituted something approaching an abuse, only because the government had decided or was deciding that it was wrong and was about to change it. By coincidence or otherwise the government appeared to get one of its instruments in under the deadline in a major way. I would not apply the word "abuse" to any other kind of action because it is legal. For the reasons I have said, I think any taxpayer should pay the taxes the law requires of him. He is not required by law, ethics or anything else to donate money to the public purse.

Mr. Andras: Mr. Chairman, that takes us down another slippery slope.

Mr. Baker (Nepean-Carleton): You reached the bottom of the slippery slope on May 22.

Mr. Andras: We are starting to climb back.

Some hon. Members: Oh, oh!

Mr. Andras: All patience is virtue, the hon. member will learn, as I am learning. I think the President of Privy Council would say the same thing if he were in my place.

Mr. Baker (Nepean-Carleton): Mr. Chairman, I think the Parliamentary Secretary to the Minister of Finance put a proposition to the House and directed an answer to the hon. member for Thunder Bay-Nipigon in which he said that the government of the day must have known; either that or it was inadvertent that this occurred. I think that is a very serious thing. The hon. member who was on his feet and was about to speak was a member of the government of that day. Perhaps he can tell us what the facts are. We have been trying to find out for a year and a half.

Mr. Andras: Mr. Chairman, I will forgive the hon. President of Privy Council, for whom I personally have great respect, as he well knows, for his continuing apparent desire to have the opposition share the responsibility for governing. It seems to come up in almost every action they take or comment they make.

Mr. Baker (Nepean-Carleton): Just up to May 22.

Mr. Andras: It seems to come up when they get into a little difficulty with their new responsibilities which they have enjoyed very much as of May 22.

Mr. Baker (Nepean-Carleton): Just answer the question.

Mr. Andras: Both he and I have been around this House too long to fall into the little games which he is suggesting. Mine is the more serious question for exploration. If the hon. parliamentary secretary is applying this particular comment of some considerable criticism to this particular transaction, then he seems to be implying in the course of his words that Crown corporations, those corporations owned and controlled by the government, whether it be the federal government, provincial governments or what, should be treated differently than private corporations regarding the tax law. Of course the next step would be with regard to any other Crown corporation.

The whole purpose of establishing Crown corporations was to let them operate at arm's length. In the hypothetical case that there was some consideration of a change to this particular section of the act in the minds of government members and the Minister of Finance, is he seriously saying that until it was approved by Parliament, which is quite properly the only authority in this situation, all Crown corporations supposedly established with detachment at arm's length should begin to operate under a hypothetical regime which might or might not be proposed in the final analysis to Parliament, which might or might not be passed by Parliament?

If the hon. member really explores that doctrine, I think we will find that we will have one holy mess every time there is a thought in the Department of Finance, or in any other department of the government, as to what actions or guidelines will be followed by the agencies and Crown corporations of his party's government. In other words, until such time as Parliament approves, how in goodness name will there be any clear signals, except those which are the laws of the country or the directives of the government officially endorsed by Parliament? How on earth will they go down that slippery slope and have anything but chaos in the administration of Crown corporations?

Mr. Pepin: Resign, apologize.

Mr. Ritchie (York East): Mr. Chairman, this is a debate which could go on for a long time.

Mr. Prud'homme: You started it.

Mr. Ritchie (York East): I have no doubt that it will, in quite another context than the one before us today. It seems to me fairly simple. No matter what is said about the independence of Crown corporations which vary in independence, this particular Crown corporation all along was argued for as an arm of government policy, as a window on the industry, as a means of controlling and influencing the industry, as a means of accomplishing things which it is claimed the private sector would not do. This particular Crown corporation is not a Crown corporation like some others. It is true, the minister is absolutely right, that there is no reason in normal circumstances for—

Mr. Breau: The "former" minister.

Mr. Ritchie (York East): The former minister, thank you. There is no reason for a Crown corporation which operates reasonably independently even to know about changes which will be made in an immediately forthcoming budget. It may well be in this case that no one concerned knew, even the deputy minister and other officials who sat on the board. I do suggest that from the standpoint of the government of that day, which recognized a glaring deficiency in the tax act, circumstances that were not anticipated but which existed at the time and which involved an increase equivalent to nearly 33 per cent in one month, it is unfortunate that it was not anticipated and corrected and that this major step was allowed. That is all one can say. Certainly the word "complicity" does not necessarily mean something illegal, but certainly I think this was unwise.

● (1440)

Mr. Breau: Mr. Chairman, I have just one further comment to make. When the parliamentary secretary was speaking earlier he said something to the effect that someone wanted to get under the deadline to make use of the income debenture provisions of the Income Tax Act before the change. I am sure the member did not want to leave the impression that someone knew that the Minister of Finance intended to make this change in his budget. That minister probably made the decision about what was to be in his budget a day or two before presenting it to the House. Surely the member does not want

to give the impression that the minister or one of his officials would have tipped off Petro-Canada in order that it could get in under the deadline before November 16.

It is important that we clear this up. I hope the parliamentary secretary does not want to leave the impression that somebody leaked this decision of the Minister of Finance to Petro-Canada or anyone else, or that the minister himself advised anybody about the decision he had taken in rspect of his budget. Surely he does not want to leave the impression that the Minister of Finance or anyone on the cabinet committee that made decisions regarding the budget had spoken to anybody about those decisions, particularly the decision which resulted in the change to be found in the bill we are now studying.

The Assistant Deputy Chairman: Order, please. I think we have discussed this matter long enough and I suggest we should move on with the business of the committee.

Mr. Rae: On a point of order, Mr. Chairman. With great respect I agree with you, but I do think it is up to the committee itself to decide whether the parliamentary secretary should respond to the point. That is the way debate should proceed.

The Assistant Deputy Chairman: Shall clause 66 carry?

Mr. Knowles: On division.

Clause 66 agreed to.

Clauses 67 to 69 inclusive agreed to.

On clause 70—*Application of Income Tax Act*

Mr. Knowles: Mr. Chairman, every time the title of this bill has been read there has always been the inclusion of a reference to the fact that it also amends the Canada Pension Plan. I have had some of my colleagues question me whether that would give us the opportunity to debate the details of the Canada Pension Plan. Obviously that is not the case, for it is clear that all clause 70 does is to amend the Canada Pension Plan in respect of certain of its provisions for obtaining from employers moneys they have failed to remit to the Receiver General for Canada.

I should like to ask the parliamentary secretary whether my understanding of the clause is correct, and I ask that in two respects. First of all, is it clear that it applies only to employers, and that there is nothing in this clause, either before or after it is amended, that applies to employees?

As a second question I should like to ask what has made necessary this provision which gives the government the right to withhold from employers moneys it might be paying to them in order to collect remittances under the Canada Pension Plan that had not been paid? I have known of a few cases where that has occurred and employers have not sent in the money, with great difficulty resulting for an employee in collecting benefits from the pension plan. Is this a widespread practice, or what is the reason for this clause?

I have posed two questions: Is my understanding of the clause correct, and why is it required?

Mr. Ritchie (York East): Mr. Chairman, the answer to the first question is yes, and I am now inquiring about the answer to the second question. I am informed there is no widespread practice that is being protected against here. What is involved is chiefly a matter of uniformity of language and administrative practice.

Mr. Knowles: Mr. Chairman, I am glad to hear that the practice is not widespread. Of course, if this is necessary at all to collect payments employers have not sent in it is a good clause to have included. The legislation, as I read it, provides that where an employer does not send in Canada Pension Plan contributions that should have been sent in, those moneys can be obtained by withholding money due the employer. But what happens in a case where the employer does not have any money coming from the federal government?

Mr. Taylor (Bow River): Mr. Chairman, I would like to add one or two comments about the points raised by the hon. member for Winnipeg North Centre. I have come across two or three cases, at least one very serious one, where this has occurred. When this happens the employee is put to no end of trouble trying to prove that the money was deducted from his or her wages but not reported to the Canada Pension Plan or the income tax people. The employee is the one who is put to all the difficulty of proving the facts. Often statements made by employers, when everything is going well, are not adequate or are carelessly given. The employee does not anticipate any difficulty but when the difficulty suddenly arises that employee finds himself or herself in very difficult circumstances.

● (1450)

I suggest that the administration take a careful look at this, and where it does happen that the employer be prosecuted to the limit and made an example. It is not fair to an employee, because it is not the employer's money. It is money that has been deducted from the wages of the employee. I have not heard of any such prosecution, but when such an incident arises these people should be prosecuted to the limit. It is nothing more than theft of money which belongs to the Crown or to the employee.

Mr. Ritchie (York East): Mr. Chairman, I share the feelings expressed by the last two speakers about the position in which an employee is left. The employer has not only not sent forward the amounts deducted, but has not even reported them. I am afraid that this particular provision does not solve that problem in its entirety. Although making applicable the normal income tax penalty provisions for Canada Pension Plan deductions not sent in is a bit of a discouragement, it does not direct itself to the problem of the employee who has never had his deduction reported. I will take note of that point and mention it to the minister. Perhaps there is an alternate answer.

Mr. Knowles: Mr. Chairman, I appreciate the support of the hon. member for Bow River. I suppose that altogether, those of us who are in the House could not produce a great number of cases, but when it does happen that an employee is denied his or her Canada Pension Plan benefit because the employer has not sent in the money, it is a serious situation and the law ought to be written so as to correct it.

I would still like an answer to my question with regard to what happens when the employer does not have any money coming to him from the government from which deductions can be made. I hope that the parliamentary secretary will speak to his minister about the matter. I would also ask him to ask his minister to speak to the Minister of National Revenue and the Minister of National Health and Welfare, because those two ministers are responsible for the administration of the Canada Pension Plan. If there are even half a dozen cases where individual Canadians are having trouble collecting their Canada Pension Plan benefits because of a failure on the part of the employer, then that situation should be corrected.

Mr. Ritchie (York East): Mr. Chairman, I will pass on the request made by the hon. member for Winnipeg North Centre to the two ministers involved. It is precisely because they are involved that I am not really able to give the hon. member an answer about what happens to the employee's pension position if the employer has not only neglected to send in the contributions deducted, but there is no money for retribution after the full force of this law has been applied. This provision merely ensures that there are greater penalties for the employer who violates it. I suppose, though, that it is meaningless if he has no resources.

Clause 70 agreed to.

Title agreed to.

The Assistant Deputy Chairman: Shall the bill carry?

Mr. Breau: Mr. Chairman, the limit of time which we took to consider this bill on second reading and in Committee of the Whole indicates that my party is co-operative and interested in getting the legislative program of the government through. It proves that what the Prime Minister and the President of the Privy Council have suggested, that we are trying to frustrate the workings of the House, is not true. In a matter of only two or three days of debate a very complex bill has gone through second reading, and this proves that we are a co-operative opposition. We are waiting for the government to bring down the budget and its many good measures which will help the economy of this country.

Mr. Corbett: Mr. Chairman, I want to speak very briefly on the passing of this bill.

Mr. Knowles: Let's do it on third reading.

Mr. Corbett: If you will just bear with me, Mr. Chairman, I am certain that you will endorse what I have to say. It deals particularly with clause 46. I would like to draw to the attention of the House for the record the strides forward that this particular provision provides in a social context for Canadians. It deals with the provision that was previously brought in by the former administration in the April, 1978 budget whereby the people who were disabled—

The Assistant Deputy Chairman: Order, please. I do not think we would like to establish a precedent by having the hon. member for Fundy-Royal speak at this time. Perhaps his comments should have been made when clause 46 was being discussed.

Shall I report the bill?

Mr. Knowles: On division.

Bill reported.

Mr. Deputy Speaker: When shall the said bill be read the third time? Now or at the next sitting of the House?

Mr. Knowles: By leave, now.

Mr. Deputy Speaker: By leave, now?

Some hon. Members: Agreed.

Mr. Crosbie moved that the bill be read the third time and do pass.

Mr. Bob Corbett (Fundy-Royal): Mr. Speaker, I just want to draw to the attention of the House the co-operative spirit in which this particular bill received passage and what it does to those people who had been previously denied access to their RRSPs. I am speaking specifically of those people under the age of 60 years who have been physically deformed or disabled through stroke or some other disability.

• (1500)

I want to register some surprise that during the passage of this bill, this type of provision being very much in accord with the type of legislation that is normally espoused, particularly by the New Democratic Party, that there was not some mention made by them that this is progressive legislation which takes into very deep consideration the social needs and difficulties experienced by minority groups in this country.

I think it is also to the credit of the previous administration in so far as it has been recognized by them during the previous session, that there was a deficiency in the budget brought down by the former minister of finance in April, 1978. After this was brought to his attention by members of our party on November 7, 1978, I believe the current provisions were included in the bill in recognition of this very special group of people who cannot or could not otherwise fend for themselves.

As a member representing Fundy-Royal and as a supporter of the government, I want to show my appreciation that social concerns and social legislation of this nature can be brought forward by a party and a government that is dedicated to the free enterprise system.

Some hon. Members: Hear, hear!

Hon. Robert K. Andras (Thunder Bay-Nipigon): Mr. Speaker, I am glad to see my hon. friend, the Minister of Finance (Mr. Crosbie), in the House for what is probably the final stage of this bill which, as one of his colleagues just indicated, has been dealt with expeditiously and with co-operation on all sides. This is probably contrary to the expectation of the Minister of Finance as he indicated the other day, I think before he had even tabled the bill although I am not quite sure of that, that he could not get to his budget because of the obstructionist tactics of the opposition which were holding up this bill so he could not get on with what will be the cutting of the umbilical cord, we hope, sooner or later, when they begin to take over the responsibilities they officially assumed on June 4.

We have tried to recognize the decision of the electorate on May 22. We let this new crowd have five, beautiful, quiet undisturbed months in the backrooms of Ottawa to find out where the private bathrooms were, where the paper clips were, which was was up, and so forth. Of course for some years before this they had indicated that they had all the answers and were just waiting to take Canada into the Valhalla of Conservative glory and prosperity, and all that sort of thing.

I note with some whimsy the furrowed brows and prison pallor that is descending upon my good friends across the way as they take on their responsibilities and find that there are no simple answers to all these things. I respect that, Mr. Speaker, because it is the truth. There are no simple answers to the problems we face in this country or around the world. They are human, I guess.

Mr. Knowles: Don't be too sure.

Mr. Andras: Wait for it, Stanley; wait for it. One could forgive the puzzlement and fevered brows that one sees now as they weave and dodge in their answers to this House. One cannot forgive or take lightly, however, the hypocrisy with which they approach their task. I do not know how long they can continue to try to do this, especially since they are always trying to say they cannot move because of what they inherited.

We have been trying to draw out our hon. friend from down east into a frank, open, and honest admission such as he has been capable of in some other circumstances. I could probably search through *Hansard* and find one or two times when he may have been absolutely straightforward in his comments. We have been trying to smoke him out, as it were, to say, "Okay, we have the responsibility now. We won the election. We will take that responsibility and get on with it." That has not been the case, Mr. Speaker.

These are the tax motions of the previous budget of the previous government. The election was in May; it is now November. Perhaps they were justified in taking so long—the longest period in the history of the Canadian Parliament—to get their act together before they called Parliament. Perhaps they were justified because they had not had much experience at the job.

They cannot have it both ways, however. They cannot sit here day after day saying that we on this side are causing the delay in getting this bill through and that, in turn, the Minister of Finance is delayed in getting his own budget measures before the House and the country. We could pass this in a couple of days; we would have passed it in June and we would have passed it in July, so there is no problem about that. There is some other problem here as there is with a lot of the things they are doing or not doing.

Before the election, they sat on this side of the House and put alleged facts and figures on the record. It is most amusing and interesting to read through the *Hansards* and see what was said by my hon. friend, the Minister of Finance, by my hon. friend, the President of the Treasury Board (Mr. Stevens), and by that real guru of economics in the Conservative government who is going back to York University or Toronto University or somewhere, or maybe they have something else in mind for him, Mr. Gillies, and, of course, that absolute expert on economic affairs, who is now the Prime Minister (Mr. Clark).

It is interesting to see what they said then and what they are doing now. It is also interesting to recognize that they made statements during the election campaign such as the one that the cash or borrowing requirements in this fiscal year would be as high as $17 billion—a nice round figure. There were other guesses of 13, 14, 15, 16—take your choice. I even heard it expressed as $18 billion once. That is on the record.

Their forecasts of unemployment were in the double digits, 10 per cent or so, and their forecasts on inflation were double digit. In other words, the skies were going to fall down as a result of the policies of the previous government.

They still have not brought their act together since the election, even with five months of perusing all those facts and figures, and they have gone on public record as indicating that the cash deficits of the government are lower than we had forecast. They are certainly lower than they had forecast. Yet, Mr. Speaker, and this is the point of hypocrisy that I want to establish, they had forecast the cash requirements in borrowing not only for this fiscal year but they ventured into future years as well, and those figures are on the record in *Hansard* and in outside speeches. Those were the figures that they forecast. They were much higher than actually turned out to be the case. It was on those higher forecasts that they peddled themselves across this country, it was on the basis of those forecasts that they went out and made promises of a $2 billion tax reduction across the board. It was on those much higher expenditure forecasts that they quoted, and presumably believe in, that they went out and made promises about mortgage deductibility which, at maturity, is going to cost about $2.5 billion per year. It was on those higher expenditure forecasts that they made all sorts of promises. Some say they would cost $5 billion per year and some say the cost would be $7 billion per year.

According to the Prime Minister, that stimulative deficit was going to take two months, and according to the President of the Treasury Board it is going to take one year, but according to the Minister of Finance it would take two years to stimulate in and out and disappear—the disappearing deficit.

My point is, Mr. Speaker, that it was their own forecasts—extravagant, wild, incorrect, inaccurate, whether deliberate or not—that were in their minds when they went out and made these extraordinary, extravagant promises which they are now having to renege on with the exception of a couple, which I think were the worst ones, that they should have followed through upon. On that point alone their credibility is at stake when they try to argue the reason that they cannot do things now, the things they promised and things they said to Canadians, were the reasons why they should be elected. It is absolute hypocrisy and incorrect, if not something worse than that, for them to stand in this House and say they cannot do those things because the facts as they now know them are worse than they understood them to be before May 22. They themselves campaigned on extravagant statements of those cash requirements, etc., which have turned out to be far smaller in actuality. They know that now because they have access to that information. None of it was held back from them at the time when we were in office.

● (1510)

One could also talk about economic indicators which give rise to a need for a new budget. As one of my colleagues attempted to put on the record during question period today, the real GNP growth forecasts ranged from about 2.3 per cent forecast to about 3.4 per cent. In fact, it is coming in at about 3.5 per cent for this year, and this is November, 1979. This comes under the Liberal budget and the anticipation of these measures going through. Because the Minister of Finance (Mr. Crosbie) has not yet presented a budget to this House, he cannot take credit for that kind of GNP growth. We all wish it were higher but they forecast it much lower, so that is an improvement that they know now.

They were anticipating 9 per cent or 10 per cent unemployment this year. It is just in excess of 7 per cent. It is still too high, but that was the basis on which they made their election promises and on which their platform was based to return prosperity. That was the basis on which their stimulative budget was based and the excessive deficit spending, which they promised, from which they are now, thank goodness, backing away. These people were wailing about double digit inflation. It is still too high at around 9 per cent, but lower then they had forecast. I am going to say this again and again and again, until somebody over there has the decency and the honesty to stand up and say, "All right, we will get off this nonsense of trying to blame it all on the past, and get on with our responsibilities." They will hear that song and see that dance for quite some time as long as they continue with this hypocritical nonsense of blaming everything on the past. It is wearing a little thin. In fact almost every economic indicator and fiscal fact of the situation as they now know it is far better than the gloom and doom prophecy which they forecast during the election campaign and during the year or so before taking office. That is documentable. I think their argument is fallacious. It is time they got on with their job.

One of the beauties or compensations of not having ministerial responsibilities any more is that there is time to do things. There is more time to play golf, more time to think and even a little time to read. I am reading some of the strangest things these days. I am even reading some of the debates from the other place. I have a copy of the debates of the other place for Wednesday, October 24, 1979. In it I saw the name of a new chap over there by the name of Senator Murray. He is the real guru of the Conservative party. He is the real power behind the throne. He was the boy who brought these fellows into the front benches.

An hon. Member: Keith needed company.

Mr. Andras: Yes, indeed he found his reward, as have others who perform well in those circumstances. This situation will probably happen again.

I understand that because he was concerned about election promises, under his instructions—I would guess to the Prime Minister from High River—and because he did not think they were performing, in about June or July he called the PMO and said, "Prime Minister, we better get these boys out to Jasper and lay down the law a little bit. It seems to me we will not fulfil any of the election promises that we made." So a little meeting was held in Jasper and Senator Murray said that this was the way it was going to be, and by gosh they jumped.

Mr. Whelan: They were the inner house people, the outer house people were not there.

Mr. Andras: Yes, the inner house was there. I have not gotten that all figured out yet. I have another speech that I want to make about that some day. It should be a lot of fun.

Anyway, the guru—the Senator fellow—called the boys together and said, "Look, this is what you are going to do. None of this nonsense about keeping the deputy minister of finance despite what the Minister of Finance wants—it ain't going to happen". He said, "It does not make any difference whether he is good or bad; he has to go." The Minister of Finance is reported to have defended the incumbent deputy minister, but I guess that some afternoon their signals got switched and the Minister of Finance on going back to his office found out he had a new deputy. I guess he was told afterwards who it was.

In any event it makes one wonder. The true economic maestro in the system seems to be the chap who did not run again. He used to sit over in these benches, namely, Mr. Gillies, who operates from the Prime Minister's office.

At page 171 of the Senate debates—they do not seem to run as long as our debates—I guess in his maiden speech, in a homily and lecture to his fellow Senators to convey to them the wisdom of his years and experience, he said this:

> What is at stake is the credibility of the system. It is the credibility of the system, I regret to say, that has been somewhat damaged by the cynicism and the spectacular reversals of recent years.

Mr. Deputy Speaker: Order, please. I regret to interrupt the hon. member. I have to advise him that it has been the practice in the House, and we can find many citations in our refer-

ences, that members should not be allowed to refer to debates that are taking place in the other place.

I might read citation 314 to the hon. member. I agree that this Parliament might be found in a situation in which many of the subjects debated in this House are also debated over there in a more day to day manner than normal. However I have to follow the rules of the House. I will put on the record a citation that might be useful not only for this debate but for further debates in this session of Parliament. At page 102 of Beauchesne's Parliamentary Rules and Forms, fifth edition, citation 314 reads:

> The rule that allusions to debates in the other House of the current session are out of order, prevents fruitless arguments between members of two distinct bodies who are unable to reply to each other, and guards against recrimination and offensive language in the absence of the party assailed; but it is mainly founded upon the understanding that the debates of the other House are not known.

Mr. Andras: Mr. Speaker, I will limit my comments and quotations from Gideon as written by certain people who shall be from this moment on nameless.

The thought was expressed about this problem of credibility and the damage done by cynicism and spectacular reversals.

Talk about cynicism—

Mr. Pepin: And reversals.

Mr. Andras: I will come to that, or you can do it too. To talk about cynicism, talk about their promise to move our embassy to Jerusalem; that takes absolutely top billing.

• (1520)

Reversals? Two billion dollars of tax cuts we were going to get, eh?

Mr. Taylor (Bow River): On a point of order, what has Jerusalem got to do with the income tax bill? We are talking about an income tax bill.

Mr. Andras: Well, many more of these incidents and they are going to have to raise their expenditure estimates to pay for Bob's expeditions, and they will have to raise the income tax accordingly! I have to ask the question: is that erstwhile ambassador of embarrassment off to Argentina to clean up the mess there? Will he be off next to Japan—

Mr. Kempling: Oh, we would like you to open up your Argentina mess. We would enjoy that, I think.

Some hon. Members: Oh, oh!

Mr. Deputy Speaker: Order, please. I have difficulty in hearing what the hon. member is saying.

Mr. Andras: Mr. Speaker, I really do feel sorry for the Minister of Finance. Originally, as he took office, or shortly after, with that delightful candour of his he indicated that he was expendable. Well, ministers of finance are probably the closest to being expendable than any of the ministers of the Crown and probably should be, particularly this one. He must have had some serious disappointments, I would think, because on occasion he shows some glimmering of ability to add one and one and make two, though often it is two and a half—it used to be two and a half but now it is one and a half because he is talking about restraint rather than stimulative deficits. He has had to reverse his position with regard to the deputy minister of finance.

Mr. Herbert: He was overruled.

Mr. Andras: He was overruled, we do not know by whom but he was overruled, certainly. Most embarrassing. The Minister of Finance holds one of the most prestigious ministerial positions in the country and the way in which he is treated has a lot to do with the credibility of the government and so forth. I could be disappointed in him, but I suspect that the Minister of Finance must have fought pretty hard against this crazy mortgage deductibility scheme he was forced to bring in when he discussed the matter in cabinet. If there is any validity whatsoever to the extravagant argument that the government is tight for fiscal room in which to move, ministers have, with that $2.5 billion a year under that program, blown one of the only options they may have for any really important stimulative measure they might have taken with regard to economic development, regional development, small business or anything else. He has only been in office ten minutes or so, but you can see him wearing down already—

Some hon. Members: Oh!

Mr. Andras: —because he knows he is mouthing a lot of garbage. He cannot honour the promises to which he was party during the campaign except for those he most probably disagrees with, and he really isn't going to make his story stick with regard to many of the answers he has given to the House in which he continues to blame everything on the past. That will wear very thin. He has had to reverse himself time after time, though. Page after page of *Hansard*—that's for this place, not anywhere else. You should read it. It should be required reading for every Conservative member. The hon. member for St. John's West when he was brilliantly elucidating, wittily elucidated his horror at the idea of high interest rates. Really! Put those back to back with his statements now. Even my good friends over on the other side—and I have some—must, I am sure, be terribly embarrassed. I should like to have a little—I won't use the word "bug"—in their caucus because there is a nasty connotation to that, but it would be most interesting if we could listen in to the Conservative party caucus and hear what they said—and many of them are still saying it—about interest rates, as compared to what the Minister of Finance is doing about them.

Mr. Rae: What do you think?

Mr. Andras: The hon. member over here, who is making his mark—

An hon. Member: On Broadway. The hon. member for Broadway.

Some hon. Members: Oh, oh!

Mr. Andras: He is off on his campaign to achieve his ultimate ambition and so far it might be possible, too.

An hon. Member: Explain.

Mr. Andras: I can suspect. But that is not what I am going to do. I have put my own views on record elsewhere; I think interest rates are too damned high. But I am talking about the government's credibility problem, the reversal of what they said before the election, the contrast between what many of them are saying still and what the Minister of Finance is doing. I made reference to the travels of a very respected former member of this House to Bagdad and other places east. You know, Mr. Speaker, I am reminded of an answer given us the other day by the Minister of State for International Trade (Mr. Wilson) when he said he did not plan any new trips.

Part of the problem, of course, let us be honest with each other, is our difficulty with our current account imbalance, our trade balance. The ultimate answer to that, of course, is to increase our exports by the processing of our goods and being able to sell them, replacing imports to this country which will stimulate the economy. We all agree about that.

I want to talk about merchandising the goods we produce to improve our balance of trade picture. I was really quite relieved when the other day the minister for international trade said he didn't contemplate going on any trips over the next three or four weeks. I say this because the last few trips he made ended in disaster. He was off to Tokyo with a bunch of shiny, new ministers, and a few weeks later we heard about the cancellation of our contract there and an indication it would have been just as well if he had not gone.

Mr. Friesen: On a point of order, I want to ask the hon. member if he is sure he is correct when he talks about cancellation of that order.

Mr. Andras: I recognize that it might not be verified. Perhaps I should have said that the contract was in some jeopardy. If the hon. member is giving me the happy news that he has the contract in his hot little fist, I would be very glad to withdraw and I would buy him a drink after five o'clock.

Some hon. Members: Hear, hear!

Mr. Andras: We would be disposed, I think, to let members opposite have this bill. I think we shall have to be very patient.

Mr. Breau: If they provide answers to our questions.

Mr. Andras: Well, that is not really the problem. The technical answers coming from over there are not bad, but when they get off the script and on to policy matters they have difficulty convincing us they know what they are doing.

I want to end on a serious note. This is the final parliamentary authority on the budget presented by the finance minister in the former government, the one on which this year's economic activity to the degree the federal government does influence it, is based. For the record, without going through all the statistics again, I want to indicate that I have not seen any evidence which gives validity to the argument of the government—the Prime Minister, the Minister of Finance or the President of the Treasury Board—that the situation held mystery for them after they took office, that the situation was worse than they had forecast, or that the economic indicators which were left behind in terms of inflation, unemployment, unit cost of manufacturing, balance of trade, the fiscal position and so on were in fact worse than they had anticipated.

• (1530)

Second, I want to reiterate that they themselves, in the process of making those forecasts, which turned out to be wrong and pessimistic in the face of the facts as they are now unfolding, went out and made irresponsible promises to the Canadian people, which may have had some influence on why they are sitting in the front benches opposite today, and the sooner they get on with their responsibilities and cut that umbilical cord, that protective umbrella under which they are operating, then the sooner we will see what kind of government we really have on our hands in terms of their own initiatives and ideas.

Mr. Bob Rae (Broadview-Greenwood): Mr. Speaker, we have been treated this afternoon to an extraordinary tour of the interior of the Liberal mind.

Mr. Friesen: It didn't take long.

Mr. Rae: I think it is perhaps opportune to pause briefly and remind ourselves that if it ever was unclear to us why the Liberals were defeated on May 22, it has certainly become clear, as we have watched the performance of the official opposition over the past three weeks, why they are no longer in power.

The hon. member who has just spoken referred to the hypocrisy of the Conservatives, and I think it is fair to say that the Conservative party was elected to do certain things which its members now say they are not able to do for a variety of reasons. There is no question that they have broken a number of promises and that they have made a number of mistakes. However, since we are here resident in a city where the world's worst films' festival is just coming to an end, I think we are entitled to ask ourselves who are the world's worst hypocrites.

Are the world's worst hypocrites those people who say they will do certain things and then turn around and do not do them, or those people who do not tell us what they would do at all but simply indicate to us that we can forget about the record of the past 16 years and assume that if they were in power they would not do again the things they did in the past? In my opinion, if we look at the record, the most hypocrites in this House are in the Liberal Party of Canada.

Where has the Liberal party been on the interest rate question? The Liberals have been everywhere and nowhere at the same time. There have been several statements from that party indicating what its position would be. We heard a statement today by the hon. member for Thunder Bay-Nipigon (Mr. Andras) that he thinks interest rates are too high. He

does not say how low they should be, where he would put them, why they are too high, what has changed, or how governor Bouey's advice is somehow different now from what it was five months ago.

It is nonsense to suggest that governor Bouey's advice is any different. The hon. member knows that perfectly well, and if he was not prepared to speak up before May 22, he should hang his head in silence and shame for the next year and keep quiet about interest rates , because he has no right to speak.

The hon. member for Saint-Maurice (Mr. Chrétien), the hon. member for Saint-Henri-Westmount (Mr. Johnston) and the hon. member for Stormont-Dundas (Mr. Lumley) say nothing has changed and that the governor of the Bank of Canada is right. The hon. member for Windsor West (Mr. Gray) tells us that interest rates are too high. I think we are entitled to know where the Liberal party stands on this issue. We know where the government stands, and I suggest that the people of Canada know where the New Democratic Party stands, but we do not have a clue as to where the Liberal party stands.

An hon. Member: Neither do they.

Mr. Rae: We do not have a clue as to where they stand because they do not know themselves. As has been said before, they are not an opposition, they are a government in exile, and that attitude is clear in the speeches which have been given on this bill.

At second reading the hon. member for Windsor West did not refer to the provisions of this bill a single time. That record was matched by the hon. member for Thunder Bay-Nipigon, the former president of the treasury board, who in his rambling tour of the Liberal mind did not touch once on a single feature of Bill C-17. Not once did he mention it, so I suggest to him that instead of reading speeches given in the other place he might be better advised to start reading the legislation which comes before the House of Commons. If he has something to say, let him say it at second reading, in the course of the debate and at third reading.

I turn now to the particular measures of the bill. I think it is a crystal clear example of how and why there is no difference at all between the Liberal party and the Conservative party. Let me just start with the small business deduction, which was thoroughly and, I think, fairly debated on both sides in the House yesterday and the night before, but where was the Liberal party when it came time to debate that particular question?

The hon. member for Spadina (Mr. Stollery) joined in the criticism of the New Democratic Party that the creation of a particular tax status for professionals and people creating management service companies was unfair. Then the hon. member for Jonquière (Mr. Marceau) spoke on behalf of the doctors and other professionals in his riding. The hon. member for Windsor West did not speak a word throughout the entire debate. The hon. member for Saint-Henri-Westmount criticized the amendment, ant then voted for it. That is where the Liberal party stands on the question of tax fairness and of particular breaks which are going to be given to professionals and people with management service companies, and I think it is time the people knew.

The Liberals do not even have the courage to defend their own legislation as it was brought out last year. The hon. member for Saint-Maurice did not even have sufficient commitment to his own tax reform measures to speak on their behalf in the House in this entire debate. There was not one coherent Liberal statement in defence of one of the two major reforms, from a tax point of view.

[*Translation*]

Mr. Gourd: Mr. Speaker, I rise on a point of order.

Mr. Deputy Speaker: Order, please. The hon. member for Argenteuil (Mr. Gourd) on a point of order.

Mr. Gourd: Mr. Speaker, I may be new here but I suggest that we are dealing now with an income tax bill. Therefore I do not understand why the hon. member keeps referring to what the Liberal party has or has not done. It is the duty of the government to introduce the bill, and I should ask my hon. colleague in the New Democratic Party to get moving, as the Prime Minister (Mr. Clark) said this morning, and to deal with the income tax bill and not with the progress or lack of progress of the Liberals.

Mr. Deputy Speaker: Order, please. If I understood correctly his remarks, the hon. member for Broadview-Greenwood has dealt until now with the bill and the position of a number of hon. members during the debate on this bill. I feel, therefore, that everything is in order.

Mr. Rae: Mr. Speaker, it is quite clear. I can understand why the hon. member who spoke before me found my remarks embarrassing when I referred to the different and even conflicting positions adopted by the Liberal party, but as I am dealing with this bill, I have not heard a word from his colleague the hon. member for Thunder Bay-Nipigon (Mr. Andras) about it.

[*English*]

Clause 38 is the matter under discussion, if the hon. member wants to have a look at it and to deal with the position his party took on it. It again has created an anomalous situation in our tax law which is bad from two points of view. First is the fact that it has created a third category of business corporation in our income tax law and has added significantly to the complexity of our income tax law, just at a time when the Minister of Finance (Mr. Crosbie) is telling us that he thinks the Income Tax Act is far too complicated and should be simplified. If that is the case, I think we are entitled to hear from the Conservative party what its plans are to make the Income Tax Act more simple and clear.

Does the government plan to present legislation to this House? Does it intend to establish a task force to make recommendations? How serious is the government? The evi-

dence clearly indicates that it is not serious. The evidence is that the government is determined to make the Income Tax Act more complex, and I think the changes with respect to small business, professional and management service companies is a good example of how this is becoming more complex at a time when we need simplicity.

● (1540)

The second argument is much more fundamental, and that is the fairness argument. May I say, with respect, that I do not think anything we heard from the parliamentary secretary—whom I am glad to compliment on his fairness and patience in dealing at length with our questions over the past couple of days—addressed the question of fairness and, I suggest, it is the philosophical difference between our parties which lies at the root of this. I think the Conservative party tends to see the tax system as a means of granting certain benefits to individual groups which they think will create wealth, and invest well. We in our party tend to look at the tax system more as a means of collecting public revenue in a way that is fair so that the problem of fairness between different taxpayers is understood and is seen to be true in the tax system.

Of course, these are legitimate arguments in our capitalist society, and it is important for the people of Canada to recognize that there is one party that is talking about fairness and that another party is talking about incentive and accumulation of wealth, and over here there is still another party which is talking about nothing.

Some hon. Members: Oh, oh!

Mr. Rae: I was referring, of course, to the Liberal Party of Canada. But there are other aspects of this bill that are equally demonstrative of the incompetence of the previous Liberal administration and the very real problems that have been caused to our public revenues because of their having been in government. I am referring, of course, to the situation which was described to us today in response to questions from me and from the hon. member for Saint-Henri-Westmount when we asked how long this abuse with respect to income debentures will last. The answer was that there was a series of quantum leaps in the amount of money that was being accumulated in term preferred shares and income debentures. We started with $700 million, we went on to $3 billion, then to $7 billion, and finally the Liberal party woke up and said, "Hey, wait a minute, something is happening. A large number of people are not paying taxes and the effective rate of taxation of banks has gone way down." Finally, the switch is hit and the light turns on those ministers who are responsible for the management of the Canadian economy.

Just as we have a government which foolishly decides to index the income system at the same time as there is a significant increase in expenditure so that our revenues are falling at the same time as expenditures are increasing—which is a recipe for disaster, a recipe originally suggested to the government by the present President of the Treasury Board (Mr. Stevens)—so too we see, in the very significant matter of term preferred shares and income debentures, a government that fails to act when a system of tax avoidance is being created in the market place which hits at the very heart of the public Treasury, the capacity of the government to collect revenues and to monitor what is going on in the market place to see that there is no unfairness.

There was unfairness, and the Minister of Finance has admitted it today. He has admitted that the original purpose of the income debenture was to aid those companies that were in financial difficulty as a result of the great depression. Those companies which have now taken advantage of the income debenture and which took advantage of the income debenture after 1974 were not companies in great financial difficulty. They were companies which had no taxable income as a result of other giveaways, other fast write-offs and other incentives given to them by the Liberal party. So just as we hear so often complaints about double taxation, the Liberal party has created a situation and allowed it to exist, not where there was double taxation, but where there was double avoidance, or triple avoidance if you like, because there is avoidance by the banks and avoidance by corporations which take advantage of the scheme of income debenture, and there is additional avoidance that takes place as a result of fast write-offs and other depletion allowances that put companies in the position of having no taxable income.

I think the time is long past when we had to have in Canada a system of accounting for our public revenues which would allow us to ask ourselves whether it is in the interests of Canada that some of our major corporations should pay virtually no tax, whether it is in the interest of either fairness or of the long term economic future of Canada. I think it was Mr. Eric Kierans, formerly a minister in the Liberal government in the 1960s, before he could not stomach it any longer and resigned, who pointed to the very danger of the system of capital depreciation allowances and the system of investment credit which did nothing for employment and nothing to solve the basic dependence of our government on foreign resource investment. This is what lies at the heart of our taxation system and this is what lies at the heart of the policy of the Liberal government, and this is what lies at the heart of the measures that were proposed by the former minister of finance in his budget. I am sorry to say it has been accepted almost completely by the current Minister of Finance.

I think we had a good and full debate on this matter, Mr. Speaker, and we in our party have not attempted to hold the debate up. We have, however—and we make no apology for it—attempted to raise those issues of importance to the Canadian people with respect to the fairness of our tax system, and we have attempted to improve the ability of members of Parliament to retain control of the purse.

Of course, it is not strange that members of the Liberal party did not participate in this debate to any degree because if there is one thing in which members of the Liberal party have specialized in the past few years it has been ignorance in terms of controlling the purse, and lack of interest in seeing that parliamentarians are knowledgeable and interested in the

public accounts of Canada and know where our accounts go, not only in terms of direct spending but also in terms of massive indirect spending which takes place through our tax system.

The Minister of Finance has promised us that in his next budget there will be a statement relating to the new concept of tax expenditures. It is not a new concept in the world, but it is new in Canada.

I want to close my participation in this debate, which I have enjoyed and from which I have learned a lot, with a plea to the parliamentary secretary that he come around personally to seeing the importance of the concept of tax expenditures and that the tax expenditures which are brought before Parliament reflect as broad and as generous a definition of that concept as possible. He may remember that I asked him during this debate whether it would include capital cost depreciation which, as he knows, is done at a statutory rate, which can be faster or slower depending on the decisions of Parliament, and that has nothing to do with real depreciation in an economic or accounting sense of any particular piece of capital property. Unless we have capital cost allowances as part of the tax expenditure concept, we will not get a handle on how much money we are giving away to large corporations in terms of fast write-offs.

Obviously there are a number of other areas where we are going to want change, not only those sections of the Income Tax Act to which we have referred in this debate, such as section 66, the section dealing with MURBs, but all those features of the act which grant a substantial benefit to Canadians in a form of forgiveness tax.

● (1550)

It is extremely important Parliament recognizes that this whole question of the deficit, with respect to hon. members on the other side, has been abused by them and their party. They have been ready and prepared to talk about the sins of public expenditure and direct government spending. They are prepared to hit away at the programs which are defended, as best he can, by the Minister of National Health and Welfare (Mr. Crombie), and the programs of foreign aid which are defended in the House by the Secretary of State for External Affairs (Miss MacDonald). These are visible forms of spending. Everyone can see if we give millions of dollars to Ghana or the Caribbean and it does not work out. This is something for everyone to see. If we send tractors to a country which does not need them, we all see it.

I suggest hon. members on the other side should look carefully at the inefficiency of tax expenditure. We give write-offs to companies over which we have no ability to control whether they spend it or whether the purposes for which they spend it are efficient. Of course they have to make the research and development or investment expenditures in order to get the credit. But we do not ask ourselves whether all that money being spent is well spent. We do not have public inquiries to find out whether there was an attempt to carry out a foolish economic plan in the Gaspé or somewhere else. We do not have the means to do that.

If my colleagues in the Conservative party are truly interested in the problem of the deficit, getting a hold on the public purse and the concept of public accounting, they will have to look not only at whether direct expenditures have been misspent—and of course there are examples where they have been—they will have to look at the indirect expenditures which are going on as well. I know it is not as popular. I know the only form of tax expenditure which springs to the lips of the President of the Treasury Board is the child tax credit. But we have had bank tax credits in the past year. I do not hear any complaints from the other side about bank tax credits. We gave Anne Murray's bank over $1 million in the second quarter of 1979. I did not hear any complaints about that in the House of Commons. These are the concepts of public spending and waste and private spending and waste subsidized by the public which are just as worthy of our concern. Certainly they are just as worthy of our scrutiny and questioning as any of the measures which apparently have been criticized in the last couple of weeks. We understand that the Tory caucus is demanding a significant cutback in foreign aid, as if it was really a major case of public expenditure, as opposed to many other examples on which we could focus.

To complete my remarks, we reject the concept that there should be a special rate of taxation, a favourable rate of taxation for lawyers, doctors, accountants and those people clever enough to avoid the normal rate of taxation for employees or self-employed persons. At least we have not abandoned the cause of tax reform. We feel extremely strongly about that. We reject the continued use of the tax system to finance our large oil companies in their exploitation of our resources. We reject our financing of foreign takeovers of the resources of Canada. That is precisely what is happening. Also we reject the new Conservative attack on public expenditure, and its failure and refusal to attack the wastes of private expenditure. These are the things we reject.

What are the things of which we are in favour? We are in favour of a tax system that is seen to be fair, that collects revenue equally from all Canadians, that treats tax dollars equally although it taxes progressively. It is a very basic principle. It is not original to this party. Yet it is a principle, like many principles and objectives, which we never manage to achieve. We made an effort to achieve it under the Carter commission but we did not manage to achieve it. Also we want to see a significant return of power to this Parliament and its ability to scrutinize not only direct expenditure but public expenditure as well. We will continue to push for the President of the Treasury Board and the Minister of Finance to produce a full accounting such as they have promised to do in the next budget.

Finally, we are in favour of a policy which provides some hope, some planning, some clear direction for Canadians, and does not rely on the multinational corporate sector of our economy to be the springboard to an industrial strategy. Let me suggest to members on the opposite side, who I know are

enthusiastic about the capacity of the multinational corporate sector to provide the springboard, that that has been tried. It has failed before. If they try it again, it will fail again. Obviously we are pessimistic because of the remarks which have been made so far by the Minister of Finance, but we look forward to a policy in the budget in terms of energy, taxation and industrial strategy based on the concepts of fairness, planning, and a vital and active public sector of which we on this side are not ashamed.

Some hon. Members: Hear, hear!

Mr. Gordon Taylor (Bow River): Mr. Speaker, I will not delay the House very long, but there are one or two things I want to say about Bill C-17.

First I commend the Parliamentary Secretary to the Minister of Finance (Mr. Ritchie) and the Minister of Finance (Mr. Crosbie) for doing an excellent job in piloting this bill through the House, many parts of which are questionable but nevertheless had to be passed in order to clean up the debris.

Nobody likes taxes, but income tax is probably the fairest tax of most taxes, because one has to make the money before one is taxed. Everyone knows that there must be enough money to run the country, but taxation can ruin a country. It has been said by some people that when municipal, provincial and federal taxes start to aggregate close to 50 per cent, then the country really is in trouble. It is because too much money is being taken out of the pockets of the people. They are not being left with enough of the money which they earned themselves. Of course that is a very bad thing in any country.

The best taxation is the one which does not take place, that is, when one can avoid taxes by cutting down expenses, by avoiding waste and by making sure one gets full value out of every dollar. Some taxes kill initiatives. I refer to the capital gains tax introduced by the Liberal government. The people who pay capital gains tax, paid the taxes on every dollar they earned through the income tax system. Then when they get to the point where they want to pass on or sell the business, the government takes another bite out of their income. These people were building up funds for themselves and their families, and sometimes the entire work of people toward that end has been ruined.

[*Translation*]

Mr. Gourd: Mr. Speaker, may I call it four o'clock?

[*English*]

Mr. Andre: Mr. Speaker, I rise on a point of order. I wonder if there might be a disposition for the Speaker not to see the clock for a minute. It might enable us to take care of the November 16, 1978, legislation and to proceed with new business on Monday.

• (1600)

Mr. Deputy Speaker: Order, please. There does not seem to be that disposition. It being four o'clock p.m., the House will now proceed to the consideration of private members' business as listed on today's order paper, namely, public bills, notices of motions, and private bills.

PRIVATE MEMBERS' PUBLIC BILLS

[*Translation*]

Mr. Kilgour: Mr. Speaker, I think that we are going to study Bill C-214 introduced by the hon. member for Winnipeg-Assiniboine (Mr. McKenzie) and I propose that, with unanimous consent, all private members' bills listed before Bill C-214 be allowed to stand.

[*English*]

Mr. Deputy Speaker: Hon. members have heard the suggestion of the hon. parliamentary secretary. Is there unanimous consent to stand items 1, 2, 4, 5, 6, 7, 8, 9, 10, 11, 12 and 13?

Mr. Herbert: Mr. Speaker, I rise on a point of order, and this is not intended to be an attempt on my part to change private members' business for today. I am rising at this point because the proposed bill is the thirteenth item of business on the list of private members' public bills.

By draw at the start of every session we determine the order in which these bills are to be taken during private members' hour. I understand and appreciate that there is a problem at the start of every session. The problem now appears to be that we do not have bills being printed fast enough.

I am rising at this time because I have one of the bills that precedes the bill being called at this time. I am told that one of the reasons I have not been approached to see whether I want to proceed with my bill now is that the bill has not been printed. I am ready to proceed. I know exactly what is in my bill.

The essential point of my intervention is that the business to be discussed in private members' hour should be decided by the members themselves and not by any government office. In fairness to the office that gives assistance, let me say they do their very best under difficult circumstances. I am not criticizing their efforts to put some order into this particular hour. Nevertheless, it is essential at this time that we go on record making it quite clear that, by precedence, the items to be discussed are precisely in the order as they are listed on the order paper, and that by unanimous consent we agree, or do not agree, to leave some items for future consideration.

I want to make it quite clear by my intervention that I have been ready since the start of the session to proceed with my bill. I do accept the explanation that we are doing what we are doing today because bills are not printed. However, I would like to hear you, Mr. Speaker, reiterate the fact that no one but members shall determine what item is to be discussed in this and succeeding private members' hours.

Mr. Kilgour: Mr. Speaker, I believe the hon. member for Vaudreuil (Mr. Herbert) is aware that members are called in

the numerical order of the bills from number one. The person who does that calls each and every member for those bills that are printed. I might stress that the reason the bills are not printed has nothing to do with that person who does the calling. This is a matter that is entirely within the jurisdiction of the House of Commons, and the Speaker knows that certain bills have not been printed. The fact that the hon. member for Vaudreuil's bill is not printed has nothing whatever to do with the office of the President of Privy Council (Mr. Baker). I believe it has been pointed out to the hon. member for Vaudreuil, as he himself has indicated, that the reason he has not been called in respect of his bill is that his bill has not been printed.

I think the hon. member's quarrel is not with Mr. Lay, who does the phoning in a most efficient manner, but with the people who are printing the bills and who are part of the House of Commons. If a bill is printed, Mr. Lay, I might remind hon. members, phones members in the order in which they are listed and asks the member whether he is ready to proceed with his bill on that day. If the member is away at a funeral, or away for some other reason, then we end up in the position we have today.

I would respectfully suggest that members might give unanimous consent to proceed with Bill C-214, which is the only one to my knowledge that is ready to be proceeded with today.

Mr. Lefebvre: Mr. Speaker, I rise on the same point of order. For the information of the hon. members, I wonder if the parliamentary secretary to the government House leader could tell us why Bill C-214 would be printed before a bill which has a lower number. It seems rather odd that orders are not given to the printing department to print bills starting with number one and going up the order in that fashion. Could the parliamentary secretary enlighten the House in that regard?

Mr. Kilgour: Mr. Speaker, I agree with the hon. member that it would seem logical to do them in order. The point I am trying to stress is that it is not an official in the House leader's office who has anything whatever to do with the order in which bills are printed.

Mr. Lefebvre: I am not questioning that.

Mr. Kilgour: Possibly through you, Mr. Speaker, we could put the question to the people who are printing bills as to why they do not print them in numerical order. There may be a very good reason, but I do not think the hon. member for Pontiac-Gatineau-Labelle (Mr. Lefebvre) and the hon. member for Vaudreuil (Mr. Herbert) should direct their complaints to our office. I stress again that this matter is entirely within the jurisdiction of the Speaker of the House of Commons.

Mr. Kempling: Mr. Speaker, I believe that what happens on many occasions is that a member will submit a bill with just the title and not always the detail behind it. He does this because he does not know whether it will be drawn. Then the bill may be drawn in numerical order, and it is up to the member to get the material ready for printing. I suggest that is one of the things that happens. It has happened to me. On a couple of occasions I have submitted the title of a bill and had it drawn before I had the back-up material or the inside portion drafted, or sent over to the drafters for the proper language. This in many cases is why they skip numbers. They print whatever is available at the time of printing.

Mr. Lefebvre: Mr. Speaker, the hon. member for Burlington (Mr. Kempling) has a very good point. Let me assure the parliamentary secretary that I have no intention of criticizing Mr. Lay, whom I know very well and who has done an excellent job in his capacity of trying to help us with private members' hour. I believe the reason given by the government whip is an appropriate one, but perhaps the final authority on this should be the Chair, and I hope the Speaker can enlighten us further.

Mr. Herbert: Mr. Speaker, before you speak there are two additional points I should like to make. At least one of the bills that precedes the bill to be dealt with today was introduced at the last session and, therefore, is identical, so we should not have any difficulty in having it printed. Secondly, I would ask you directly, Mr. Speaker, whether you insist that a bill be printed before being proceeded with, and I appreciate the difficulty that arises? However, when a bill is called, and if the member is ready to proceed, is there any reason the member should not speak to it? He knows precisely what is in his own bill.

Mr. Gurbin: Mr. Speaker, I think it would be helpful to the House in deciding this matter if members understood that the bill for consideration today is in fact Bill C-16 and was presented prior to this, in 1978, as Bill C-289. In fact what we are dealing with is a bill that was printed before and is now introduced as Bill C-16.

An hon. Member: It is 216.

Mr. Lefebvre: I believe we are on 214, excuse me.

● (1610)

Mr. Deputy Speaker: Order, please. The point raised by the hon. member for Vaudreuil (Mr. Herbert) illustrates many of the problems concerning the organization of private members' bills for private members' hour. The reason why the bills which were referred to are not printed was partly given by the hon. member for Burlington (Mr. Kempling), and that is that at the outset of a session bills are submitted in time for the draw but merely contain the title, and the staff is left waiting for instructions from hon. members as to what they want in their bills. The bills cannot be printed without knowing what will be in them.

Today there are only four bills, Nos. 202, 203, 209 and 213 that are printed. I am told that the four members concerned were not ready to proceed, although I am not in a position to verify that fact. From past experience—and I must pay a compliment to those who have been left with the job of organizing the workings of this matter—members are

approached when their bill comes due, and, if they are ready to proceed, then the House proceeds with the bill.

I would like to take hon. members back to a similar debate which took place on November 14 and November 28, 1977, and was followed by a ruling made by myself on December 5, 1977. In that ruling I suggested to the House a procedure as to workings of our Standing Orders 18(1), 19(1) and 49(1) during private members' hour. At that time I suggested a practice which we have been following since then, and that is the practice of standing bills by unanimous consent if possible without requesting the government to stand an item of business during private members' hour. This, I think, has simplified our procedure, but at the same time it has allowed members to complain about the selection of bills.

Having said that, I would like to read to hon. members a question I had in my mind at the conclusion of the debate on November 28, 1977. It reads:

> Is the fact that the government has been co-ordinating this recent procedure which has developed, bringing about some suspicion?

At that time I was referring to the procedure whereby the Privy Council Office organized and planned the work of the private members' business on a weekly basis. I was questioning the reason which prompted the hon. member for Vaudreuil to raise the question at that time. I went on to say:

> Would there be a valid objective in suggesting that such programming of private members' business ought to come under the Deputy Speakership or the Chair in general? Should there be some kind of co-ordination by the Chair or Deputy Speaker who officiates at the drawing of the order of business for private members at the beginning of the session?

That point I think was touched by the hon. member for Pontiac-Gatineau-Labelle (Mr. Lefebvre). Without insinuating that this alternative would be the solution to our problem, the Chair is often found in a situation where it does not have all the elements to a problem. It could be a problem of procedure, planning, or the workings of the House. We hear members complaining that they have not been contacted by the Privy Council office when they were ready to proceed, but then perhaps they were not in their offices.

Part of the organization of private members' business is conducted in one place, while the procedural aspects are conducted around the Chair. Perhaps this is something which our committee on procedure could explore. We are at this moment discussing the matter around the Chair. I can tell hon. members that the Clerk of the House and the Deputy Speaker's office are setting up an office for private members' business which will scrutinize all bills, and it will have an appointed officer who will specifically examine all bills to be debated in this House during private members' hour. This office will be concerned with the private members' hour, and will accept complaints with regard to it. The question could be raised as to whether this office should co-ordinate all facets of the private members' hour. I do not know, and I will leave that matter to hon. members for discussion. I am prepared to listen to any hon. members who wish to act on what I have said.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I would like to indicate my support for the proposition you have placed before us. It is in no way a reflection on the hon. member for Edmonton-Strathcona (Mr. Kilgour) or on the Privy Council office, but it seems to me that what we are dealing with in this private members' hour is the business of private members and the business of the House of Commons. It should not appear that it is planned or arranged by someone who is responsible to the government. As Your Honour has just pointed out, the business of the order of the bills and resolutions is determined by a draw at the start of the session. I believe it is called an exercise in balloting. It takes place in the office of either the Speaker or the Clerk. In other words, it is done on behalf of all the members and is not under the auspices of the government.

Your Honour has wondered whether this would require a reference to the Standing Committee on Procedure and Organization. I would hope not. It is not in the rules, nor is it by direction of the standing committee or anyone else that the present practice is in effect. It has simply grown up. It is being done as a service, but it does leave certain questions. I believe that the idea of the Chair being responsible, through the Deputy Speaker, for looking after the arranging of these bills is a good one. In effect, Mr. Speaker, if you are telling us that you are going ahead with this procedure, it has my approval.

Mr. Kilgour: Mr. Speaker, certaintly what the hon. member for Winnipeg North Centre (Mr. Knowles) has said has a good deal of merit. Nobody in this House would object if that is the wish, really, of the hon. members opposite. The hon. member for Winnipeg North Centre has said that the matter now works practically. If hon. members wish to stop the practice, there is a very simple method, and that is simply to deny unanimous consent.

• (1620)

Your Honour has raised a very serious point from the chair. Possibly all members present or elsewhere might consider the matter. Perhaps House leaders could meet to consider the question and get back to you, if that is acceptable.

The other point is that I understand the hon. member for Pontiac-Gatineau-Labelle and the hon. member for Vaudreuil believe that Mr. Robert Lay is being scrupulously fair. I think Your Honour is concerned about the possible appearance of the matter not being fair to all members. Hon. members on this side of the House would be open to a reconsideration of the matter if that is the wish of all other hon. members.

Mr. Lefebvre: I have listened to your words very carefully, Mr. Speaker. Rather than guarantee you the full support of the official opposition today, I would sooner wait until you can make a more complete report to the House on exactly the manner in which it will be organized. I agree with the parliamentary secretary that there are some who may think—not I personally, and not the hon. member for Vaudreuil—that there may be problems with private members' hour because it is in the hands of a government office. I think members are agreed that private members' hour, especially, should be in the

hands of Parliament itself. I think this is what we are trying to arrange.

I would just mention again, Mr. Speaker, that I would appreciate it if you could make a full report when your study has been completed, and all members of the House could perhaps then be aware of what you intend.

Mr. Kempling: Mr. Speaker, it is my understanding that the plans for this office to look after private members' business are well advanced. I do not know whether an actual date has been set, but I understand from the Clerk that the plans are well in hand and that they are going to proceed. Things should be dealt with through that office in the very near future.

There were representatives from all parties at the drawing of private members' bills. The Speaker was in the chair at the meeting, and all hon. members know that. It was done in a very straightforward manner and I do not think there was any complaint at all. As I recall, we spent about 45 minutes on a point brought forward by a member of the New Democratic Party regarding the procedure on the subject matter. Other than that, everything was done in a very straightforward manner. There were no complaints, and it has always been this way. I do not think there was any attempt on the part of anyone to interfere in the process. We welcome entirely this concept of an office to handle private members' business, and we look forward to the day it begins.

Mr. Deputy Speaker: Order, please. I did not want to prolong the debate but I could have referred to the concern of other members. I remember when we had a debate in 1977, the then hon. member for Témiscamingue and the hon. member for Nepean-Carleton (Mr. Baker) were also preoccupied with this problem. The establishment of the office is not meant for taking over what I am suggesting at this time; it is meant to help the Chair. It is needed more and more, if you consider a situation like the one we had at the beginning of the week on Bill C-217. About one minute before we went into private members' hour the Chair ended up with a bill which did not have a title that met the requirements of our Standing Orders. Sometimes the Holy Spirit works faster than others. That day things were not too bad, but we usually like to have advance notice in order to make a better judgment on the acceptability of the bill, or even to advise hon. members of improvements to it.

The remarks of all hon. members will be examined by the Chair and not only by me. I have had conversations on this matter with the government House leader, the House leader of the official opposition, with the hon. member for Winnipeg North Centre (Mr. Knowles), and with the Speaker.

I take the advice of the hon. member for Pontiac-Gatineau-Labelle (Mr. Lefebvre) not to do anything in a hurry and not to ask for a decision from the House without putting on paper some kind of document on what could be suggested.

First, however, we have to lay down properly not only the structure of the office for private members' business, that I referred to, but also the responsibility of the Assistant Clerk who will have full control of that office and the kind of services that can be offered to members. After that, we can tackle the other problem and include it in that paper. It will then be left to hon. members to indicate whether they want us to pursue our research in order to give better service to the House and to all hon. members.

Mr. Kilgour: Mr. Speaker, may we then have unanimous consent to deal with the bill of the hon. member for Winnipeg Assiniboine (Mr. McKenzie)?

Mr. Deputy Speaker: Is there unanimous consent to proceed with Bill C-214 and to stand, by unanimous consent, all the bills that precede Bill C-214?

Some hon. Members: Agreed.

* * *

CONSUMER PRODUCTS WARRANTIES ACT

AMENDMENT RESPECTING STANDARDIZATION OF WARRANTIES

Mr. Dan McKenzie (Winnipeg-Assiniboine) moved that Bill C-214, to amend the Combines Investigation Act to provide for the standardization of warranties and to define the minimum provisions thereof, be read the second time and referred to the Standing Committee on Finance, Trade and Economic Affairs.

He said: Mr. Speaker, I do not think it is of any benefit to remind the general public that this debate is carried on so many times in private members' hour. I know the government has plans to strengthen the private members' hour and I hope those plans are put into effect shortly.

We have seen a classic example this afternoon of the determination of some people to destroy the private members' hour in every possible way they can devise. It does not matter to me whether I speak on my private member's bill today or on Monday or next Tuesday. I am quite sure that with the co-operation I have received from the different offices during the years, these things can be straightened out in a matter of hours through a visit to some official in the House and so not take up the time of private members' hour year after year after year.

It is the same member who raises these issues all the time. All the rest of us can work our motions, our production of papers and private members' bills, but the member for—

Mr. Lefebvre: On a point of order, Mr. Speaker, I should like the hon. member to be more specific about who he is referring to.

Mr. McKenzie: It is the hon. member for Vaudreuil (Mr. Herbert). He has raised this matter time and time again. He has been in the government for a long time so I do not know why he cannot work with his colleagues to get these problems straightened out.

Mr. Herbert: May I suggest that if I have raised the matter time and time again it is because it has not been resolved. Now, for the first time, we see a possible resolution.

Mr. McKenzie: Thank you, Mr. Speaker. I might come in next week when there are some other private members' bills coming up to continue this debate.

The intention of Bill C-214 is to amend the Combines Investigation Act and to provide for clearer warranties. The intent of the bill is to amend the Combines Investigation Act to provide for the standardization of warranties and define the minimum provisions thereof of such warranties so that consumers will know precisely what they are going to receive. As many consumers have all too painfully learned, legal gobbledygook pervades most warranties. As a result, persons seeking redress get a great deal less than they expect. Sadly, there is little protective legislation in this field. The legislation that has been developed in Saskatchewan, New Brunswick and Quebec seems to be different for different jurisdictions. I believe that my bill will fill this void and ensure standardization.

I expect this bill will be talked out, Mr. Speaker, but I hope the government will refer it to the federal provincial task force on consumer legislation programs for further discussion at the next federal-provincial meeting. Warranties are mainly a provincial concern, but if the provinces do not take some concrete action toward improving warranty legislation, then the federal government is going to have to step in.

In the United States, bills are being introduced to improve warranties. They are more commonly referred to as the "anti-lemonaid" bills.

I should like to refer hon. members to a story in a recent edition of *Economics and Business*, which reads in part as follows:

● (1630)

The story is all too familiar. A shopper buys a refrigerator, handsaw or any of hundreds of thousands of other products covered by a warranty only to have the product quickly break down. When the consumer reads the warranty's fine print, he discovers that the document is so filled with exceptions and qualifications as to make the manufacturer's promise to fix or replace the item almost useless. That situation is likely to become far less common in the years ahead because of the first of a series of strict new warranty regulations issued recently by the Federal Trade Commission under the Warranty Act of 1975.

I would like now to refer to a few bizarre cases. These concern individuals who have purchased automobiles. I will read one example into the record. The situation occurred in the United States. An architect purchased a cream coloured station wagon with wood grain moulding on October 1, 1979. He said:

"It was a real pretty car."

However, it had a habit of stopping dead in traffic because the motor gave out. And the dealer had trouble fixing it.

Ten weeks after purchasing his car the gentleman returned it to the dealer along with a list of 14 complaints. Besides the motor problem the car was supposed to get 15 miles per gallon but was only getting 5 miles per gallon. When he got the car back four months later, he said that the engine died in traffic before he had driven ten miles. Consequently, he took it back to the dealer. When it was still not fixed by May 18 he decided he wanted his money back.

That is just one example, and I am sure anyone listening to me today will be reminded of similar cases.

Rachel Miller, a federal trade commission staffer working on warranty problems, said the American bill would eliminate costly court disputes over just how many unsuccessful repair attempts it takes before a car is judged a "lemon". She said that sometimes it takes 28 or 30 repair attempts before a car owner can get satisfaction. That is a sad situation, Mr. Speaker.

Consumer advocate, Phil Edmonston, stated that auto manufacturers have defrauded car buyers of millions of dollars in the last 25 years by selling cars as new that have actually been manufactured in the previous model year.

I hope my bill will protect citizens from these sorts of things.

We have even seen situations where people have to turn to their daily newspapers. They run help columns to assist automobile and truck buyers in getting their lemons fixed by dealers and car manufacturers. *The Ottawa Journal* runs such a column, called "Square Deal". It is absolutely ridiculous that people have to turn to newspapers in order to get some action. Nevertheless, this is an excellent service, provided by newspapers.

We all remember the Firenza automobile and its accompanying problem. It was many years before owners received settlements. There were parades, court costs and various petitions before any lemons were fixed.

In general, warranty rights are contractual rights. That means that a buyer can only enforce his rights against the seller. Only in special circumstances can he enforce them against the manufacturer, although we are always led to believe that the warranty right is one that is enforced against the manufacturer.

In early 1979, the Supreme Court of Canada decided the case of Kravitz and General Motors. That case established that in the province of Quebec a Quebec consumer can recover compensation from the manufacturer for various defects. But it took Mr. Kravitz almost ten years—a whole decade—to prove his point and recover his money.

There is no way that any individual purchasing a car, or any other product, should have to take on any of the big three, or any car manufacturer when he has received a lemon.

There has been a great deal of activity in the United States on this subject ever since the well-known Magnuson-Moss Warranty Act which forces sellers to label their warranty as a full or limited warranty depending on what it offers.

In addition, three Canadian provinces have acted in this area. Saskatchewan and Quebec have actually dealt specifically with the issue addressed by my bill. In Quebec, this is covered in section 45 of the new Consumer Protection Act, and in Saskatchewan, it is covered in section 17 of their Consumer

Product Warranties Act. It is about time something was done about this on a national basis. It is for that reason, Mr. Speaker, that I table this bill and urge the provinces or the federal government to get on with the job because what is happening in the market place is criminal.

That is all I have to say, as I understand there are other members who wish to make a contribution on this subject.

Mr. John Evans (Ottawa Centre): Mr. Speaker, I am very interested in this particular piece of legislation. I was one of the members of the federal-provincial task force on legislative programs to which the hon. member for Winnipeg-Assiniboine (Mr. McKenzie) referred. I was also one of the people who established the subcommittee looking at the whole question of products liability into which the question of warranties falls.

One of the problems this particular piece of legislation overlooks is the jurisdictional problem that exists in Canada in this area. It is essential that that be recognized, and it is essential that this piece of legislation be taken back and rethought. The whole area of contract law lies within the purview of the provincial governments. That is why the provinces of Saskatchewan, Quebec and New Brunswick have passed legislation in this area and why the federal government has refrained from doing so.

When I was with the federal Department of Consumer and Corporate Affairs is was the intention to move ahead with the area of products liability, not only with regard to products and performance of them but also with regard to product safety matters as we now have covered them under the Hazardous Products Act. It was the intention to move ahead to incorporate the Hazardous Products Act as well as product performance standards within one piece of legislation. The immediate reaction from the provinces was one of "Keep your hands off, it belongs to us". There was no question in any of our minds that the provinces were not going to allow the federal government to pass legislation in this area without a great deal of difficulty.

It seems to be rather peculiar that a government which prides itself on consultation with the provinces does not know what the provinces' positions are on federal intervention in this area. It is all also peculiar that we would be talking about putting a piece of legislation forward which does not even cover the major problems of products liability but does it through an amendment in the Combines Investigation Act which is an inappropriate piece of legislation in the first place.

The part of the Combines Investigation Act to which this bill refers is section 36. This is the misleading advertising portion. If we were talking about a piece of legislation that is going to change disclosure that is one thing, but this bill goes much further than just changing the disclosure requirements on consumer product warranties.

First, if you look at proposed section 36.01(3), it says that:

> The governor in council may make regulations prescribing, with respect to any class of consumer product, minimum standards which qualify a warranty as a "full warranty" in relation to products of that class.

Effectively the bill would be asking the federal government or agencies of the federal government, such as the Department of Consumer and Corporate Affairs or the Standards Council of Canada, to establish test methods for evaluating products and to set standards. The time and the cost associated with setting standards in these particular areas, given that there are well in excess of 30,000 to 40,000 consumer products on the market, are obvious even to the slowest mind.

● (1640)

The second area is proposed subsection 4 of 36.01 which reads:

> Where a warranty made in connection with the sale of a consumer product does not qualify under subsection (3) as a "full warranty" in relation to that product, the words "limited warranty" shall appear conspicuously upon the product or its packaging.

What this says is that if a product is produced and a manufacturer does not comply with all of these disclosure items (a) through (k), then the manufacturer has to put the term "limited warranty" on the product. The question arises: what if a manufacturer fails to meet any of the conditions in the warranty legislation? He still has to put "limited". This means that every product, whether it bears a warranty or not, is going to have "limited warranty" put on it. As a matter of federal law, does it make sense that every product, whether or not it carries a warranty, will be forced to say that it does carry a warranty, even though it is a limited one?

A number of factors have to be considered here and the bill does not seem to me to be one which understands the massive complexity and technicalities involved in the warranty field. It certainly overlooks the important area of federal-provincial harmony and federal provincial jurisdiction. It is beyond my understanding how a government which says it is so concerned about putting a new face on federalism and establishing a new co-operative relationship with the provinces could put forward a piece of legislation like this which flies in the face of everything the Department of Consumer and Corporate Affairs has been working on for the last four years in an effort to develop harmony in the field of consumer protection by setting up the task force on legislative programs, by setting up the federal-provincial task force of deputy ministers which meets once a year to talk about all these issues. The whole subject of warranties and liability was, in fact, referred back to the officials.

I agree with the hon. member that the area of warranties is a serious problem. In Canada, right now, a large number of products are inadequately guaranteed. I agree with the hon. member that disclosure is the key. But disclosure also happens to be an area which falls within the provincial domain which is why, as I have said before, the provinces have already moved in there.

At this point I would not recommend any policy if I were not able to go back through all the work which has been done in this field by the Department of Consumer and Corporate Affairs. I would suggest that a good place to start, though, would be with the disclosure provision. The simple language provision in the bill which says you have to understand what is

going on is extremely useful, and it's nice to see it coming from a lawyer because one of the most difficult areas for consumers is understanding exactly what the warranty says. New York State has a simple language clause, but before implementing anything of the kind in Canada I would be very careful to go to New York to talk to the people there and find out all the difficulties which have been caused by that simple, readable-language clause in their legislation.

Another way of handling this problem would be to require full disclosure, and some of the proposals made in the hon. member's bill constitute a good start. That seems to follow very closely from the Magnuson-Moss act in the United States, if I am not mistaken. Possibly, also, it derives from some of the provincial legislation. It is a good start to provide for some disclosure, but not, then, to require that the federal government through its regulatory agencies should become involved in setting minimum standards for what is and what is not a full warranty or a limited warranty, but to police through legislation the validity of the claims by putting the onus on the manufacturer to substantiate his claims in advertising, to substantiate his claims in the warranty itself. The validity of those claims will be decided in the courts of law—by the way they would be handled in civil courts which, once again, are outside federal jurisdiction.

Disclosure itself gives rise to certain problems because of circumstances surrounding the recourse which is available in Canada to consumers within the domain of provincial jurisdiction. There are many serious problems in the area of liability which need to be handled by way of joint federal-provincial agreement and interprovincial agreement. For example, in the products liability area of hazardous products, if I buy a product in Ontario and the product was manufactured in Manitoba and I get injured in British Columbia, I face a serious string of problems in trying to lay claim against the manufacturer or the seller. Where do I bring my case? Can I lay a claim against a Manitoba manufacturer? All these questions have to be resolved by way of extensive interprovincial and federal-provincial agreement. The bill before us will not serve that purpose. It seems to me a broader approach to the whole area of product liability is needed, of which disclosure and warranties will form one part.

Another problem I see with this piece of legislation is that it depends very heavily upon the precedent which was set in the Magnuson-Moss warranties bill in the United States, and I do not think it recognizes sufficiently the rather substantial differences between the law in the United States and the law in Canada. So I would suggest, if I may, from experience in working in this field and dealing with product liability as well as consumer warranties and disclosure legislation, that before we approve private members' bills or pieces of legislation from private members or members of the government, or from the opposition members for that matter, we should do a lot more homework on the background, the subject matter and make sure we are actually covering an area, first of all, which is under federal jurisdiction, and, second, that we are acting in a way which will actually improve the information flow to the consumer and not make it potentially even less than it is now. I agree with the hon. member that at the present time it is not good. I agree with him, also, that there is a need in this area. Thank you, Mr. Speaker.

[Mr. Evans.]

Mr. Bob Rae (Broadview-Greenwood): Mr. Speaker, I want to join with the hon. member for Winnipeg-Assiniboine (Mr. McKenzie) in his attack on the free enterprise system.

Some hon. Members: Oh!

Mr. Rae: That is what we are talking about here. We are talking about a breakdown in consumer protection which the forces of the market place have proven unable to present. I am glad this is recognized by the hon. member, though I am sure there are free market theorists on the other side of the House who will tell us that all consumer legislation is yet another example of government interference in the free working of the market place and something which should be stopped.

Although I applaud the objectives of the bill I, too, have some doubt as to whether this is the best way in which to proceed. I think I am a little more sympathetic to letting this bill go to committee than the hon. member for Ottawa Centre (Mr. Evans). It certainly is not my intention to talk the bill out.

• (1650)

I simply suggest to the hon. member for Winnipeg-Assiniboine that the problem of consumer protection, of which this is one aspect—and product liability is one aspect of the question of consumer protection—is mixed jurisdiction. As the hon. member knows, the basic law of consumer protection, warranty and liability is a matter of commercial contract law which is covered by provincial law and is subject to provincial jurisdiction. One of the difficulties we have is that each province has its own way of protecting consumers or of not protecting consumers. There is a whole variety of acts in each province which reflect differing philosophies. Some are more advanced than others in the whole field of consumer legislation and consumer protection, but I am sympathetic to the notion that the federal government, within its own jurisdiction, might study the possibility of bringing in its own legislation to serve as a model for other jurisdictions, and with a number of amendments I think the hon. member's bill could serve as a basis for that kind of legislation. It is for that reason that I think it should go to committee.

The hon. member for Ottawa Centre said that the problem is basically one of disclosure and that disclosure is the key. I disagree. I think the key to consumer protection is not disclosure. The key is enforcement. The key is access to the law. As the hon. member for Winnipeg-Assiniboine and the hon. member for Ottawa Centre know, when the private individual has the get up and go to take advantage of our court system in consumer actions, by and large he wins. It is one of the ironies of our common law that the common law as it has been interpreted—certainly in the province of Ontario—is beginning to move well beyond the protections of statute.

I think the hon. member for Winnipeg-Assiniboine referred to saws breaking down and the problem of new cars which break down. If the hon. member for Winnipeg-Assiniboine is interested, he can read many cases in Ontario law where courts recognize that there have been fundamental breaches of contract—fundamental breaches of implied warranties—and that this demands compensation.

For example, if I buy a new saw and it breaks down within a given period of time, even though the warranty may not exist or even though the warranty may be worded to the contrary, it still happens, if the individual has the get up and go, the means, the intelligence and the ability to use our court system—both financial and otherwise—that that individual will often win. However, the problem is partly consumer information and partly consumer awareness that a consumer can do this. The other part of the problem is enforcement, and I suggest to the hon. member that that is an area where just as the free market system breaks down in the field of consumer protection, so too it breaks down in relation to legal services.

It is a harsh fact that most people fear the courts and are afraid of lawyers and cannot afford to take the risk of legal actions which might not be successful. Therefore, the critical question becomes one of enforcement, and one of the reasons I would like to see this legislation sent to committee and studied further is that I think there is much that the federal government can do both through the Department of Consumer and Corporate Affairs, and the Department of Justice through its funding of community legal clinics and its provision of community legal education.

There is a great deal a federal government can do in the field of consumer information and consumer protection. That takes money, which the hon. member for Winnipeg-Assiniboine does not want to spend in other areas. I hope he will agree that it is worth the expenditure in this area.

With those exceptions, riders, and concerns, I join with the hon. member in his condemnation of the abuses of the capitalist system. I am glad to have him on my side where he is welcome to join with me in this debate in this attack. I am glad we can agree on something for a change, even if it is at 4.55 p.m. on a Friday. However, there are some amendments we would like to see. We would like to see the bill strengthened to deal with the broader problems which the hon. member has gladly and rightly brought to the attention of this House.

Mr. G. M. Gurbin (Parliamentary Secretary to Minister of Consumer and Corporate Affairs): Mr. Speaker, I am thankful for this opportunity to speak on behalf of the Department of Consumer and Corporate Affairs and my minister regarding this very important bill. I thank the hon. member for Winnipeg-Assiniboine (Mr. McKenzie) for bringing this bill forward. I would like to apologize for the number which I had in one of my documents which indicated that this is Bill C-14. It clearly is not. It is Bill C-214.

The comments made by the hon. member for Ottawa Centre (Mr. Evans) bring quickly to mind the difficulties which are implicit in the Combines Investigation Act, and I would like to call to his attention the fact that he has lived with those for a number of years now, and if he has worked closely with them before I regret that he has not been able to effect a bill which would be better able to serve consumer needs and to serve the purposes of consumers. I think that the effort which has been made by the hon. member for Winnipeg-Assiniboine has attempted to address that problem, and as an effort it at least deserves some attention.

As was the hon. member for Broadview-Greenwood (Mr. Rae), I am reminded of a bumper sticker which reads, "Re-call Ralph Nader". I think the point here is that we would support the type of thing Ralph Nader has been forced to do, and that is to give responsible consumers, producers and retailers the ability to understand each other and, through disclosure, to effect a more reasonable attitude and a better ability to serve consumer needs.

This disclosure, as it would be improved by the measures put forward in the bill introduced by the hon. member for Winnipeg-Assiniboine, would do a number of things. It would help to show the consumer where to turn. It would help show what steps the consumer might take to get proper warranty service. It would help indicate who can turn to the warrantor. Would it be the consumer's spouse, his girlfriend, her boyfriend, her children or her grandchildren? Who can use this warranty? It might help to show what parts of the product are not covered by the warranty, and which parts are. It might help tell us what the duration of the warranty is, among other things.

I would like to state clearly that the Department of Consumer and Corporate Affairs supports this bill, while at the same time appreciating that its purview is under the domain of the provincial governments and that several provincial governments have brought forward legislation which covers this. As the hon. member for Ottawa Centre mentioned, he was involved in these negotiations. These negotiations are ongoing, and with the permission of the hon. member for Winnipeg-Assiniboine this government intends to bring forward this bill to the task force which is now in process in the hope that it will in fact develop, on the basis of this proposed measure and others, a more reasonable consumer bill and a more reasonable ability for the consumer to achieve some satisfaction in terms of his warranty.

There was one other point—

The Acting Speaker (Mr. McCain): Order.

Mr. Knowles: Mr. Speaker, I rise on a point of order. On behalf of the Friday afternoon club may I say it is not often that we have in our midst such a distinguished member as we have this afternoon. We should like to welcome the Prime Minister (Mr. Clark) to the club, and wish him a very happy weekend.

Some hon. Members: Hear, hear!

The Acting Speaker (Mr. McCain): The hour provided for the consideration of private members' business has now expired.

It being 5 p.m. this House stands adjourned until Monday next at 2 p.m., pursuant to Standing Order 2(1).

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

APPENDIX

(*See p. 900*)

OTTAWA K1A 0A6,
April 4, 1979.

Mr. James J. Macdonell,
Auditor General of Canada,
240 Sparks Street,
Ottawa, Ontario.
K1A 0G6

Dear Mr. Macdonell:

Last summer, shortly after the announcement of intended spending cuts in the public service, I was asked by the President of the Treasury Board whether similar economies were possible in the operation of Parliament. My response, of course, was that the ultimate decision must rest with Parliament itself, but that I would certainly provide an opportunity for members to pronounce themselves on the suggestion.

We therefore prepared a preliminary set of the Speaker's spending estimates and I asked our senior officials to identify areas in which substantial cutbacks might be affected if members so desired and, of course, consequential alterations to members' services. I appeared before the Management and Members' Services Committee to advise them that I had taken these steps and to invite them to consider carefully any possible savings so that when our estimates were before them in midwinter, they could give me their final advice. We met again in February and I learned that the committee had directed its attention to these matters in a number of meetings at which our officials testified. They were, however, reluctant to commit future Parliaments to substantial adjustments in members' services or other operational features of Parliament without a comprehensive review, and so, it was their strong suggestion that I authorize an independent study of parliamentary administration.

You will recall that at the Committee's suggestion, I discussed this matter with you in a preliminary way and it was your opinion that as a first step, in place of your regular annual audit, you conduct a somewhat more comprehensive study, which would include the value for money concept which I know you are competent to examine. It was your view that such a study would require about three to four months and that it would assist in identification of problem areas if they do exist, and likely suggest a number of solutions; furthermore, if outside consultations were considered necessary to solve any remaining problems, your study would assist us in drawing appropriate terms of reference. A few days ago, when I appeared before the Committee for final approval of my estimates, I took the occasion in a brief session in camera, to inform the Committee of your opinion and I am pleased to say that they support me entirely in my intention to proceed.

This letter is therefore to formally request you to begin at your earliest convenience, the more comprehensive review which you described to me at our earlier meeting. I understand we can expect such a study to be finalized about the end of the summer so that the Speaker of the next Parliament would be in a position to consult with you and, in turn, with the reconstituted Committee at the commencement of the next Parliament before taking any further steps. I have, of course, advised Mr. Alistair Fraser, the Clerk of the House, General Gus Cloutier, the Sergeant-at-Arms, Mr. Georges St-Jacques, the Director of Administration and Personnel and Mr. Ed Thomas, the Director of Legislative Services, fully about these steps throughout, and by copy of this letter, I am asking all of them to be at your disposal to facilitate your work.

I need not add, I am sure, that the Parliament of Canada is an absolutely singular institution, which operates under entirely unique administrative requirements and pressures and after five years as Speaker, I must say that I have the highest respect for everyone responsible for our administration here. I am confident that you will find a thoroughly professional attitude and competence in every area and that chiefs of services will be of great assistance to you. On the other hand, I am conscious of the fact that the last organizational study of Parliament was made several years ago and that in size and complexity, our entire operation has multiplied several times in the recent years. I am especially pleased that all parties represented in the House and all the senior officials of the administration have expressed great interest in this kind of organizational review for which your audit may form the corner stone, and I thank you for your counsel and co-operation in this very important endeavour.

Yours sincerely,

James A. Jerome, Q.C., M.P.

240 Sparks Street,
Ottawa, Ontario.
K1A 0G6
October 31, 1979

The Honourable James A. Jerome, Q.C., M.P.,
Speaker of the House of Commons,
House of Commons,
Ottawa, Ontario.
K1A 0A6

Dear Mr. Speaker,

On March 23, 1979, you informed me of your concerns and those of the Management and Members' Services Committee as to whether the general and financial administrative organization and systems of the House of Commons were appropriate for its needs and operating economically and efficiently. I suggested that you might wish to consider a comprehensive audit of the type recently introduced in my office which is broad in scope, and includes considerations of economy, efficiency and effectiveness—colloquially described as value-for-money auditing. On April 4, 1979, you advised me that this proposal was acceptable and requested that we proceed with the work.

To identify specific areas in which detailed examination would be justified, we made a preliminary survey of the following aspects of House administration:

- financial administration;
- personnel administration;
- services to committees;
- services to members;
- printing and publication;
- maintenance and cleaning;
- procurement;
- security and protection; and
- restaurant and cafeterias.

We did not, however, review the procedural aspects of the House except to the extent required to obtain an understanding of their relationship to the administrative practices. As Parliament was not in session during our preliminary survey, there has been no opportunity to meet with members to obtain the benefit of their comments and suggestions as users of the service provided by the administrative staff.

On October 4 we discussed with you the findings and key organizational recommendations arising from our preliminary survey and agreed then to provide you with this summary. Future reports will contain our detailed findings and recommendations in other areas included within the scope of our comprehensive audit.

Summary of Findings

Since the organization and administrative practices of the House were last examined during 1964, there has been a threefold increase in the number of staff and a ninefold increase in expenditures. These increases reflect growth in the size of the House and in the complexity of and requirement for support services. There are now close to 3,000 people and a budget that approaches $84 million.

The services provided to members appear to be of a high quality, as do the services to the House itself. However, we are of the opinion that the quality of general and financial administration is significantly below a minimum acceptable standard. In summary, our more significant findings are as follows:

- Operating budgets are rudimentary for all areas of administration in the House. Procedures have not been developed to determine objectives and priorities, or to ensure that there is a methodology for determining the costs of activities and programs and for measuring operating performance. In practice, budgets are prepared by the senior managers on an incremental basis from the preceding year; however, they are not developed in sufficient detail to identify all costs by responsibility centres. Consequently, these budgets are not useful as a means of exercising control or ensuring accountability.
- Financial and management reporting is inadequate in all areas of administration. Expenditures are reported against budgets only at the director level, the broadest level of responsibility. Moreover, detailed analyses of variances from budget are not prepared, and the costs of various services are not reported. Without this kind of information it is difficult for managers to exercise informed judgment with respect to value for money.
- A manual of financial and administrative policies and procedures has not been developed. Thus, there is no assurance that practices, like procurement, are uniformly applied in a manner consistent with accepted government procedures.
- A clear separation of duties is lacking between those who exercise spending authority and those who exercise payment authority. This increases the risk of fraudulent practices and other irregularities.
- The responsibilities and authorities of the Personnel Division have not been well defined or documented. As a consequence, staff may not be recruited or promoted in a manner consistent with practices that ensure due regard for merit.
- Position descriptions documenting responsibilities, authorities and relationships of managers and subordinate staff are not generally available. Salary structures are said to relate to those of the public service; however, direct comparisons are difficult because of the lack of position descriptions.
- Security procedures have not been formalized or subjected to review by an independent authority. Contingency plans are not in place to deal with emergencies.
- Standards of maintenance and cleaning have not been agreed upon or documented. Thus, procedures are not in place to measure productivity or to assess priorities with respect to cleaning and building maintenance.

Organization of the General and Financial Administration of the House of Commons

The lack of plans, policies, documented procedures and adequate reports, coupled with the growth of expenditures to $84 million and a requirement to improve significantly the co-ordination of all administrative functions of the House, led us to place before you at our meeting of October 4 the following two key recommendations:

- Establish the position of Administrator to co-ordinate and direct the administrative functions of the House of Commons. The Administrator should be of equivalent rank to a deputy minister and should report directly to the Speaker of the House of Commons.
- Establish the position of Comptroller of the House of Commons to develop, co-ordinate and maintain all activities relating to accounting and financial administration and controls of the House of Commons and its members. The Comptroller should report directly to the Administrator.

It should be emphasized here that we understand the respect with which members regard the traditional relationships between the Speaker, the Clerk, the Sergeant-at-Arms and the House of Commons. We also accept your admonition that any final description of responsibilities of such an Administrator, including relationships with existing officers of Parliament, must come only after members have had a proper opportunity for study and comment.

At the same time, it is our earnest recommendation that the actual work of the Administrator begin as soon as possible, and that the Administrator work together with the Clerk and the Sergeant-at-Arms as a Management Committee. In this latter regard, we are encouraged by your view that such a Management Committee would constitute a very natural continuation of regular consultations which took place during the last Parliament and that you would not only support such a concept, but would serve as chairman. In the light of your other responsibilities, this is more than we had intended to suggest, but it certainly in our opinion constitutes the best possible arrangement.

We feel that the interim solution which concludes this letter accommodates the need for both comment and expediency and so, in conjunction with that proposal, we have appended capsule position descriptions, outlining the principal responsibilities and relationships respecting these two positions, together with an illustrative, functional chart of organization. The chart illustrates the proposed separation between professional (chamber and procedural) activities and administrative functions. We believe that the direction of the administrative services of the House is a complex and full-time job, and that there is an immediate need to:

- oversee the development and implementation of effective financial, personnel and operating practices;
- establish performance indicators, and cost and reporting mechanisms to provide for accountability; and
- create a co-ordinated and integrated administrative organization.

The chart of organization identifies a number of responsibilities now assigned to the Sergeant-at-Arms that we feel should be directed eventually by the Administrator. These responsibilities, including the Parliamentary Restaurant and cafeterias, building maintenance and cleaning, and messenger services, are highlighted by footnote 1 in the accompanying chart. The rationale for these proposed changes in responsibilities stems from our view that they are more clearly aligned with the role of the Administrator in ensuring economy and efficiency. In the period of transition, close co-ordination would be required between the Sergeant-at-Arms and the Aministrator to ensure a smooth transfer of responsibilities.

* * * * *

You indicated the desirability of proceeding with all reasonable dispatch to fill the two key positions, with first priority being given to the position of Administrator, and asked me to assist you in this connection. Appreciating the need to proceed promptly, but recognizing also that identifying suitable candidates for such a unique and important position as that of Administrator of the House of Commons would likely require several months, I proposed a possible interim arrangement. Briefly, I suggested that, if you so desired, arrangements could be made for the Senior Deputy Auditor General, Mr. Rhéal Chatelain, F.C.A., to assume, on an interim and acting basis, the responsibilities of Administrator, through secondment to the House of Commons reporting directly to you. It seemed that Mr. Chatelain's background and experience is particularly relevant in helping to set up the position of Administrator. Prior to returning to Ottawa from Quebec City in 1974 to accept his present position, Mr. Chatelain held several senior positions with the Government of Quebec, having been successively Comptroller of the Treasury, Comptroller of Finance and Deputy Minister of the Civil Service Department.

You responded positively to this suggestion, and on October 18 you convened a meeting attended by yourself, Dr. Koester, the Clerk of the House of Commons, General Cloutier, the Sergeant-at-Arms, Mr. Chatelain, two of my other associates, and myself. At this meeting the proposed arrangement was discussed and it was agreed that it was a practical and workable arrangement which should be proceeded with as soon as possible. Tentatively, November 19 was selected as the date on which Mr. Chatelain could commence this special temporary assignment.

In accordance with your suggestion it was agreed that, in due time, I would initiate enquiries through the Secretary to the Cabinet and the Chairman of the Public Service Commission to identify for your consideration potential candidates for the position of Administrator.

It was further agreed that I would provide you with this letter to place on record the substance of the principal matters covered in our several discussions.

We are proceeding with other phases of the comprehensive audit and will be directing our attention next to the personnel management aspects of the administration.

My colleagues and I appreciate this opportunity to be of service to the House of Commons.

Yours sincerely,

J. J. Macdonell
Auditor General of Canada

DRAFT
POSITION DESCRIPTION
Administrator, House of Commons
General Accountability

The Administrator is responsible to the Speaker of the House of Commons for ensuring that all financial, personnel and administrative services to the House of Commons and its members are developed and carried out with proper regard for economy, efficiency and operational effectiveness.

Nature and Scope

Because of the rapid growth of the House of Commons staff there is a need for the review and development of new policies, procedures and systems with respect to all administrative services functions including finance, personnel and general administration services. This will include implementing the recommendations of the recent comprehensive audit of the Office of the Auditor General and establishing organizations with the sensitivity and judgment to carry out these changes in an environment where close consultation with the Management and Members' Services Committee, the Commissioners of Internal Economy, the Management Committee and members of the House is essential. Consultations and negotiations may also be necessary with other organizations such as the Treasury Board and Public Service Commission where some form of new relationship may be of value in creating a more structured and controllable administrative environment.

Specific Responsibilities

Obtain a comprehensive understanding of the services needs of the members and, keeping in mind operational efficiency, develop plans for achieving Branch objectives through consultation with the Speaker and other members of the Management Committee.

Ensure that appropriate senior staff is in place and that the organizations necessary to carry out the mandate of the Administrator are quickly established, staffed and made aware of their program objectives.

Prepare a plan for the development of policies, procedures and systems in all areas under the jurisdiction of the Administrator.

Develop a financial and manpower budget and ensure that proper accounting and control systems are in effect.

Establish liaison with the heads of central agencies and other organizations to facilitate the establishment of appropriate relationships or in cases such as with the Public Service Commission and Treasury Board the possible negotiation of administrative arrangements.

Ensure that performance indicators are established wherever possible so that progress in achieving objectives can be monitored.

Provide guidance and advice to the Speaker, Clerk, Sergeant-At-Arms and Members in respect to personnel, financial and administrative matters.

Ensure that studies are carried out on economy, efficiency and operational effectiveness in any part of the House of Commons organization where appropriate and as agreed to by the Speaker.

80074—59

Recruit and ensure the quality of senior personnel, both Contract and Permanent, for employment by the House.

Supervise directly the Comptroller and heads of Personnel, Members' Services and Publication Services.

DRAFT
POSITION DESCRIPTION
Comptroller, House of Commons
General Accountability

The Comptroller is accountable to the Administrator of the House of Commons for ensuring that financial and management policies, programs and systems are properly developed and implemented to support and control the activities of the House.

Nature and Scope

The need to improve financial control and accountability will necessitate the introduction of a complete program of policies, systems and procedures for financial planning, budgeting, reporting and controls. This may include discussions with central agencies such as the Treasury Board or Comptroller General where the possibility of working arrangements could be explored. The successful implementation of this program in the complex environment of the House of Commons will require a highly competent, creative and sensitive professional staff capable of establishing a model management and financial control organization.

Specific Responsibilities

Develop an appropriate organizational structure for his Branch and obtain the financial and human resources necessary for its successful operation.

Develop financial management policies and establish and promulgate procedures and systems to implement a complete and effective financial and management control system.

Plan and supervise the preparation and integration of program forecasts, main and supplementary estimates and budgets.

Establish effective systems for the monitoring, reporting and control of financial activities including a strong basic accounting system.

Provide statistical and cost and benefit analysis information in respect to major activities and operations.

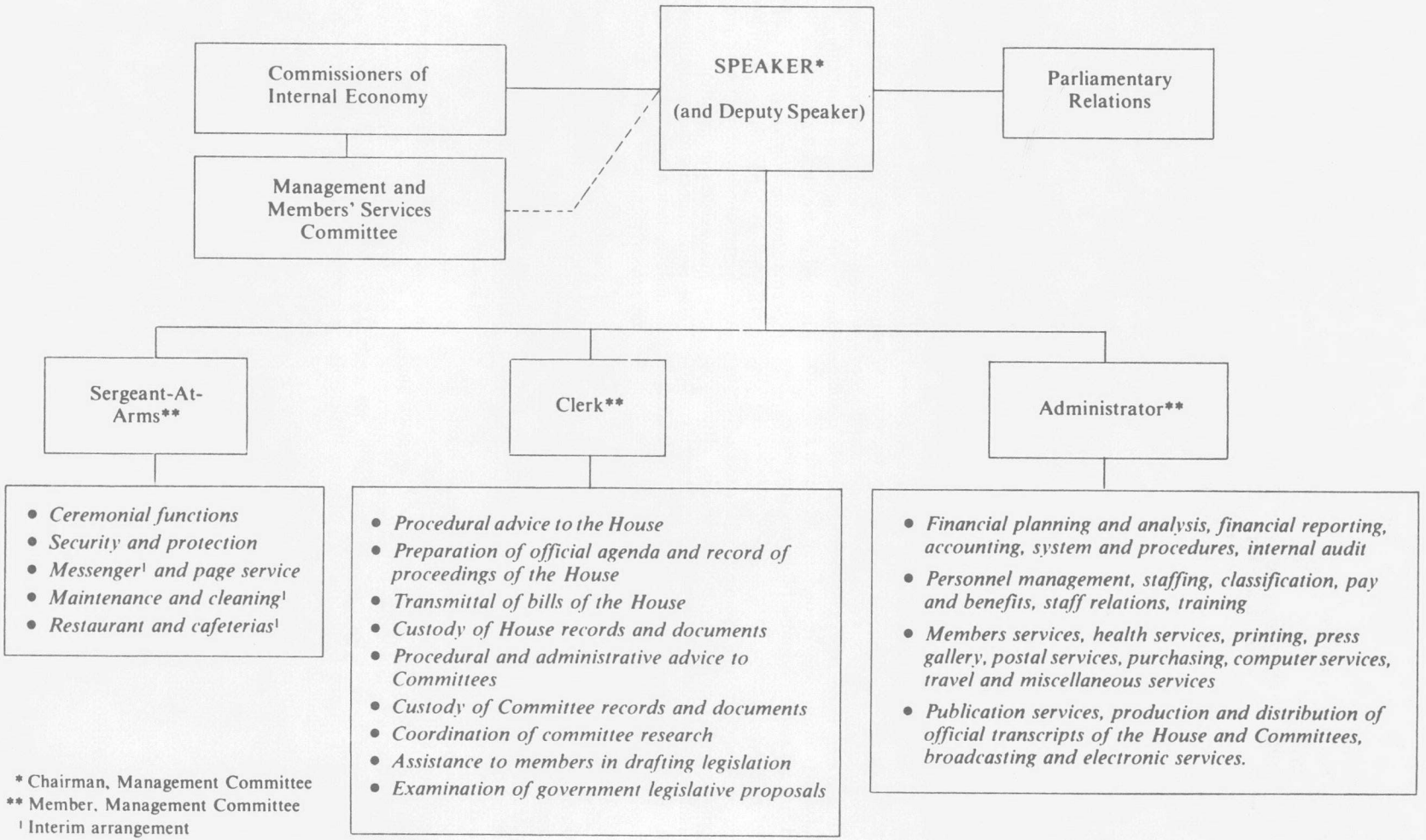
Carry out studies of economy, efficiency and operational effectiveness in the Branch and in any area under the jurisdiction of the Speaker as directed by the Administrator.

Develop and maintain effective relationship with senior staff of the House of Commons and provide sound professional advice on financial management problems.

Participate in committee meetings to contribute to policy decisions on financial and other matters and represent the House of Commons with other organizations.

Supervises directly the Chief of Financial Planning and Analysis, Chief Accounting, Chief Systems and Procedures and Internal Auditor.

HOUSE OF COMMONS
PROPOSED INTERIM FUNCTIONAL CHART OF ORGANIZATION
November 1, 1979



* Chairman, Management Committee
** Member, Management Committee
[1] Interim arrangement

HOUSE OF COMMONS

Monday, November 5, 1979

The House met at 2 p.m.

• (1405)

ROUTINE PROCEEDINGS

[*Translation*]

NATIONAL CAPITAL REGION

MUNICIPAL ELECTIONS—PROPOSED CONGRATULATIONS TO ELECTED OFFICERS IN QUEBEC—MOTION UNDER S.O. 43

Mr. René Cousineau (Gatineau): Mr. Speaker, under the provisions of Standing Order 43, I ask for the unanimous consent of the House to introduce a motion dealing with an important matter of pressing and urgent necessity.

Considering that some municipalities in western Quebec held elections on November 4, 1979; considering that those municipalities are situated within the national capital area, I move, seconded by the hon. member for Hull (Mr. Isabelle):

That the Prime Minister, the Leader of the Opposition and the leaders of other parties send their congratulations to those who were elected and in addition encourage all those municipal councils to continue to co-operate closely with the federal government and its organizations in the best interests of the people.

* * *

INDIAN AFFAIRS

REQUEST HOUSE BE INFORMED OF NEW CONSERVATIVE POLICY ON TERRITORIAL CLAIMS—MOTION UNDER S.O. 43

Mr. Charles Lapointe (Charlevoix): Mr. Speaker, I rise under the provisions of Standing Order 43 and ask for the unanimous consent of the House to discuss a motion relating to a matter of urgent and pressing necessity.

Given the unduly long time the Minister of Indian Affairs and Northern Development (Mr. Epp) is taking to give a favourable answer to the request for technical and financial help made by the Attikamek Montagnais council to have successful territorial negotiations with Quebec, and given the fact that the Government of Canada is traditionally the protector of the rights and interests of the native people of Canada, I move, seconded by the hon. member for Hull (Mr. Isabelle):

That the Minister of Indian Affairs and Northern Development immediately inform the House about the new Tory policy on territorial claims.

Mr. Speaker: Pursuant to the provisions of Standing Order 43, the presentation of this motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

[*English*]

STATUS OF WOMEN

CALL FOR EQUALITY FOR WOMEN IN ALL PHASES OF ECONOMY—MOTION UNDER S.O. 43

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, under the provisions of Standing Order 43, and seconded by the hon. member for New Westminster-Coquitlam (Miss Jewett), I move:

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

Mr. Speaker: The introduction of such a motion for debate at this time can be done only with the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

[*Translation*]

SOCIAL SECURITY

REQUEST FOR VOTE OF CONFIDENCE ON FAMILY ALLOWANCE POLICY—MOTION UNDER S.O. 43

Hon. Monique Bégin (Saint-Léonard-Anjou): Mr. Speaker, pursuant to Standing Order 43, I seek the unanimous consent of the House to move a motion on a matter of urgent and pressing necessity.

Following the irresponsible statements made by the President of the Treasury Board (Mr. Stevens), who is absent from the House today, and by the right hon. Prime Minister (Mr. Clark) whose priorities are completely mistaken, since we are heading towards the end of the International Year of the Child and since our seven million children who benefit from univer-

sal child allowances are our most precious natural resources; given the fact that Canadian mothers whom the Conservatives say they want to support lost 2,000 places in daycare centres last year, and that universal family allowances are the tool of a unique family policy by the federal government, I move, seconded by the hon. member for Cape Breton Highlands-Canso (Mr. MacEachen):

That the House request a vote of confidence against the government for the concerns it has created among Canadian mothers.

Mr. Speaker: Pursuant to Standing Order 43, this motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

[*English*]

TRANSPORT

RADIO OPERATORS' DISPUTE—REQUEST MINISTER INTERVENE PERSONALLY—MOTION UNDER S.O. 43

Mr. Ed Lumley (Stormont-Dundas): Mr. Speaker, I wish to move a motion of urgent and pressing necessity, under Standing Order 43.

In view of the vital importance of radio operators to air and marine safety in Canada, particularly in the remote parts of the country, and in view of the fact that the transport department has warned pilots that they can no longer rely on navigational aids, and that search and rescue services are reduced, I move, seconded by the hon. member for Grand Falls-White Bay-Labrador (Mr. Rompkey):

That the Minister of Transport personally intervene in the negotiations in order to bring this dispute to an immediate and satisfactory conclusion before we are all party to an accident that is out there looking for a place to happen.

Mr. Speaker: The introduction of such a motion, pursuant to this Standing Order, would require the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

CANADA WORKS

REQUEST PROGRAM BE REINSTATED TO ASSIST INDIAN AND RURAL COMMUNITIES—MOTION UNDER S.O. 43

Mr. Maurice Foster (Algoma): Mr. Speaker, I rise, under the provisions of Standing Order 43, on a matter of urgent and pressing necessity.

In view of the large number of representations that have been made by rural municipalities and Indian bands protesting the cancellation by the Minister of Employment and Immigration of the Canada Works program in high unemployment areas of Ontario, and considering the revelations by the minister last week that the funds for this cancelled program will be used for Indo-Chinese refugees, which could result in a backlash against these refugees in the slow-growth areas which have lost this assistance, I move, seconded by the hon. member for Kenora-Rainy River (Mr. Reid):

● (1410)

That the Minister of Employment and Immigration immediately move to prevent this backlash and meet the needs of the high unemployment areas of Ontario by reinstating the Canada Works program which he cancelled last summer.

Mr. Speaker: This motion can be presented for debate at this time only with the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

[*Translation*]

UNEMPLOYMENT INSURANCE

REQUEST MINISTER INTERVENE IN ORDER THAT BELL CANADA WORKERS RECEIVE BENEFITS—MOTION UNDER S.O. 43

Mr. Jean Lapierre (Shefford): Mr. Speaker, I rise, under the provisions of Standing Order 43, on a matter of urgent and pressing necessity.

In view of the delay of the Unemployment Insurance Commission in ruling on the eligibility for unemployment benefits of the many ex-employees of Bell Canada who have been waiting for more than four months for a decision on their case, I move, seconded by the hon. member for Argenteuil (Mr. Gourd):

That the House direct the Minister of Employment and Immigration to intervene immediately in this matter in order that a decision be taken in all cases and that the rights of these persons to unemployment benefits be recognized.

Mr. Speaker: Pursuant to Standing Order 43, such a motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

[*English*]

ADMINISTRATION OF JUSTICE

WENDY KING CASE, VANCOUVER—CALL FOR INVESTIGATION—MOTION UNDER S.O. 43

Mr. Ian Waddell (Vancouver-Kingsway): Mr. Speaker, I rise under the provisions of Standing Order 43. In view of the

fact that one, Wendy King, last week pleaded guilty in a Vancouver courtroom to the charge of keeping a common bawdy house; that the former chief justice of the Court of Appeal of British Columbia resigned when his name was linked with the case; that there has never been a proper investigation behind this incident involving, as it does, on the one hand the highest levels of the judiciary in British Columbia and, on the other hand the sordid underworld of prostitution and heroin in Vancouver, I move, seconded by the hon. member for Vancouver East (Mrs. Mitchell):

That a special commissioner be appointed to investigate this matter, with power to look into the sealed records of the King case.

Mr. Speaker: The introduction of the motion at this time can be done only with unanimous consent. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

CONSUMER AFFAIRS

OIL PRICES—ADVERSE EFFECT ON CONSUMERS—MOTION UNDER S.O. 43

Miss Aideen Nicholson (Trinity): Mr. Speaker, in view of the fact that the anticipated increase in the price of gasoline will cause budget-conscious consumers to use self-serves instead of full service stations, and that in such cases the oil companies use the excuse of lower sales to refuse to supply service stations, so the effect is that the oil companies will be able to increase their direct control over prices, I move, seconded by the hon. member for Ottawa Centre (Mr. Evans):

That this House instruct the Minister of Consumer and Corporate Affairs to institute immediate inquiries into the effects of this concentration, and report to the House within two weeks.

Mr. Speaker: Pursuant to Standing Order 43, introduction of such a motion can be done only with unanimous consent. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

TRANSPORT

CAPITAL ASSISTANCE FOR URBAN RAPID TRANSIT SYSTEMS—MOTION UNDER S.O. 43

Mr. Svend J. Robinson (Burnaby): Mr. Speaker, I rise on a matter of urgent and pressing necessity, pursuant to the provisions of Standing Order 43.

In view of the fact that a new financing formula for provision of urban rapid transit is to be negotiated in the province of British Columbia; that the right hon. Prime Minister (Mr. Clark) has indicated the importance of rapid transit in lowering energy costs in Canada; that Conservatives during the election promised assistance to urban rapid transit, I move, seconded by the hon member for Vancouver-Kingsway (Mr. Waddell):

That this House call upon the Minister of Transport to provide both capital assistance and operating assistance to urban areas for the provision of rapid transit systems.

Mr. Speaker: Such a motion can be introduced and debated at this time only with unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

ORAL QUESTION PERIOD

[*Translation*]

NATIONAL UNITY

QUEBEC REFERENDUM—GOVERNMENT INTENTIONS

Hon. Jean Chrétien (Saint-Maurice): Mr. Speaker, my question is for the right hon. Prime Minister.

In light of the publication of the white paper by the separatist government in Quebec, it is now more obvious than ever that should the referendum result in a Yes vote, Premier Lévesque will immediately initiate the retreat of Quebec from the Canadian federation.

[*English*]

Will the Prime Minister assure this House that he will tell Premier Lévesque, if his question does not state clearly his intention of breaking up Canada, that early next year this House will proceed with a bill to offer a clear, honest and straightforward question to the citizens of Quebec?

[*Translation*]

Right Hon. Joe Clark (Prime Minister): Mr. Speaker, it is absolutely not our intention to introduce a bill providing for a federal referendum.

QUEBEC REFERENDUM—REQUEST FOR CORRECTION OF CERTAIN FIGURES IN QUEBEC WHITE PAPER

Hon. Jean Chrétien (Saint-Maurice): Mr. Speaker, on a supplementary. As the white paper on sovereignty-association gives a distorted interpretation of the history of Canada and the situation of Quebeckers, of which this is an example taken out of the white paper, namely that Quebec has only 12 per cent of the Canadian railway lines, while no mention is made of the fact that 37 per cent of the CN and CP payrolls are paid

out to Quebec citizens, what does the Prime Minister intend to do to remedy that situation?

Right Hon. Joe Clark (Prime Minister): Mr. Speaker, I shall make sure that all Canadian citizens understand exactly what the federal government has contributed to the development of the province of Quebec.

QUEBEC REFERENDUM—PRIME MINISTER'S POSITION

Hon. Jean Chrétien (Saint-Maurice): One last supplementary, Mr. Speaker.

● (1415)

[*English*]

In light of a statement made Friday to a reporter, to the effect that he does not want to be the Abraham Lincoln of Canada, and since the Conservative party is not planning to join the "No" group in the referendum, and as the Prime Minister is continuing his offhand policy of appeasement, is it the intention of the Prime Minister to become the Neville Chamberlain of Canada?

[*Translation*]

Right Hon. Joe Clark (Prime Minister): Mr. Speaker, as Prime Minister of Canada, I intend to prove to Quebeckers that we now have here in Ottawa a government that is determined to have a type of federalism that is open enough to make it comfortable for Quebeckers who want to build their future and achieve their personal fulfilment within a large country.

[*English*]

QUEBEC REFERENDUM—GOVERNMENT PARTICIPATION UNDER PRO-FEDERALIST UMBRELLA

Hon. Warren Allmand (Notre-Dame-de-Grâce): Mr. Speaker, I have a supplementary question for the Prime Minister. Each time we have asked the Prime Minister whether he and his Quebec ministers and the Conservative party intend to join the pro-federalist umbrella committee under Quebec referendum Bill 92, he has failed to give us an answer but has merely repeated the same kind of answer he made to the last question, that he is interested in renewing federalism and he is going to change the status quo of federalism, mentioning lotteries and offshore mineral rights, the validity of which we question. In any case, he has failed to answer the question.

I want to know clearly from him whether he—along with his Quebec ministers—is, or is not, going to participate in the pro-federalist umbrella committee that will campaign for the "No" option in the referendum? Will he answer that question?

Right Hon. Joe Clark (Prime Minister): Mr. Speaker, I am delighted to repeat the assurance that members of the Progressive Conservative Party will participate in the umbrella committee opposing the option against federalism in the province of Quebec. I am pleased to repeat that.

[Mr. Chrétien.]

Some hon. Members: Oh, oh!

An hon. Member: He said the contrary last week.

Mr. Allmand: Mr. Speaker, I have a supplementary question. Last week, prior to the white paper, and repeated in this House, his Minister of Supply and Services said he may want to vote "Yes" or "No" on the referendum question.

An hon. Member: Another flip-flop.

Mr. Allmand: This was repeated by the senator-minister in charge of CIDA. He said the same thing and, as a matter of fact, the Prime Minister said in the House that he wanted to reserve his answer to that question until he had seen the question.

Since the white paper has been published, and in view of what he has just said, has he spoken to the Minister of Supply and Services and to the minister responsible for CIDA and told them that they are to vote and campaign for the "No" answer in this referendum campaign? Has he spoken to them?

Mr. Clark: Mr. Speaker, I have spoken to them. There was no need to tell them that. That was their intention, as I made clear in the House the other day.

* * *

ENERGY

OIL PRICE AGREEMENT WITH ALBERTA—STATE OF NEGOTIATIONS

Mr. Cyril Symes (Sault Ste. Marie): Mr. Speaker, I have just learned that the Prime Minister is about to give Canadians a horrendous Christmas present, and I would like to put the following question to him. Can the minister confirm that an energy agreement with Alberta has been arrived at as outlined in a document entitled "An Outline of the Initial Stage of National Energy Strategy," in which it is agreed that Canada will be paying near the world price for oil by 1983, namely, $29.75 a barrel, an increase of 120 per cent over the current domestic price; and does he not acknowledge that such a staggering price increase will deal a massive blow to Canadian consumers, workers and the economy in general?

Right Hon. Joe Clark (Prime Minister): Mr. Speaker, I can confirm that an agreement with the province of Alberta has not been arrived at. I can confirm that my expectation is that it will be possible for us—within, I would hope, the next several days—to get agreement involving all of the provinces of Canada and the federal government in respect of a general energy package.

● (1420)

Mr. Symes: Considering that a source in the Prime Minister's office has said that the agreement is 99 per cent certain, I do not think the Prime Minister is reflecting accurately the current stage of the pricing situation.

Will the Prime Minister also confirm that these oil prices, which will cost Canadian consumers some $14 billion, will be shared under the existing oil pricing formula, thereby giving the multinational oil companies—which already have record profit increases—an extra $7 billion? How does the Prime Minister reconcile that kind of rip-off to Canadians, who in 1983 will be paying an extra $700 a year just to heat their homes and drive their cars?

Mr. Clark: Mr. Speaker, I am sure the hon. member will want to review *Hansard* to determine whether or not he intended to say he did not believe that I was reflecting the situation exactly as it stands, and perhaps change his statement later in the day or tomorrow.

To come to the question and not its tone, one of the matters that we are looking at, as we prepare an energy package, is a means by which we can establish procedures and mechanisms which will encourage a substantial increase in investment by Canadians in Canada's energy potential so that we can accomplish two goals together: the first goal would be to substantially improve the supply situation in Canada, thus protecting us against uncertainty in the future; and the second goal would be to substantially increase the degree of Canadian participation in and ownership of the energy industry.

Mr. Symes: Mr. Speaker, in response to the Prime Minister, if he were to table the documents which I have cited, we could take a look at the situation for ourselves. By way of a final supplementary, will the Prime Minister acknowledge that in a document entitled "Memorandum of Understanding: Alberta's Contribution to a National Energy Strategy", Alberta will agree to lend money from its Heritage Fund at commercial rates for future energy development, and that, in effet, Edmonton—not Ottawa—now becomes the capital of Canada as far as national energy planning is concerned? How does he reconcile this abdication of federal responsibility with the national interest?

Mr. Clark: Mr. Speaker, if the hon. member is looking for a document which outlines the removal, in practice or in principle, of the capital of Canada, then no such document exists. There have been active discussions with some of the provinces, including the governments of the provinces of Saskatchewan and Alberta, which have put forth a number of options which might be the basis of agreement between the federal and provincial governments. None of those options have yet been decided upon, and none of them will be decided upon until there has been an opportunity for further discussion involving all the provinces and all the governments concerned.

I can assure the hon. member that the ultimate decision will be very much in the national interests of Canada and will have regard for the fundamental importance in this country of taking steps today which will guarantee against Canada being exposed to uncertain supplies of energy offshore that we need for this nation to grow.

* * *

[*Translations*]

FEDERAL-PROVINCIAL RELATIONS

INQUIRY WHETHER GOVERNMENT WILL PREPARE PAPER ON PROPOSALS RESPECTING RENEWED FEDERALISM

Mr. Fabien Roy (Beauce): Mr. Speaker, my question is to the right hon. Prime Minister. Last Friday, following the release of the Quebec white paper, opposition members asked questions of the Prime Minister, who answered:

> These proposals show that since the last election on May 22 the federal government in our country is not prisoner of the status quo, that it is determined to set out various approaches to the issue of federalism in Canada, and that it can, in co-operation with all provinces which it considers as partners and certainly not as enemies, demonstrate the possibility of a renewed federalism.

Since reference is made to a renewed federalism, it is then obvious that changes are being considered. If changes are considered there will be a need for negotiations. Today, I would like to ask the Prime Minister if he can indicate to the House what are the areas or fields of jurisdiction that his government is prepared to discuss with the provinces, and I would also like to ask him if a document has been, or is being, drafted; and, if so, whether that document could be tabled before the end of the year.

Right Hon. Joe Clark (Prime Minister): Mr. Speaker, there have been several discussions in particular between the Minister of State for Federal-Provincial Relations and his provincial counterparts concerning specific changes in the constitution or in the arrangements between the different levels of government. There is no plan as such for changing our constitution. There is no grand design for a constitutional reform but conversations have been held and I hope there will be others during the next federal-provincial conference in December.

INQUIRY WHETHER GOVERNMENT READY TO RETURN CERTAIN TAX FIELDS TO QUEBEC

Mr. Fabien Roy (Beauce): Mr. Speaker, I would like to ask a supplementary question. Since the issues raised at the constitutional conferences were only minor ones, and since there is nonetheless a problem which has been pending for many years and has been the subject of many representations, especially from the Quebec government and from many premiers, I would like to ask the government if, in its present openmindedness, it would be ready to return to Quebec all the taxation

powers the federal government has appropriated during the war in 1942 and has always kept since?

Right Hon. Joe Clark (Prime Minister): No, Mr. Speaker.

* * *

THE CANADIAN CONSTITUTION

REQUEST FOR RESTORATION OF TELLIER TASK FORCE TO PREPARE ANSWER TO WHITE PAPER ON SOVEREIGNTY-ASSOCIATION

Hon. Francis Fox (Blainville-Deux-Montagnes): Mr. Speaker, my question was for the Minister of State for Federal-Provincial Relations, but in his absence I will direct it to the right hon. Prime Minister. Following the publication of the white paper on sovereignty-association by the government of the Parti Québécois, and also following the dismantling by the right hon. Prime Minister of a unit within the Federal-Provincial Relations Office known as the Tellier group, could the right hon. Prime Minister tell the House if he now intends to restore that unit and publish a refutation of the white paper which gives out more propaganda than information, which treats confederation as a failure, which gives many misinterpretations of Canadian history and which, surely, should not remain without answer?

Right Hon. Joe Clark (Prime Minister): Mr. Speaker, it is not my government's intention to publish an answer to the white paper. In the months to come the federal government will take steps and make proposals which will continue to show Quebeckers that there is now in Ottawa a government ready to consider changes.

As for misinterpretations of Canadian history in the Quebec white paper, I do not feel it is essential for the federal government to stress them by its own publication.

[*English*]

Mr. Fox: Since the Prime Minister indicated to the House on Friday, and once again today in his answer to me, that attitudes and concrete steps are more important than rhetoric, and that these are to be the hallmark of his government in constitutional reform, and since the Prime Minister has rejected the approach of holding a federal-provincial conference of first ministers to discuss the immediate, anyhow, proposals for constitutional reform, could the Prime Minister indicate to the House what these concrete steps are that they have in mind, and how they are to be brought to the attention of provincial first ministers, to the House of Commons and to the Canadian public in general?

Mr. Clark: Mr. Speaker, we are in the process, now, of discussing important changes with various provincial governments. In many cases they are changes in administrative arrangements which would have, nonetheless, an impact on the way the federal and provincial levels of government work together. In some cases they are changes that would affect relations between the central government and all of the provinces; in other cases they are changes which would affect relations between the central government and some of the provinces.

I do not think we are at a stage of agreement yet where any of those could usefully be brought before the House of Commons. I would hope that it might be possible for us to reach agreement on some of those matters at the first ministers' meeting. Certainly, I can give the hon. member and the House the undertaking that when we are at a stage where we think we have changes that can significantly advance co-operation between the federal government and provincial governments, we will make them known in this House and elsewhere.

* * *

● (1430)

[*Translation*]

NATIONAL UNITY

REQUEST CANADIANS BE INFORMED ON CONSTITUTIONAL CRISIS BROUGHT ABOUT BY QUEBEC PROPOSALS

Hon. Jeanne Sauvé (Laval-des-Rapides): Mr. Speaker, as we question the government, their position gets clearer. We now know that this government has no intention of conducting an intensive campaign for the "No" option in the Quebec referendum. I would now put my question to the Prime Minister. If he feels missionary work is not useful in the province of Quebec, will he encourage his ministers to travel across the rest of Canada to inform other Canadians of the constitutional crisis implied by the proposal for separating Quebec from Canada, since the white paper urges other provinces to ask for direct participation in new Quebec-Canada bodies?

Right Hon. Joe Clark (Prime Minister): Mr. Speaker, it is this government's intention to go on travelling across Canada, and this includes Quebec of course, to point out the advantages of federalism and the disadvantages in the proposal put forward by the Quebec government.

REQUEST GOVERNMENT EXPLAIN CLEARLY POSITION ON QUEBEC PROPOSALS

Hon. Jeanne Sauvé (Laval-des-Rapides): Since Quebec is not isolated in this constitutional crisis, since it is not isolated either in its requests to the Canadian government for changes in the relationships between the federal government and the provinces, does the right hon. Prime Minister not think, despite all his suggestions and the confirmation he only wants to change the attitudes, to show his government will be flexible—on this we agree, because we also are for flexibility—

but what the right hon. Prime Minister does not understand now, as the crisis deepens, is that it is important for the federal government to put their position forward publicly, very clearly and very precisely in order the counteract the PQ proposal and their progapanda so that Quebeckers realize a No vote will only plunge them into the status quo?

Right Hon. Joe Clark (Prime Minister): Mr. Speaker, clearly, of course, it is essential for the Canadian government to demonstrate to Canadians, including Quebeckers, in a public and concrete way, that there has been a change of attitude here in Ottawa at the federal level. I agree that there is now, with the publication of the white paper, another development in the debate on Canada's future. I agree it is essential that the Canadian government continue its efforts and demonstrate to Quebeckers there has been a change here, that it is quite possible to have not only talk of flexibility but concrete actions to show flexibility. This we have been doing since the May 22 election, and this is the course we intend to go on following.

CONSTITUTIONAL REFORM—INQUIRY WHETHER GOVERNMENT INTENDS TO PURSUE POLICY OF PRECEDING GOVERNMENT

Hon. Jean-Luc Pepin (Ottawa-Carleton): I am trying to understand the innermost thought of the right hon. Prime Minister with respect to the constitution and the referendum. Last Friday, he told the House, "Our government will continue to make concrete proposals." Then, later, "What Quebeckers have with this national government is a national government committed to constitutional reform." The second quotation is clearly much broader than the first one and presupposes the discussion of a certain number of interdependent constitutional matters which would resemble, of course, the efforts made by the previous government in this area. To make concrete proposals, it is still necessary to comprehend the interdependence of every one of the proposals to be made. In that context, could the right hon. Prime Minister tell the House whether he intends to continue the efforts made by the previous government at the more recent federal-provincial conferences?

Right Hon. Joe Clark (Prime Minister): Mr. Speaker, I think it is worth while for us to have in the House of Commons someone who can participate in the context of the Pepin-Robarts commission. I hope he intends to suggest positive and concrete proposals during the coming months, as he has in the past, and that he can persuade his colleagues to change the position they have taken in the past.

As to the position of this government, I say to the hon. member that we intend to continue to analyse the status of possible agreements on constitutional changes with the provinces. There have already been talks between the Government of Canada and some of the provinces on the possibility of making amendments, and similar matters. We do not want to start anew the consultations that have already taken place with the provinces. We want to continue the work done by the former government, but we do not have at this moment a magic formula to present to the House or the people of Canada. We intend to continue the work already started, and I hope we can have the positive contribution of the hon. member and his colleagues.

* * *

INQUIRY OF THE MINISTRY

INQUIRY WHETHER PRIME MINISTER MET PÉQUISTE CANDIDATE

Hon. André Ouellet (Papineau): Mr. Speaker, my question is for the right hon. Prime Minister.

The newspaper *Le Devoir* recently reported that the Prime Minister, on the occasion of a visit he made to Montreal, met Mr. Jacques Desmarais, the Péquiste candidate in the by-election of Montreal-Maisonneuve. Will the Prime minister tell us whether it is true that he met that individual who wants to destroy Canada; and, if so, just what was he doing there?

Right Hon. Joe Clark (Prime Minister): Mr. Speaker, that man was probably a member of a group which submitted a brief to me about the strike in the port of Montreal, but it was only as such that he was there.

Mr. Ouellet: Mr. Speaker, it is obvious that the Prime Minister feels embarrassed because of those meetings and because of the friends he has in Quebec.

[*English*]

It is obvious that the government is very embarassed by what is taking place—

Some hon. Members: Oh, oh!

Mr. Ouellet: —and does not want us to indicate clearly to Canadians that, in fact, the Prime Minister is making a sweet deal with the Parti Québécois.

Some hon. Members: Oh, oh!

An hon. Member: Order.

Mr. Ouellet: Is the Prime Minister ready, today, to admit that when he talks about positive action and openness vis-à-vis the provinces and, more particularly, vis-à-vis Québec, the only action that has taken place has been—

An hon. Member: What is the question?

Mr. Ouellet: —giving away to the Quebec government the things that they want.

Mr. Baker (Nepean-Carleton): There must be a limit, Mr. Speaker.

Mr. Ouellet: We have witnessed—

Mr. Speaker: Order, please. The hon. member started with an argumentative question and now seems to want to follow it with an argument. I think I have to stop it.

Mr. Ouellet: My question is as follows: Does the Prime Minister know that the deal by his minister for sport, in doing away with Loto Canada, a very popular program and a success story in Quebec—

An hon. Member: Order.

Mr. Ouellet: —has been a deal that has pleased only the Parti Québécois, because now there will still be a lottery in Quebec but the word "Canada" will no longer be front and centre; the word "Canada" has been abolished by his minister.

Some hon. Members: Hear, hear!

An hon. Member: Shame on you.

Mr. Clark: Mr. Speaker, I think, in answer to what I guess was intended as a question, I can only say that I think it will be in the interests of federalism in Canada if the hon. member and his colleagues stop fighting the battles of the past and, instead, will join with us in building a federalism for the future.

Some hon. Members: Hear, hear!

Mr. Baker (Nepean-Carleton): That is why you are in opposition.

Mr. Crosbie: And will stay there.

* * *

THE ENVIRONMENT

ACID RAIN FALL-OUT—RELATIONS WITH U.S.

Mr. Derek Blackburn (Brant): Mr. Speaker, my question is to the Prime Minister. The environment minister is quoted in yesterday's *Sunday Star* as saying Canada cannot negotiate an agreement with the United States to turn off or reduce acid rain fall-out until after the presidential election.

Is it the policy or the attitude of the Government of Canada that Mr. Carter is a lame-duck president and therefore, they cannot enter into any negotiations with the White House until after January, 1981?

Hon. John A. Fraser (Postmaster General and Minister of the Environment): Mr. Speaker, the fact is that negotiations between Canada and the United States which are aimed at leading to an agreement are going on now and will continue. All I have said is that it is unrealistic to assume, with the complications of those negotiations from a technical, economic and scientific point of view, that we will be in a position to have the agreement in practically completed form and signed before the next presidential election.

[Mr. Ouellet.]

• (1440)

Mr. Blackburn: Mr. Speaker, I thank the minister for bailing out the Prime Minister on that one. My supplementary question is to the Minister of the Environment. If Canada is going on its own anyway at the present time, can the minister tell the House what measures his department has taken to control, eliminate or at least reduce acid rain, and what timeframe he has in mind for completion? By way of a specific example, what directive or directives have been sent to the International Nickel Company.

Mr. Fraser: I thank the hon. member for his question. As the hon. member and the House know, the present regime of law to control the emission sources lies with the provinces. As I have said to the House, I do not intend at the moment to change that.

With regard to the company that the hon. member mentioned, the chief executive officer of Inco has been written to by myself, and I have asked for a meeting with him along with representatives of some other companies. That meeting will be arranged as soon as possible.

* * *

NATIONAL UNITY

COMMENTS OF PREMIER OF ALBERTA—FEDERAL ROLE IN EVENT OF "YES" VOTE IN QUEBEC REFERENDUM

Hon. Robert K. Andras (Thunder Bay-Nipigon): Mr. Speaker, my question is supplementary and it is to the Prime Minister. It was reported recently that Mr. Lougheed stated that in the event of a Yes vote in the referendum, the negotiations in terms of sovereignty-association with Quebec would be up to the provincial governments to handle.

Does the Prime Minister accept that we really are a nation of ten provinces only and that the federal government would have no role in such negotiations as indicated or implied by the Premier of Alberta.

Right Hon. Joe Clark (Prime Minister): Mr. Speaker, I have not seen that quotation attributed to the Premier of Alberta. If anyone did make that kind of assertion, I naturally would disagree with it.

Mr. Andras: Mr. Speaker, that is the second time in about ten days that the Premier Minister has indicated he is not aware of what the Premier of Alberta is saying. Last week, the Premier of Alberta made a very definite statement with regard to oil prices: world prices now, or the oil stays in the ground.

The Prime Minister surprised us for several days by saying he had not seen a transcript or spoken to Mr. Lougheed about it. Has he since called the Premier of Alberta and spoken to him about that statement? If so, what makes him so confident he will make an acceptable deal on oil prices for Canada, in the face of that statement? Was there some kind of arrangement beforehand, or what is all this rhetorical game about?

Mr. Clark: Mr. Speaker, in answer to what I gather was intended to be a supplementary question, I can assure the hon. member that I now have had an opportunity to see the transcript of the remarks the Premier of Alberta made in Vancouver. The press reports were very substantially exaggerated. The Premier of Alberta indicated that he was prepared to accept various aspects of the proposal we had been putting forward.

Mr. Ouellet: Answer the question.

Mr. Clark: The hon. member for Papineau, who distinguished himself recently with a question on the floor of the House, has asked me to answer the question of his colleague, the other former minister. I have not, personally, been in touch with the Premier of Alberta, but my Minister of Energy, Mines and Resources has been in touch with the minister responsible for energy policy in the province of Alberta. There have been very useful discussions between the two ministers. They encourage me, as they encourage my minister, that we have the very real prospect of moving toward agreement on the question of a national energy package.

* * *

EXTERNAL AFFAIRS

MEETING OF PRIME MINISTER AND PRESIDENT CARTER—REQUEST AGENDA INCLUDE DISCUSSION OF AUTO PACT

Hon. Herb Gray (Windsor West): Mr. Speaker, my question is for the Prime Minister. Will he undertake that when he meets with U.S. President Jimmy Carter later this week, he will raise the matter of the operation of the Canada-U.S. auto pact as part of an effort to ensure that Canada gets its fair share of automotive jobs, production, research and development and investment.

Right Hon. Joe Clark (Prime Minister): Mr. Speaker, I will raise the matter.

* * *

ENERGY

LIMITATION OF EXPORTS TO U.S.—EFFECT ON EAST COAST REFINERIES

Mr. Bob Corbett (Fundy-Royal): Mr. Speaker, my question is to the Minister of Energy, Mines and Resources. With the government's recent announcement that exports to the United States are to be limited to 50 barrels a day of light oil and condensates, can the minister assure the House that this will not adversely affect production with east coast refineries, where employment could be adversely affected.

Hon. Ray Hnatyshyn (Minister of Energy, Mines and Resources): Mr. Speaker, I thank the hon. member for that question, knowing his long-standing concern with regard to employment matters in his area and province. I want to assure him that, indeed, the reduction in terms of exports is directed toward the very interest the hon. member raises in his question; that is, to make sure we have sufficient supplies in Canada in order to meet this winter's requirements. I thank the hon. member for his continued interest and assure him that is the direction in which this particular decision has been made.

* * *

IMMIGRATION

REASON FOR CHANGE IN POLICY RESPECTING FAMILY ADMISSIONS

Mr. Bob Kaplan (York Centre): Mr. Speaker, my question is to the minister of state responsible for multiculturalism. Is the minister aware that his colleague, the Minister of Employment and Immigration, has announced that he is cutting down the proportion of family admissions to Canada in relation to independent immigrants? Does he agree with this inhumane change in Canada's immigration policy?

Hon. Lincoln M. Alexander (Acting Minister of Employment and Immigration): Speaking on behalf of the Minister of Employment and Immigration, Mr. Speaker, I do not accept the premise of the hon. member's question. What has occurred, as I understand it, is that there was some concern about the number of family classes being admitted, as opposed to independents. I can assure the hon. member that the reunification of families, in terms of admitting others to this great country of ours, is uppermost in the minister's mind.

Mr. Kaplan: I believe the document tabled by the minister speaks for itself on the question. I want to know whether the minister responsible for multiculturalism knew anything about this policy. I can see from the fact that he did not stand up that he did not, unless he would care to tell the House where he stands on the admission of family-sponsored immigrants in relation to independents.

Mr. Alexander: Mr. Speaker—

Mr. Kaplan: He doesn't know anything about it.

Mr. Alexander: It is not a question of his knowing anything about it! If the hon. member is interested in an answer, I just gave him the answer. I indicated to the hon. member that the Minister of Employment and Immigration has high on his list, in terms of bringing immigrants to Canada, the policy of reunification of families; which is something that we in opposition made sure that the government implemented by way of a preamble to the present Immigration Act.

Mr. Speaker: The hon. member for Saint-Léonard-Anjou on a supplementary question.

[*Translation*]

SOCIAL SECURITY

REQUEST FOR TABLING OF GOVERNMENT PROPOSALS ON FAMILY ALLOWANCES

Hon. Monique Bégin (Saint-Léonard-Anjou): I should like to put a supplementary question Mr. Speaker.

My supplementary question is, since it deals with social policies:

[*English*]

Now that the line of the Tory government on family allowance is, "My wife doesn't need it", can the minister of social development, the secretary of state or the Minister of National Health and Welfare inform the House whether they will table the proposed Tory proposal on family allowances before Christmas, in order that Canadian mothers will know whether they will get their full indexation and what will happen to that unique federal program for families?

Mr. Speaker: Order, please. Before the minister rises to answer, I should correct the record. It was not the hon. member who said to me that this was a supplementary question; I made that assumption quite incorrectly. The hon. member was entitled to the floor, nonetheless.

Hon. David Crombie (Minister of National Health and Welfare): There is no proposal, Mr. Speaker, so therefore it will not be tabled. As I think I indicated in a previous answer to a question from the same hon. member, when I took over the department I carried on the work she had begun with regard to looking at all the social security programs that the Department of National Health and Welfare offers. That was both in terms of equity and to find ways in which we could provide money to those who most need it and, indeed, are most in need.

It is in the spirit of those reviews that the "proposal" came out in the newspaper. I think she well knows, and I can assure the House, that there is no proposal. That is an option which is under investigation by the department as, indeed, it was when she was the minister. I might add, now that he has raised the scare, that mothers can expect their family allowances to continue in the New Year.

• (1450)

[*Translation*]

INQUIRY WHETHER FAMILY ALLOWANCE BUDGET WILL BE CUT

Hon. Monique Bégin (Saint-Léonard-Anjou): I should like to put a supplementary question, Mr. Speaker.

I find the minister's reply rather inconsistent, since during the weekend the President of the Treasury Board and the Prime Minister, whom I heard myself on television, spoke about the possibility of reducing family allowances, something which was never contemplated by the Liberal government. I would like to ask the minister if he can assure this House that the total budget for family allowances, which is over $2 billion and that for the child tax credit, which is over $600 million, will be earmarked, whatever the plans are, for schemes covering Canadian children, and not to keep foolish election promises?

[*English*]

Hon. David Crombie (Minister of National Health and Welfare): Mr. Speaker, from 1962 to 1977—

Miss Bégin: Get back to 1979.

Mr. Crombie: —the amount of money which was used for income redistribution in this country was such that it did not move the level of poverty or deal with the question of poverty in any significant way. In fact, the difficulty has been that as we put in more and more money for income redistribution, we did not target it for those most in need.

Half of the $15 billion which goes into income redistribution does not touch those who are below the poverty line. That is why it is essential that we look not only at the family allowance, but also at the child tax exemption to see ways in which we can increase the effectiveness of the child tax credit, because it is equitable and targets at those most in need, something which I wish the previous government had done ten years ago.

Some hon. Members: Hear, hear!

REQUEST FAMILY ALLOWANCE PROGRAM RETAIN PRINCIPLE OF UNIVERSALITY

Mr. Bill Blaikie (Winnipeg-Birds Hill): Mr. Speaker, I thank hon. members opposite for that ovation.

In view of previous questions, and in view of the report this weekend in the *Toronto Star* concerning the government's intentions with regard to the family allowance program, can the minister assure this House today that the Conservative government will not tamper with the principle of universality on which the family allowance program is based and which the minister himself said just last week has served this country well?

Hon. David Crombie (Minister of National Health and Welfare): Mr. Speaker, as I indicated last week, indeed the family allowance program has served this country well. I cannot give the hon. member the assurance he seeks because, as I indicated, my department right now is studying ways by which we can make the family allowance program, the child tax credit and the tax exemption more equitable for those most in need. I might add that my department is also considering whether we can allocate funds to those on whom poverty rests most, that is, the young, the old, women-led families and the disabled and handicapped. That is the program of this government.

Mr. Blaikie: Mr. Speaker, if the minister cannot assure this House that the principle of universality, which we uphold, will be upheld, can he assure the House that the money saved on any detraction from universality which is embedded in the options the hon. minister is reviewing will be used for the benefit of low-income Canadians, and not handed over to the

President of the Treasury Board as another sacrifice on the altar of restraint by those who expected tax relief from this government but who are getting the opposite?

Mr. Speaker: Order, please. The hon. member for Eglinton-Lawrence.

* * *

THE ADMINISTRATION

MEASURES TO RESTORE CONFIDENCE IN DEMOCRATIC INSTITUTIONS

Mr. Roland de Corneille (Eglinton-Lawrence): Mr. Speaker, my question is addressed to the right hon. Prime Minister.

An hon. Member: No tie.

Mr. de Corneille: We are told by recent public opinion polls that the population is losing confidence in our democratic processes, partly, I suppose, because of apparent or at least perceived reversals in government policy on such election promises as a stimulative deficit, keeping our interest rates down, and moving our embassy in Israel.

In view of our concern about such loss of confidence, particularly as it might influence our young people, I would like to ask what specific measures the government has in mind to rationalize the management of its decision-making processes to the Canadian people and thus to restore confidence in democratic institutions.

Right Hon. Joe Clark (Prime Minister): Mr. Speaker, in very simple terms, what we intend to do is make this Parliament one which much more accurately reflects the views of individual Canadians. We intend to do this by providing more room to more private members to have more influence on what is done, and to end the domination that has existed for far too long not only by ministers but also by party leaders in the House.

Second, we intend to proceed as quickly as we can with the freedom of information legislation which was introduced and has generally been responded to positively by other members of the House. We hope, as my colleague the minister sponsoring this legislation said at the time, that if there are members of this House who have better and more effective language to propose, they will propose it.

Third, we intend to take a very strong and thorough look at Crown corporations, which some in this House argue belong to the people—although the people do not believe that—to see if we can find ways in which we can substitute state-ownership, which is not personal, by citizen-ownership which can be personal. Those are some of the steps and reforms that I hope, given the interest of the hon. member in ensuring that institutions serve the interests of individuals, he will support us in.

ENERGY

OWNERSHIP OF AND JURISDICTION OVER NATURAL RESOURCES

Mr. Ian Watson (Châteauguay): Mr. Speaker, I have a question for the Prime Minister. I would like to know whether the recent resource-related threat of the Premier of Alberta has caused the Prime Minister to reconsider certain directions he is taking. I refer to the willingness of the Prime Minister to sell out the common heritage which all Canadians share in our offshore resources.

I also refer to the haste of the Prime Minister to create provincehood in the Yukon, which implies the sell-out of the common heritage which all Canadians share in our northern resources onshore and offshore. Does the Prime Minister not believe that the first steps toward giving away the oil and gas resources of the north, recently estimated by the Geological Survey of Canada to contain a minimum of $375 billion worth of oil and $540 billion worth of gas—

Some hon. Members: Order.

Mr. Watson: —are a question of importance to be considered by Parliament; and will he now reconsider his refusal to have a parliamentary committee review and consider the recent changes in the role of the commissioner in the Yukon which create, for all practical purposes, de facto provincehood in that territory?

Some hon. Members: Order.

Mr. Speaker: Order. The hon. member has already used a rather long preamble, and followed his question with a subsequent suggestion. I think he has gone as far as he should be permitted.

Right Hon. Joe Clark (Prime Minister): Mr. Speaker, I will try to answer such questions as I could find. First, no, we do not intend to reverse our position on offshore resources. Second, no, we do not intend to reverse our determination to move the Yukon toward provincial status. Naturally, as I have indicated before, there will be recourse to a referendum and we will not move beyond the law as it now exists without the approval both of the people of the Yukon and of this Parliament. I am afraid that in the welter of it all, I lost the third, fourth or fifth questions.

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INDIAN AFFAIRS

REPORTED CUTBACKS IN ESSENTIAL SERVICES ON RESERVES

Mr. Rod Murphy (Churchill): Mr. Speaker, in view of the absence of the Minister of Indian Affairs and Northern Development and the Minister of Employment and Immigration, perhaps the Prime Minister can answer my question.

In light of the fact that the Sunday edition of the Toronto *Star* released details of a yet-to-be published report basically

stating that essential services on many reserves do not exist, that welfare dependency on these reserves is nine times the Ontario average, and that three federal departments are the cause of this neglect, would the Prime Minister explain how further government cutbacks could do anything but further increase unemployment and further deteriorate health conditions on Ontario Indian reserves and, indeed, on all reserves in Canada?

Right Hon. Joe Clark (Prime Minister): Mr. Speaker, I have not seen the report to which the hon. member refers. Because of my own interest in the matter, I do know something about the conditions of starvation and great social inequity which exists on Indian reserves across the country and among native people generally.

I have had the opportunity personally to discuss with representatives of Indian groups across the country practical steps we might take to resolve that situation. One of the views which the Indian leadership and I share is that an important step will be to place much more authority, responsibility and control over spending in the hands of local band councils. That is the direction in which the Minister of Indian Affairs and Northern Development is taking this government, and as the hon. member knows, that is a reform and a change from past practices.

* * *

● (1500)

EXTERNAL AFFAIRS

RELATIONS WITH MIDDLE EAST—REMARKS OF MR. GILLIES

Hon. Allan J. MacEachen (Cape Breton Highlands-Canso): Mr. Speaker, I have a question for the Prime Minister which has to do with the continuing inability of the government to manage Canada's relations with the Middle East with any intelligence and sensitivity.

All of Saturday I had quoted to me directly a statement made in Los Angeles by the Prime Minister's chief policy adviser who, in pointing out the potential for Canada to become a world oil supplier, went on to say:

—possibly enough to return the Middle East to the insignificance it so richly deserves—

These are statements that have been made several times and attributed to the chief policy adviser of the Prime Minister. Will the Prime Minister assure the House that if these comments by his chief policy adviser were made, they do not represent the policy of the government, and that an apology ought to be made by the government for this provocative and inflammatory comment by the former member for Don Valley?

Right Hon. Joe Clark (Prime Minister): Mr. Speaker, I saw that article and, naturally, was interested in it. Consequently, I spoke to Dr. Gillies and have received from him a clarification and the assurance that his comment was in relation to the influence of the Middle East in times when OPEC was at its strength, in terms of a cartel operation which can increase the price of fuel that has to be paid here and in other countries.

The point that Dr. Gillies was making was that the capacity of a country in any part of the world to have such an impact on prices will damage Canadian interests, and that that capacity will be significantly reduced as this nation moves toward energy self-sufficiency.

Mr. MacEachen: Does the Prime Minister tell me that his chief policy adviser did not use the expression, "possibly enough to return the Middle East to the insignificance it so richly deserves"? I want to know if his chief policy adviser used those words and, if so, how they can possibly be used to defend the interpretation which the Prime Minister gives because, of course, the Middle East includes other important nations, including Israel, than the members of OPEC.

Mr. Clark: My understanding is that Dr. Gillies used those words explicity and exclusively in relation to the capacity to form cartels.

Mr. MacEachen: Will the Prime Minister also clarify Dr. Gillies' comment when he spoke about the cheap dollar and said that maybe the cheap dollar has been a contributing factor to the country's 9 per cent inflation rate, and then said, "Maybe it hasn't fallen enough"? Dr. Gillies suggested that, "Maybe if it falls to 70 cents". Would the Prime Minister mind clarifying that comment?

Mr. Clark: That comment also, naturally, was of some interest to me when I read it in the paper.

Some hon. Members: Oh, oh!

Mr. Clark: I spoke to Dr. Gillies about that and he said that the statement, or a statement similar to the one quoted, was made in the course of a panel discussion in which the question was raised as to whether a further drop in the value of the Canadian dollar would significantly help our competitive position. Doctor Gillies expressed his view that a significant drop in the Canadian dollar would not significantly help our export position. He certainly did not suggest at any time that he or I or anyone in the government would recommend that that be the level at which the Canadian dollar should settle.

Indeed, as hon. members will know, the government is taking the decision now and facing the decisions which are designed in part to ensure that the value of the Canadian dollar does not slide further.

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PRIVILEGE

MR. ALLMAND—QUEBEC REFERENDUM—ANSWERS OF PRIME MINISTER DURING QUESTION PERIOD

Hon. Warren Allmand (Notre-Dame-de-Grâce): Mr. Speaker, I rise on a question of privilege which you might think has to do with the attire of the hon. member Eglinton-Lawrence

(Mr. de Corneille), but it does not. I will return to that matter on another day.

My question of privilege relates to the answers given in the House today by the Prime Minister (Mr. Clark) to certain questions I had asked him. I maintain that the Prime Minister misled the House of Commons and the Canadian people in the answers he gave to my questions. If I recall it correctly, he said that he and his Quebec ministers would campaign for the "No" option in the Quebec referendum and would participate in the pro-federalist committee, and he said that this had always been their position.

I should like to read into the record what was said last week from his seat in the House by the Minister of Supply and Services (Mr. La Salle). I had put the following question to the Prime Minister:

> Does this mean that the Conservative party has no position on sovereignty association, and do I understand the Prime Minister to say that the militants of his party are free to support whatever side they want on this question?

Next came an interjection from the Minister of Supply and Services when he said from his seat:

> Ask me the question and I will answer yes or no.

In a press conference in Montreal last week the Minister of Supply and Services, in announcing a policy conference of the Conservative party in Quebec, said—and these are the quotes:

> The Progressive Conservative Party should stay outside the (pro-federalist) umbrella committee because we have different objectives—

He also said:

> Our position is not the same as Mr. Ryan's—

He was referring to the provincial leader. But even the Prime Minister, in answer to my question last week—as reported at page 804 of *Hansard* of that day said:—

> It is my expectation that the question will be phrased in such a way that members of the Progressive Conservative Party will want to vote against that question. That is my expectation of what will happen—but I have not seen the question proposed by Mr. Lévesque; perhaps the hon. member has.

I am not opposed to the Prime Minister's party doing another flip-flop on this question, as they have done on many others, but I am opposed to the Prime Minister trying to mislead the House and the country when he said today that they are for the "No" option and that they have always been for the "No" option, since the Minister of Supply and Services said in the House that he could have voted yes or no, since he was supported by the minister in charge of CIDA who sits in the other place, and since the Prime Minister himself said that he did not know what he was going to do until he saw the final question put in the referendum.

If the question period is to have any significance, then we must be able to expect from the Prime Minister and his ministers the truth in answering questions from members of the House.

Some hon. Members: Oh, oh!

Some hon. Members: Withdraw.

Some hon. Members: Shame.

Mr. Allmand: Read the record.

Mr. Speaker: Order, please. If the hon. member for Notre-Dame-de-Grâce (Mr. Allmand), in concluding his intervention, made the suggestion that the Prime Minister (Mr. Clark) did not tell the truth, that should be clarified.

Mr. Allmand: Mr. Speaker, I was only able to take notes today and I do not have the "blues" as yet, but the Prime Minister today tried to give the impression in the House that he and his ministers had been supporting the "No" position in the referendum today, yesterday and last week. I pointed out that it is on the record in *Hansard* that the Minister of Supply and Services, as reported at page 804 of *Hansard* of October 31 last week, said:

> Ask me the question and I will answer yes or no.

And in a press conference in Montreal he said the same thing. I am saying that today the Prime Minister, deliberately or not, was misleading the House in saying that that had been the position of the Progressive Conservative Party last week. We should not have to accept that loose, sloppy answers in the House of Commons.

Some hon. Members: Hear, hear!

Mr. Speaker: Before we go further, I want to keep this matter on a plane of proper procedure. The hon. member knows that he is raising what might appear to be a disagreement. That has happened many times and often members have raised the point, in response to an answer given by a minister, that if there has been the appearance of a contradictory response on two occasions, that the minister be given an opportunity, through the raising of a question of privilege, to comment on it and thus give the Chair an opportunity to determine whether it is a simple disagreement or whether there is a procedural matter.

Also, it is not necessarily a matter of the substance of what the hon. member is raising—because in substance he is raising something of a nature similar to that which had been raised many times before, as I have indicated—but it is solely a matter of form. As I think the House knows, it is one thing entirely as to what we are talking about when we get into matters of this sort. These are not restrictions on what the hon. member wishes to say but simply restrictions on the manner in which an hon. member says something in the House. The hon. member is entitled to say what he said today. He is not entitled to suggest that the Prime Minister (Mr. Clark) did not tell the truth. I noticed he departed from that which was getting very dangerously close to being unparliamentary in his language; that has not been done. Now it rests with me to determine whether this is simply a matter of disagreement or whether in fact there is a matter of privilege.

● (1510)

Right Hon. Joe Clark (Prime Minister): Mr. Speaker, I will be very brief. I think the old pugilist across the floor would probably serve himself and the House well if he would read the

record of *Hansard*, both my reply to his colleague, the hon. member for Laval-des-Rapides (Mrs. Sauvé), the other day when I indicated that the quotation he cited was an incorrect one, and also the answer I gave earlier today when I indicated that members of this party would be encouraged to campaign under the umbrella of the group opposing the position put forward in the white paper by the government of Quebec. If he reads the record, his subsequent contributions will be both more informed and more temperate.

Mr. Speaker: The House will know that we are in the area of a disagreement, not a matter of privilege.

[*Translation*]

MR. ETHIER—ALLEGED ALLOCATION OF FUNDS TO POLITICAL GROUP—PUBLISHING REPORT IN ENGLISH ONLY

Mr. Denis Ethier (Glengarry-Prescott-Russell): Mr. Speaker, it is with some reluctance that I rise on a question of privilege today because it involves a good friend of every member of the House, the hon. Minister of Agriculture (Mr. Wise) whom I believe to be sincere and conscientious.

My question of privilege concerns a press release published by the minister on October 19, 1979. Of course, Mr. Speaker, you will wonder why I did not raise the matter earlier. I will explain, but first of all I would like to quote from this press release:

For immediate release: Report of the Beef Import Consultative Committee, Ottawa, October 19, 1979. Agriculture Minister John Wise today announced that he has received the report of the Beef Import Consultative Committee and is studying it carefully.

The committee, made up of five members of Parliament under the chairmanship of Bert Hargrave (PC—

—I presume that this means Progressive Conservative—

—Medicine Hat), solicited briefs and held hearings to obtain the views of the private sector on beef import legislation.

More than 25 briefs were submitted by representatives of beef producers, packers, importers, consumers and foreign exporters.

Mr. Wise noted that the report would be of considerable help in developing beef import legislation.

The report includes a summary of the briefs received, a copy of the briefs in full, and the transcript of the public hearings.

"It provides an invaluable insight into the views of a good cross section of the groups and individuals who would be affected by beef import legislation," Mr. Wise said.

"I would like to commend the committee on carrying out its mandate in such a thorough manner."

Mr. Speaker, my office received that press release Wednesday, October 24 and realizing that it was about a committee report on a sector of farming industry which is rather important in my county, I asked my Liberal colleagues which member of my party had been invited to sit on that committee. I was amazed to learn that no member of the official opposition had been invited so I took the first opportunity to question the minister, which was on October 30 in the Standing Committee on Agriculture. According to the information I got in that committee I think I have no other solution but to present this case under the form of a question of privilege of which I gave you notice.

First, Mr. Speaker, the heading of that press release mentions a consultative committee and in the second paragraph it is said and I quote:

The committee, made up of five members of Parliament under the chairmanship of Bert Hargrave—

—as I said earlier—

—(PC—Medicine Hat)—

This release seems to give much importance to two specific words, the words "committee" and "report" as they are mentioned no fewer than nine times. I find them very important too, particularly the word committee as I think that according to the regular parliamentary terminology a committee is bipartite or made up of the group of persons representing different political parties. Except of course, if it is referred to as the caucus committee.

The word committee has been used in this release in a way that raises doubt in my mind and seems to imply to the reader that this committee was formed or made of members of various political parties.

This doubt disappeared when I questioned the minister in the Standing Committee on Agriculture. He advised me as well as the committee that the hon. member for Medicine Hat (Mr. Hargrave), the hon. member for Lambton-Middlesex (Mr. Fraleigh), the hon. member for Cariboo-Chilcotin (Mr. Greenaway), the hon. member for Cardigan (Mr. MacDonald), and the hon. member for Portage-Marquette (Mr. Mayer), Progressive Conservative members all, were in fact the only five hon. members on this committee. Moreover, the minister recognized that he had authorized the spending of public funds for the preparation and publication of a caucus committee report, as well as made use of government facilities such as telephones, news releases, contacts and what have you, not to mention the services of public service employee Mike Gifford as secretary to this group of five people. And it is rightfully, indeed, that I am referring to a group of five people, because judging from the statement made by the chairman of this group, Mr. Bert Hargrave, the Progressive Conservative member for Medicine Hat, this is not at all the committee referred to in the news release.

As proof of what I am saying, I shall quote from the report part of what Mr. Hargrave stated, when the representatives of the Consumer Association of Canada appeared before this group of five people on September 21, 1979 in reply to a question from Mrs. Ruth Jackson, as reported on page 3:

[*English*]

And it is true we are a government caucus committee.

[*Translation*]

Properly defined, Mr. Speaker, that means a committee representing only one political party, namely the party of the

government. In specific terms, that group of five, that caucus committee is really a political committee, a partisan committee. When we look up the word "caucus" in Harraps' Dictionary, we find the definition "political clique". That is precisely what I mean when I say it may not and must not be financed by taxpayers' money.

Mr. Speaker, the mere fact of having authorized public expenditures for a political group such as the five-member committee proves that my question of privilege is well-founded and that the Minister of Agriculture (Mr. Wise) could be called upon to appear before the Standing Committee on Privileges and Elections to explain the propriety or legality, if you would rather, of those expenditures. But, Mr. Speaker, that is not the only reason for my question of privilege, because it could happen that a less than scrupulous government, such as the one we now have, would support groups with political affiliations. Instead, I shall refer you to the last three lines of that press release which read as follows:

> Copies of the report are available in English from Information Services, Agriculture Canada, Ottawa, Ont. K1A 0C7.
>
> The document is in the process of translation and will be available shortly in French.

That means the media can obtain this information. Those three lines, Mr. Speaker, add insult to injury. As I said earlier, a government without scruples can commit public funds in politically-oriented ventures. It can also show its arrogance, as the present government has done, by neglecting members of Parliament and inviting only the media to ask for copies of this report which was prepared and written by civil servants paid by public funds. That is a clear indication of this government's arrogant attitude.

I have just shown how injury was caused by offering copies of the report only to the media. I would now like to demonstrate the insult aspect. The press release finishes by stating:

> The document is in the process of translation and will be available shortly in French.

I noted in the report that no French-speaking group was invited to submit a brief. Does that mean that the report was to be unilingual and that the new Minister of Agriculture (Mr. Wise) and his department no longer comply with the Official Languages Act? Mr. Speaker, since passage of the Official Languages Act, which recognizes that French and English are the two official languages of this country, yourself and your predecessor have always complied and ensured compliance with this act with utmost respect. I congratulate you in that regard and it is with no assurance that I rise today on this question of privilege. In his press release, the minister emphasizes the importance of this report and even notes that the report will be of considerable help in developing beef import legislation.

Mr. Speaker, given the importance of this report as underlined by the minister, is it not fair to admit that it is equally important to me in my mother tongue, in French? Is it not of equal importance to the people who read only one of the official languages, that is French? After all, their tax money also contributed to pay for the publication of this report. Is it not of equal importance to this meat producer who reads only French? Is it not of equal importance to the Canadian consumer who reads only French? Is it not equally important to all hon. members of this House who, like millions of proud Canadians, read only French?

Mr. Speaker, among the rights and privileges of elected members, one of the first is to be treated as equal. That is why I say, in conclusion, that the hon. Minister of Agriculture (Mr. Wise) has ignored the Official Languages Act and has ignored the rights and privileges of members. He prevented me from discharging my responsibilities as I had committed myself to do in front of my constituents. Once again, I repeat that he has denied me the opportunity to read this document in my mother tongue, which is indeed one of the official languages in this country, while all members who read the other official language will be able to discharge themselves of their responsibilities. Is this a demonstration of equal rights and privileges of all members in this new government?

According to information supplied by officials from the Department of Agriculture, this document is not going to be translated into French for another five or six months. Therefore, I feel that my rights and privileges as a member have been violated by the hon. minister's action. Mr. Speaker, in light of the facts I have just presented, I move, seconded by the hon. member for Argenteuil (Mr. Gourd):

> That the Minister of Agriculture (Mr. Wise) be asked to appear before the Standing Committee on Privileges and Elections so that it be ordered that the said report be withdrawn and not made available to anyone until all hon. members can get it in either of the two official languages.

● (1520)

[*English*]

Hon. John Wise (Minister of Agriculture): Mr. Speaker, I regret I did not have notice of the hon. member's intention to raise this point of privilege, but in response let me say that I think part of it is utter nonsense. The latter part did, indeed, make a great deal of common sense. In the first part I think he is trying to make a mountain out of a molehill.

With reference to the latter charge, I certainly want to take that very seriously. I provided a full explanation to the members of the standing committee last week, and I would be happy to appear before that committee again, or any other committee of the House as far as that is concerned.

In the first part of his charge he indicated that he would not want us to consult with the beef industry. Of course, we want to consult with industry prior to bringing forth pieces of legislation. That is the position we have taken. It is a commitment we have given and a commitment that we intend, indeed, to fulfil.

With reference to releasing the report, I should make it very clear to the House that if this was referred to in the press release as a report, quite openly that is not a correct reference.

An hon. Member: It was referred to as a report.

Mr. Wise: If that is the reference in the press release, I am suggesting it is not a proper reference. The committee is still active. Indeed, a meeting was held last week and I think it is intended that it hold further meetings before a report will be issued to me.

What the hon. member refers to is a very lengthy document which is nothing more than a transcript of the meetings held by the consultative committee. There was a great deal of interest and inquiry as to whether this information would be made available. We do not want to keep it from reaching the public or, indeed, members of the House. I indicated that the information should be made public. The difficulty arose after we had made the decision to make it public, when we found a great deal of time would be required before it could be translated. I regret that very much, but I can assure the hon. member and the House that when the committee has completed its meetings and issues a report to me on its findings that report will be made public. But it will not be made public until such time as it can be presented in both official languages.

Mr. Speaker: Order, please. By way of a question of privilege the hon. member has raised a rather important matter. The minister has made an intervention. I would certainly want to examine the facts in some detail and to weigh the arguments rather heavily. The hon. member for Glengarry-Prescott-Russell (Mr. Ethier) has made a very reasoned and well prepared intervention. I would want to examine it to see whether there is any area of privilege.

The minister has made a response, as he said, extemporaneously and without any warning. If there is a matter of continuing concern the minister has indicated he is prepared to appear before a committee. He has explained the nature of the document and the way it has come about. However, only after examining all of the presentation of the hon. member for Glengarry-Prescott-Russell and giving it some thought can I determine whether there are any other outstanding matters which would cause me to consider this a matter of privilege. If there are, I would want to give the minister an opportunity to answer after he has had the opportunity for the same kind of preparation.

I will reserve the matter until I have had an opportunity to consider it. If there is an argument in respect of the question of privilege to be answered by the minister, I will certainly give the minister and members an indication of some time that might be taken by parties to argue the matter further.

Hon. André Ouellet (Papineau): Mr. Speaker, on this very point, it was not too clear to me from your remarks whether you will be looking at the propriety of spending federal funds for caucus research activities. What is at stake here, and I think it is important that you give some guidance on this question, is whether a caucus of the government should carry out some research on its own with public funds. It is totally appropriate that a caucus should carry out such research, but whether it should use public funds for that purpose is the question.

[Mr. Wise.]

That is a matter that is very new. I do not think it has been done in the past. Surely we would like to have your guidance on the activities of the government because it seems this is not an isolated case. Other ministers have asked other members on the government side to embark on all kinds of research. We feel that while the Conservative party can do all kinds of research on its own with the help of backbenchers if they are not competent enough to be ministers and the government wants to use them or sweeten their non-promotion by involving them in some activities, but surely this ought not to be done with public funds.

Hon. Walter Baker (President of the Privy Council and Minister of National Revenue): Mr. Speaker, my friend raises a very good point and I can understand his concern as a minister of the former government which really did not do very much consulting with members in its own backbenches with regard to various matters. It is a fact that in former times members of the government used public funds outside the public service, and I think quite appropriately. They retained task forces outside the public sector, and engaged consultants and experts and paid them by the day, on a per diem basis. I think it is quite appropriate for governments to do that.

What worries me about the point being made by the hon. member, and alluded to by the hon. member who raised the question of privilege in the first place, is the suggestion that somehow or other it is improper for public purposes to engage professional consultants outside the public service. The Minister of Agriculture (Mr. Wise) has indicated he is going to release the report. It is quite proper to engage others outside the public service, but it is suggested that for some reason or other it is improper for the Government of Canada to consult members of Parliament.

● (1530)

If that is the proposition which the hon. member for Papineau (Mr. Ouellet) is asking to have examined, then I think that is astounding—that it would be proper to, for example, utilize the telephones or the printing facility of the Department of Agriculture to even print the press release, or a person versed within the public service to help the group stay on its path. According to the hon. member, that would be appropriate if the persons being utilized for this service were consultants from outside the public service, but if they are members of Parliament, then it somehow becomes improper.

I think that it is a question which should be looked at, because it should be settled once and for all, particularly in the context in which it was raised by the Minister of Agriculture (Mr. Wise), who indicated when asked by the hon. member that he intended to make the report public. What the minister has said is that rather than choose someone from outside Parliament, he would rather choose someone from inside Parliament. I believe that is quite appropriate. I can understand why the hon. member is upset about that, because that has never happened in his party.

One of the changes the Prime Minister (Mr. Clark) and the new government have wanted to make is to engage as much as

possible the attention of members of Parliament. I know that as time goes on the attention of members of Parliament on the other side of the House will be engaged as well, if they have anything to contribute. As for the right of hon. members to speak in the House or in standing committee with regard to agricultural matters, it has not been curtailed. What has happened is that for the first time those rights, which are traditional, have now been augmented and expanded. Members of Parliament for the first time are able to advise the government in a way that will become public with respect to policy and the formation of public policy. I think it is a very healthy, new approach toward the openness of government.

Mr. Rae: You have to be a Tory, Walter.

Mr. Baker (Nepean-Carleton): I look forward to the publication of the report, and I am sure that my agricultural friend, the hon. member for Broadview-Greenwood (Mr. Rae), does so as well.

Mr. Speaker: Order. My point a moment ago was that the hon. member for Glengarry-Prescott-Russell (Mr. Ethier) has raised two or three points. He raised one point about language to which the minister made the preliminary answer that this was an internal document, that it was used in the English language for English-speaking members, and that, therefore, only when they attempted to make it public did they become aware of the need for translating it.

The hon. member raised a number of other matters which may not have been met by the minister in what he said today. The minister opened his intervention by indicating that he did not have notice and therefore was not prepared to respond fully to the points raised by the hon. member for Glengarry-Prescott-Russell. I indicated to the House that perhaps it might benefit from an opportunity to examine what the hon. member has said to determine whether or not there are arguments. If I find that there are arguments which need to be met, I shall give the House an opportunity to meet those arguments. In fact, one of the points of arguments was referred to by the hon. member for Papineau (Mr. Ouellet) whether there is a question, which I noted, about the use of the stationery or facilities of the Department of Agriculture for the release of this document.

I will examine these arguments and see if on the face of them there is a point to be met. If there is a point to be met, I think that it would be better met after some preparation on both sides of the House, and I will certainly undertake to give the House an opportunity to do so. But I do not think that we will benefit very much if we do it once without preparation and then come back a second time to the arguments when we are prepared.

MR. KNOWLES—INQUIRY WHEN LAZAR REPORT WILL BE TABLED

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I rise on a different point of privilege. On Wednesday, October 24, it is noted in *Hansard* at page 545 that I made a motion under Standing Order 43, which was subsequently passed. It called for the publication of the Lazar report. I have been told along the way that the report had to be translated. Since it is almost two weeks since that motion was passed, I wonder if I may be told how soon that report might be tabled?

Hon. Walter Baker (President of the Privy Council and Minister of National Revenue): Mr. Speaker, I cannot give the hon. member an answer to that question at the moment, but I will find out and report to him directly.

ROUTINE PROCEEDINGS

[*English*]

COMMITTEES OF THE HOUSE

HEALTH, WELFARE AND SOCIAL AFFAIRS

First Report of Standing Committee on Health, Welfare and Social Affairs—Mr. Halliday.

AGRICULTURE

First Report of Standing Committee on Agriculture—Mr. McKnight.

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

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CANADA ELECTIONS ACT

SHORTENING OF PERIOD REQUIRED TO HOLD GENERAL AND BYELECTIONS

Hon. Walter Baker (President of the Privy Council and Minister of National Revenue) moved for leave to introduce Bill C-21, an act to amend the Canada Elections Act.

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

* * *

GOVERNMENT EXPENDITURES

PREVENTION OF RECURRING COST OVERRUNS—APPOINTMENT OF SPECIAL COMMITTEE

On the order: Government notices of motion:

November 2, 1979—The President of the Treasury Board:

That a Special Committee of the House of Commons be appointed to inquire fully into the measures necessary to prevent recurring cost overruns on major government projects (defined as those involving expenditures in excess of $1 million) and in particular.

(1) to carry out a review and an analysis of the measures already taken by the Treasury Board to prevent cost overruns on major government projects, and assess their impact;

(2) to examine measures in place or planned in departments in respect to present or future major government projects, with a view of assessing their compliance with Treasury Board guidelines and directives; and

(3) to examine major government projects that will be referred to the Committee by the President of the Treasury Board, where the Treasury Board has identified a cost overrun;

That the Special Committee be composed of seven members of the House of Commons to be designated at a later date;

That the committee have power to appoint from among its members such subcommittees as may be deemed advisable and necessary and to delegate to such subcommittees all or any of their powers except the power to report directly to the House;

That the committee have power to sit during sittings and adjournments of the House of Commons;

That the committee have power to report from time to time, to send for persons, papers and records, and to examine witnesses and to print such papers and evidence from day to day as may be ordered by the committee;

That the committee have power to adjourn from place to place within Canada; and

That the committee be empowered to retain the services of advisers to assist in its work and that it also be empowered to retain the professional, clerical and stenographic help as may be required.

Mr. Speaker: Pursuant to section 2 of Standing Order 21, this notice of motion is transferred to and ordered for consideration under government orders later this day or at the next sitting of the House.

* * *

FOREIGN INVESTMENT REVIEW ACT

APPOINTMENT OF SPECIAL COMMITTEE TO REVIEW OPERATION

On the order: Government notices of motion:

November 2, 1979—The Minister of State for International Trade:

That a Special Committee of the House of Commons be appointed

(1) to inquire into and report upon the extent to which the Foreign Investment Review Act has achieved and is achieving its purpose as described by Parliament in section 2 of the act, taking into account, among other things, significant relevant domestic and international economic developments in the period the Act has been in force;

(2) to make recommendations for changes in the act or its implementation with a view;

(*a*) to increase the effectiveness of the act in the achievement of its purpose,

(*b*) to minimize costs, delays and uncertainties of the process for investors, and costs to governments, and

(*c*) to make the review and decision-making processes as open as possible to parliamentary and public scrutiny consistent with the protection of commercial or other information of a private nature;

(3) without limiting the generality of the foregoing, to examine and make recommendations with respect,

(*a*) to the appropriateness of the review and decision-making processes having regard to the range of investments reviewable under the act,

(*b*) to the assessment criteria specified in subsection 2(2) of the act, with particular reference to the application of Canadian industrial and economic development policies,

(*c*) to the role of the provinces in the implementation of the act, and

(*d*) to the extent and manner in which the views of interested third parties should be taken into account;

(4) to report in time for the next session of Parliament and, in any event, by not later than September, 1980;

That the Special Committee be composed of seven members of the House of Commons to be designated at a later date;

That the committee have power to appoint from among its members such subcommittees as may be deemed advisable and necessary and to delegate to such subcommittees all or any of their powers except the power to report directly to the House or the power to retain staff or commission studies;

That the committee have power to sit during sittings and adjournments of the House of Commons;

That the committee have power to send for persons, papers and records, and to examine witnesses and to print such papers and evidence from day to day as may be ordered by the committee;

That the committee have power to adjourn from place to place within Canada; and

That the committee be empowered to retain the services of advisers and to commission studies or research to assist in its work and that it also be empowered to retain the professional, technical, clerical and stenographic help as may be required.

Mr. Speaker: Pursuant to section 2 of Standing Order 21, this notice of motion is transferred to and ordered for consideration under government orders later this day or at the next sitting of the House.

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VOLUNTARY ORGANIZATIONS

STRENGTHENING OF ROLE—APPOINTMENT OF SPECIAL COMMITTEE

On the order: Government notices of motion:

November 2, 1979—The Secretary of State and Minister of Communications:

That a Special Committee of the House of Commons be appointed to inquire into and report upon means to strengthen the role of the voluntary sector in Canadian society;

That the committee, taking into account the scope of activities now being carried out by the voluntary sector, the problems being faced by voluntary groups and the extent, nature and impact of current government support, report its conclusions and recommendations with respect to the measures that could be taken by the federal government to strengthen the role of the voluntary sector

(1) as an objective that is desirable in its own right,

(2) as an alternative to public dependence on government services, and

(3) in ways that would enhance the ability of such groups to operate independently of government together with such other matters as the committee considers relevant;

That the committee submit reports from time to time, as appropriate, and in any case a final report not later than May 31, 1980;

That the special committee be composed of seven members of the House of Commons to be designated at a later date;

That the committee have the power to appoint from among its members such subcommittees as may be deemed advisable and necessary and to delegate to such subcommittees all or any of its powers except the power to report directly to the House;

That the committee have power to sit during sittings and adjournments of the House of Commons;

That the committee have power to send for persons, papers and records, and to examine witnesses and to print such papers and evidence from day to day as may be ordered by the committee;

That the committee have the power to adjourn from place to place within Canada; and

That the committee be empowered to retain the services of expert advisers and to commission studies or research to assist in its work and that it also be empowered to retain such professional, technical, clerical and stenographic help as may be required.

Mr. Speaker: Pursuant to section 2 of Standing Order 21, this notice of motion is transferred to and ordered for consider-

ation under Government Orders later this day or at the next sitting of the House.

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DISABLED AND HANDICAPPED

APPOINTMENT OF SPECIAL COMMITTEE TO INQUIRE INTO NEEDS

On the order: Government notices of motion:

November 2, 1979—The Minister of National Health and Welfare:

That a Special Committee of the House of Commons be appointed to inquire into and report upon the special needs of the handicapped and disabled in Canada and the extent to which those needs are being met;

That the committee, taking into account the nature and scope of current federal policies, programs and services directed to the general public or established specifically to assist physically and mentally handicapped and disabled persons, report its conclusions and recommendations with respect

(1) to their impact in providing opportunities for handicapped and disabled persons to lead independent and fully integrated lives,

(2) to their relationship to the programs, services and activities now being carried out by the voluntary sector and the provinces; and

(3) to measures which may be required to meet more fully the special needs of the handicapped and disabled

together with such other matters as the committee considers relevant;

That, without limiting the generality of the foregoing, the committee may examine the special needs of the handicapped and disabled in the following areas: fundamental and civil rights; employment opportunities; vocational training and work preparation; business incentives including loans and grants; provision for special income tax deductions and income supplement programs; health services and medical rehabilitation; social rehabilitation; community support services; transportation; housing; access to public buildings and services; information and communication; travel, sports and leisure activities; services for handicapped and disabled Native peoples; quality of life of severely disabled and institutionalized persons; role of handicapped and disabled persons and voluntary organizations in policy and program development; co-ordination within and between jurisdictions; and data base development;

That the committee take into account the work of other standing and special committees dealing with subjects which affect the handicapped and disabled, in particular the provision of pensions and disability benefits to disabled and handicapped persons and measures to strengthen the role of voluntary organizations representing handicapped and disabled persons;

That the committee be composed of seven members of the House of Commons to be designated at a later date;

That the committee have the power to appoint from among its members such subcommittees as may be deemed advisable and necessary and to delegate to such subcommittees all or any of its powers except the power to report directly to the House;

That the committee have the power to sit during sittings and adjournments of the House of Commons;

That the committee submit reports from time to time, as appropriate, with a first report to be submitted as early as possible in 1980 and a final report by December 31, 1980;

That the committee have the power to invite the views of interested parties and the public, to send for persons, papers and records, to examine witnesses and to print such papers and evidence from day to day as may be ordered by the committee;

That the committee have the power to adjourn from place to place within Canada and such other places to be determined at a later date; and

That the committee have the power to retain the services of expert advisers and to commission studies or research to assist in its work and that it also have the power to retain such professional, technical, clerical and stenographic help as may be required.

Mr. Speaker: Pursuant to section 2 of Standing Order 21, this notice of motion is transferred to and ordered for consideration under government orders later this day or at the next sitting of the House.

* * *

[*Translation*]

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. David Kilgour (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, the following questions will be answered today: Nos. 35, 39, 41, 61, 202, 204, 209, 218 and 406.

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

[*Text*]

FARM CREDIT CORPORATION—PRESIDENT AND VICE-PRESIDENTS

Question No. 35—**Mr. Orlikow:**

1. Who (a) is the president (b) are the vice presidents of the Farm Credit Corporation?

2. What is the annual salary in each case?

Hon. John Wise (Minister of Agriculture): The Farm Credit Corporation advises: 1. (a) Rolland P. Poirier; (b) Paul Babey.

2. (a) Salary range: $42,700—$58,500; (b) Salary range: $38,300—$52,100.

NORTHERN CANADA POWER COMMISSION

Question No. 39—**Mr. Orlikow:**

1. Who (a) is the president (b) are the vice presidents of the Northern Canada Power Commission?

2. What is the annual salary in each case?

Hon. Jake Epp (Minister of Indian Affairs and Northern Development): 1. (a) The chairman and chief executive officer is Mr. James Smith. (b) The general manager and chief operating officer is Mr. Joseph Long.

2. J. Smith: $42,700—$58,500; J. Long: $38,300—$52,100.

AGRICULTURAL STABILIZATION BOARD

Question No. 41—**Mr. Orlikow:**

1. Who (a) is the president (b) are the vice presidents of the Agricultural Stabilization Board?

2. What is the annual salary in each case?

Hon. John Wise (Minister of Agriculture):

1. (a) Dr. G. I. Trant (senior assistant deputy minister, policy and planning, Agriculture Canada)

(b) Mr. M. J. Heney (assistant deputy minister, food production and marketing, Agriculture Canada)

2. These officers hold full-time positions with Agriculture Canada and their salary is based solely on the position held with Agriculture Canada. No additional remuneration is received for their responsibilities with the Agricultural Stabilization Board.

CROWN ASSETS DISPOSAL CORPORATION

Question No. 61—**Mr. Orlikow:**

1. Who (a) is the president (b) are the vice presidents of the Crown Assets Disposal Corporation?

2. What is the annual salary in each case?

Hon. Roch La Salle (Minister of Supply and Services):

1. (a) Claudette Nadeau

(b) Richard Asselin, vice president, finance and administration,

Clair Adams, vice president, supply

vacant, vice president, sales

2.	Salary range
President	$35,600—53,400
Vice president, finance and administration	26,980—40,460
Vice president, supply	23,260—34,900
Vice president, sales	28,410—42,610

SCIENCE AND TECHNOLOGY—NUMBER OF EMPLOYEES

Question No. 202—**Mr. Herbert:**

How many (a) permanent (b) term employees were on the Ministry of State for Science and Technology's payroll on March 31, 1979?

Hon. Heward Grafftey (Minister of State for Science and Technology): In so far as the Ministry of State and Technology is concerned: (a) 139; (b) 10.

INDIAN AFFAIRS AND NORTHERN DEVELOPMENT NUMBER OF EMPLOYEES

Question No. 204—**Mr. Herbert:**

How many (a) permanent (b) term employees were on the Department of Indian Affairs and Northern Development's payroll on March 31, 1979?

Hon. Jake Epp (Minister of Indian Affairs and Northern Development): (a) Permanent employees: 8,892; (b) Term employees: 2,097.

FITNESS AND AMATEUR SPORT—NUMBER OF EMPLOYEES

Question No. 209—**Mr. Herbert:**

How many (a) permanent (b) term employees were on the Ministry of State's (Fitness and Amateur Sport) payroll on March 31, 1979?

[Mr. Wise.]

Mrs. Diane Stratas (Parliamentary Secretary to Secretary of State): According to the records there were 82 permanent and 12 term employees on the fitness and amateur sport branch payroll on March 31, 1979.

OLD AGE PENSIONS—NUMBER OF PERSONS RECEIVING

Question No. 218—**Mr. Caouette:**

How many persons received old age pensions from the government in 1978-79, and what was the total amount paid to them?

Hon. David Crombie (Minister of National Health and Welfare): In so far as the Department of National Health and Welfare is concerned: The number of Old Age Security recipients and amounts paid on a monthly basis for the fiscal year 1978-79 are as follows:

Month	Number of Recipients	Amount Paid
April	2,081,402	327,138,959
May	2,086,421	329,763,405
June	2,092,465	326,649,538
July	2,099,381	337,365,840
August	2,105,984	338,006,193
September	2,113,418	339,489,784
October	2,121,497	348,991,028
November	2,127,041	351,977,298
December	2,133,696	352,417,926
January	2,137,266	359,605,369
February	2,142,694	359,064,169
March	2,145,383	360,143,401

Total amount paid in the fiscal year 1978-79: $4,130,612,910

SCIENCE AND TECHNOLOGY—MINISTER'S STAFF

Question No. 406—**Mr. Evans:**

What is the salary paid to (a) Brian Derick, Executive Assistant (b) Chris Neal, Special Assistant (c) Denis Gauvin, Special Assistant, exempt staff in the office of the Minister of State for Science and Technology?

Hon. Heward Grafftey (Minister of State for Science and Technology): In so far as the Ministry of State for Science and Technology is concerned: (a) up to $31,650; (b) up to $26,700; (c) up to $26,700.

[*English*]

Mr. Speaker: The questions enumerated by the parliamentary secretary have been answered. Shall the remaining questions be allowed to stand?

Some hon. Members: Agreed.

MOTION TO ADJOURN UNDER S.O. 26

[*English*]

PUBLIC SERVICE

RADIO OPERATORS' DISPUTE—BREAKDOWN OF NEGOTIATIONS

Mr. Ray Skelly (Comox-Powell River): Mr. Speaker, I rise under the provision of Standing Order 26 and ask leave, seconded by the hon. member for Skeena (Mr. Fulton), to move the adjournment of the House for the purpose of discussing an important and specific matter requiring urgent consideration, namely, the withdrawal of services by flight service and coastguard radio operators, caused by the inept efforts of this government which has failed to bargain in good faith with their employees. This accelerating confrontation has caused serious breakdown in safety by removing services to general aviation; by removing services to shipping, including storm warnings and hazards to navigation; by removing important resources which support search and rescue, medical evacuation and emergency response programs; and has caused disruptions in passenger services and the transportation of food and medical supplies and other necessities in remote areas in Canada.

Mr. Speaker: The hon. member for Comox-Powell River (Mr. Skelly) gave me notice this morning in accordance with the terms of Standing Order 26 of his intention to seek the adjournment of the House pursuant to Standing Order 26 at this time to debate the matter which he has now described, that being the interruption of services by coastguard and radio operators.

The hon. member is probably aware of the reasoning which has traditionally been followed in circumstances of this sort. Strikes, of course, do cause risks and hazards the like of which the hon. member has just described. On the other hand, it is most difficult for the Chair, particularly while negotiations remain active, to consider any such interruption of service or breakdown in discussions or negotiations as constituting a genuine emergency within the terms of Standing Order 26.

● (1540)

I note, for example, in answers to questions in the last few days that the President of the Treasury Board (Mr. Stevens) has, in one way or another, indicated that attempts are being made to carry on the talks and bring the matter to a satisfactory conclusion. In fact, some hearing was to take place I believe today which may require the employees to go back, and therefore negotiations would begin if that were to take place.

During these active stages it would seem to me to be very hazardous for the Chair to accept an application on the subject pursuant to Standing Order 26. Indeed, I think it is risky for the Chair to do so in almost any strike situation, but I do not rule that out forever. At these early stages, however, it would certainly be almost impossible.

Perhaps the hon. member might want to refer, for example, to the language of my very distinguished predecessor as quoted

at page 1540 of *Hansard* dated December 3, 1969, where he said:

> There is no doubt in my mind that the relationship between the government and its employees is a matter of particular importance, but I cannot bring myself to feel that the continuing process of bargaining and negotiating is of such immediate urgency as to require the setting aside of the ordinary public business which the House will consider today. In the circumstances the motion proposed by the hon. member should not be put to the House.

That reasoning has been repeated time and time again in strike situations. Again, I say I do not rule it out forever, but certainly at this stage of active consideration, if not active negotiation, which I know is the opinion of the hon. member, but nevertheless active tactic and strategy between the two parties, I think it would be unfortunate for the House to accept his application at this time. Orders of the day.

GOVERNMENT ORDERS

[*English*]

INCOME TAX ACT

MEASURE TO AMEND

The House resumed from Friday, November 2, consideration of the motion of the Minister of Finance (Mr. Crosbie) that Bill C-17, to amend the statute law relating to income tax and to amend the Canada Pension Plan, be read the third time and do pass.

Hon. John C. Crosbie (Minister of Finance): Mr. Speaker, I am certainly not going to speak very long. I will be closing the debate. I presume hon. members know that.

Mr. Breau: Not on third reading.

Mr. Crosbie: Yes, this is third reading.

Mr. Speaker: Order, please. When we last concluded the debate we were resuming debate on the motion for third reading. The hon. Minister of Finance (Mr. Crosbie).

Mr. Crosbie: Well, I do not know what I am doing, Mr. Speaker. I am just speaking for a few minutes on third reading.

Mr. Breau: A point of order, Mr. Speaker. I take it that since you did not advise the House that he would be closing the debate, such is not the case, although he said he would be closing debate. Could you clarify to the House if the minister will be closing debate by speaking now?

Mr. Speaker: The hon. member for Gloucester (Mr. Breau) raises a point that has been raised many times before which concerns the second intervention in any debate by a minister. In this particular case the minister is seeking the floor at the present time. He has not, in fact, spoken before but he did move the third reading motion. It stands in his name, seconded by his colleague, the Minister of Fisheries and Oceans (Mr.

McGrath). Therefore, having moved the motion itself he is technically considered to have made an intervention in the debate. His speech at the present time, which is in fact actually his first speech, would really be considered technically to be his second intervention and would close the debate. I would therefore give that caution to the House—that if the minister were given the floor at the present time, he would be closing the debate.

Mr. Knowles: Mr. Speaker, the last thing I want to do is to argue with Your Honour on the floor, but I should like to ask you to check that. There is no issue today as we are prepared to let him close the debate, but the authorities say there is no such thing as closing the debate on third reading. He certainly has the right to speak at least with unanimous consent, and we give it.

Mr. Speaker: Order, please. The House is the master of its own procedures in this particular respect. If it wants to hear the minister now and hear him again, the House can do that if it wishes. The hon. member has brought to my attention the fact that technically the minister is speaking a second time. When a minister does speak a second time I have to warn the House that if the House lets him speak a second time, he is closing the debate, unless the House wishes otherwise.

All I am doing is simply complying with the request of the hon. member for Gloucester. If the House wants to permit the minister to speak more than once it can do so, if it wishes to extend that privilege to him. Is the House ready for the question? The hon. Minister of Finance.

Mr. Crosbie: Mr. Speaker, I just want to speak for a minute or two at the conclusion—I think it is, I hope it is—of the third reading debate.

Mr. Breau: That depends on what you say.

Mr. Crosbie: Just listen now. I am a changed man. I want to thank hon. members opposite for their co-operation in having the bill proceed through second reading and committee stage and for the useful suggestions they have made. I will keep them in mind for the next time I have such a bill coming before the House.

I think I ought to explain to the House that it has come to our attention in the last day or two that there may be some technical changes needed in connection with several of the provisions dealing with term preferred shares. I may therefore have to come back to the House for changes to those provisions after the budget or even perhaps after the bill goes to the Senate.

Mr. Breau: You can do it in the next Parliament.

Mr. Crosbie: If the vote goes the wrong way tomorrow, it might be after the next Parliament.

I want to say in conclusion that I realize the Income Tax Act is very long and extremely complicated. If I am in government long enough to start some process of trying to improve the legislation, I would certainly like to do that and would keep in mind the points that have been made.

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

Mr. Speaker: Before putting the question on Bill C-18, I may just add a comment to the hon. member for Gloucester. I think if he will check the precedents he will find that the practice to which he was referring has been consistently applied to motions for second reading of a bill and inconsistently applied otherwise. I said he would be on a little firmer ground if we were at second reading. He is not entirely without precedent in his favour in attempting to extend the application, but it has not always been done at third reading stage.

* * *

CUSTOMS TARIFF

MEASURE TO AMEND

Hon. John C. Crosbie (Minister of Finance) moved that Bill C-18, to amend the Customs tariff and to make certain amendments to the New Zealand Trade Agreement Act, 1932, the Australian Trade Agreement Act, 1960 and the Union of South Africa Trade Agreement Act, 1932, be read the second time and referred to Committee of the Whole.

He said: Mr. Speaker, in moving second reading of the bill, I should explain that the purpose of the bill is to give effect to certain amendments to the Customs tariff which was proposed in the notice of ways and means motion tabled in the House on October 23.

The proposed amendments provide for a revised tariff schedule covering fruits and vegetables. It is to provide for the continuation in force of numerous temporary tariff reductions which were supposed to expire originally on June 30, 1979, and to provide consequential amendments to the legislation which implemented our preferential trade agreements with New Zealand, Australia and South Africa. Those changes relate to fruit products covered by these trade agreements on which duties are being changed.

Most of this legislation was introduced in the last session by the previous administration but was not approved before Parliament dissolved last March. I believe it to be the case that these proposals received broad support early in 1979 when they were introduced, or last November as a result of the budget. I therefore hope we can deal with them reasonably quickly.

These fruit and vegetable tariff changes are extremely important, I understand, in the long term well-being of the Canadian horticultural industry. By and large they give effect to recommendations made by the tariff board. The tariff board, after a study in this area, recommended both tariff increases and tariff decreases for this sector of the horticultural industry.

Although domestic producers supply the bulk of our fruit and vegetable requirements, the tariff board, in its long and detailed study, found that imports are capturing an ever-

increasing share of the Canadian market for fruits and vegetables. They found there had been a decline in the competitive position of our domestic fruit and vegetable growers and processers and that this decline was aggravated by the fact that virtually all fresh fruits and vegetables and a large number of processed products were subject to specific rates of duty; that is, the duty imposed so many cents per pound. Of course, this meant that with increasing price levels, as we have unfortunately had in recent years for fruit and vegetables as well as other products, the real level of the tariff protection given our domestic fruit and vegetable growers was declining over a period of time.

● (1550)

The purpose of the bill which is now before the House as recommended by the tariff board is to restore some of the protection available in the past to fruit and vegetable growers. The bill provides for higher specific rates during the period when Canadian produce is being marketed. For each item the "floor" or minimum rate is expressed as a percentage of the value of the product to guard against further possible erosion from the effect of rising prices.

In connection with processed products, the old specific rates are being replaced by *ad valorem* rates. In most cases, these are higher than the percentage rates equivalent to the old rates. So there is a change in the system of valuation to give more protection. This change is to be made also on a seasonal basis when our Canadian fruits and vegetables are coming onto the market.

The legislation also provides for the removal of duties which apply to fresh produce at certain times of the year when Canadian produce is not available. At certain times in the year the duties would be removed when fruits and vegetables cannot be produced locally in Canada. This change also helps the consumer. The bill is to provide protection to fruit and vegetable growers as well as to consumers when Canadian fruits and vegetables are not available.

Mr. Breau: That is good Liberal policy.

Mr. Crosbie: I think it is good Canadian policy, Liberal or Conservative. I am giving it my enthusiastic support, in any event.

In addition, separate tariff items have been proposed for fresh fruits and vegetables that are imported for processing. We import fresh fruits and vegetables as well as processed. Those duties will be applied year round to discourage unduly large volumes of imports at either end of the marketing season for Canadian crops. The specific rates on these fresh fruits and vegetables to be processed here would generally be lower than on fresh produce for direct consumption, reflecting the generally lower value of processing grade crops. The minimum *ad valorem* rates which will apply are similar to those on fresh table produce.

Negotiations with our trading partners were necessary before tariff increases along the lines recommended by the tariff board could be implemented. Before their report could be dealt with we had to negotiate with our trading partners under the agreements that were in effect. To reach agreement on those negotiations, to try to carry out what the tariff board was recommending, it was necessary for Canada to depart from some of the board's recommendations and offer compensation to our trading partners. In other words, if their rights were affected by these changes under international agreements they have the right to be compensated in other ways.

That explains why there are reductions in the duties proposed on a number of imports that are not covered by the board's report, for example, raisins, fruit juices and field peas. That accounts also for the fact that the rates on some products, such as canned fruit, are not as high as on those which the tariff board recommended because we had to give some compensation in these negotiations to our trading partners.

As I look along our ranks here I see there are some noted members representing the fruit and vegetable growing areas here today, particularly from the Okanagan Valley in British Columbia. I hope that this legislation will be of some benefit to them.

In closing, I might mention two provisions which differ from the legislation that was introduced by the previous government. The earlier legislation had proposed that tariff preferences on canned pears from Australia be eliminated over a three-year period. That proposal is included in the legislation that was introduced after the last budget. This legislation proposes that this elimination take place over four years with a rate schedule slightly more advantageous to Australia.

Hon. members might ask why this change. The answer is that in return for this the Australian government has agreed to continue to accord tariff preferences on Canadian exports of canned cherries for a similar period of time. In order to assist our canned cherries exporters we have given this slight concession to Australia. Therefore, the situation on canned pears will be eliminated over four years rather than three. That is one change.

The other change relates to clause 4 of this bill, which provides for the extension until June 30, 1980, of numerous tariff reductions scheduled to expire on June 30 this year. Most of these reductions will be overtaken by legislation to be brought before the House to implement the results of the multilateral trade negotiations at Geneva in the Tokyo Round, which I intend to introduce later this session. Sugar and related products were not included in the negotiations. In this bill we are proposing to continue the temporary rates on those products for an indefinite period.

When we come to clause by clause discussion of the bill, the parliamentary secretary and I will do our best to answer any detailed questions on these proposals. The bill is structured so that Part I deals with matters that came into force on March 13, 1979; that is the section that contains tariff reductions only. They will continue in effect by a remission order under the Financial Administration Act.

In Division II, clauses 7 to 10, schedules 4 and 5 contain tariff increases which came into force on October 24 of this

year. Parts II, III, IV, clauses 11 to 13, amend these multilateral trade agreement acts. They became effective October 24. Part V provides for implementation of these provisions above.

I might add that we will have to deal with a great deal of legislation which comes out of the MTN negotiations, the Tokyo Round so-called, which we will be introducing in this House later in the fall, I trust. There is a tremendous amount of work to be done in drafting the changes that come about from the MTN and other legislation associated with it that deal with non-tariff issues negotiated in the Tokyo Round.

I hope hon. members will be supportive of this legislation and we can get it through quickly so that we can go on with the other matters that will lie before us as the session progresses. Therefore, I move second reading.

Hon. Herb Gray (Windsor West): Mr. Speaker, when the hon. Minister of Finance (Mr. Crosbie) completed debate on third reading of the bill to implement the income tax changes from the last budget, he was good enough to admit he did not know what he was doing. This frankness is really most uncommon but is quite commendable on his part. On the other hand, one has to say that in speaking on behalf of, and giving his enthusiastic support to, the provisions of Bill C-18, to some extent, at least, he does know what he is doing because he is telling the House that he wishes it to adopt the changes in the customs tariff recommended to this House by the previous government before the last election.

Once again I have to note that the first answer of the new government to the request from the public, as expressed during the election, for some type of new direction and economic policy has been to bring again before the House the budget measures presented by the Liberals before the election. One can conclude, as we on this side have, that this demonstrates that the arguments of the Conservative party before and during the election, that they had some clear idea about the needs of the country and some new ideas to deal with it were not in fact correct. Here we have this new government, as its first major economic measure, asking this House to adopt the budget of the previous Liberal government.

● (1600)

As the minister pointed out, the major change proposed in this bill is to bring about the implementation of changes in the tariff on fruits and vegetables as recommended largely, although not entirely, by a report of the tariff board. This report was published after lengthy consideration by the tariff board. As I recall, that consideration included a number of public hearings and representations not only from the Canadian horticultural industry but from food processors and at least one consumer group as well.

The recommendations of the tariff board report, as adopted in large part by the previous government and presented to this House in the ways and means motion before the election, represented an attempt to find some fair balance between the requirements of both producers and consumers. While one can debate various aspects of the changes in the tariff as presented, the objective of the previous government, as supported by the new government, to achieve a balance between the requirements of both producers and consumers has been carried out in large measure in the bill before us.

I am not going to take the time to review in any detail at this point the very technical provisions of the bill. I think Committee of the Whole is a more suitable forum for that type of debate. In any event, the important thing is that this new Minister of Finance (Mr. Crosbie) is urging this House to adopt the bill having said, if I recall his words correctly, that the measures have his enthusiastic support.

We will not be prolonging unduly the consideration of this bill. We want the government to get on with the presentation to this House of its own budget. We want the government to present to this House its own ideas, if it has any, on what changes should be made in the income tax law of this country and what changes should be made in the customs and sales tax law in order better to reflect the needs of this country and its people.

We do not want to give even the appearance of an excuse for delaying the bringing into this House of a new budget by this new Conservative government. We want to see how this government is carrying out the responsibilities which it sought so actively from the Canadian people during the election. During that time they asked for the support of the Canadian people on the basis of a whole lot of very specific promises as to what they would do to help the Canadian economy.

So far we have seen only an abandonment of this government's promises and the carrying out—and this is something I do not quarrel with up to a point—of the policies of the preceding government. The new government has failed to recognize that while the measures of the preceding budget were very useful at the time they were presented and continue to be useful, changed circumstances, such as the OPEC oil price increase, the confirmation of the recession in the United States, the beginnings of the economic downturn in our own country, all require new measures to counteract, at least to some extent, the negative effects of these developments and to help the Canadian economy to be put on a new and necessary course based on the adoption of an industrial strategy. We need a program which, while it requires government leadership, also requires a high degree of co-operation between business and labour. It would have to be a program which tackles at long last the structural problems of our economy, including the high degree of foreign control over our economy, a situation which has good points but the bad points of which have been increasingly recognized in recent years.

The minister said that this bill will continue in force numerous temporary tariff items which would otherwise have expired in June of this year. He is asking the House to continue these temporary tariff items in force until such time as he presents to the House a bill to implement the results of the latest General Agreement on Tariffs and Trade negotiations which were made public a few months ago.

I hope in winding up this debate or in Committee of the Whole the minister will tell us exactly when he is going to

bring before this House the amendments to implement these GATT tariff changes. Will it be in his budget, will it be later, and if so, how much later? I think it is essential that these changes in our tariff to implement the GATT agreement be brought forward as soon as possible. It is clear some industries will have to make very substantial adjustments in order to cope with these changes. I recognize they are to be staged in over a period of up to eight years.

The process of parliamentary consideration of these changes should begin as soon as possible. As part of this process, it is absolutely essential that this government presents to the House, at the same time as it presents the measures to adopt the changes arising out of the GATT tariff negotiations, measures of adjustment assistance, measures to assist not just the industry affected by tariff changes but also the workers in that industry to cope with the effects of these changes.

It is essential that these measures of adjustment assistance not only provide for financial assistance to industries in order to help them retool, re-equip and perhaps even change their main line of endeavour to one degree or another, but also that there be to no lesser extent measures to help workers who may have to be laid off for a period of time and to help workers be retrained to meet new opportunities.

All too often when we consider measures of adjustment assistance in order to enable our industry to cope with changes in economic conditions arising out of tariff negotiations, we do not begin by giving attention to the obligation to take into account the burden of this adjustment on workers, as much as the burden that exists for industry. It is essential for the minister in winding up this debate or in Committee of the Whole to let us know when he is going to be introducing measures to implement the agreements arising out of the last GATT negotiations. Equally important is that there be adjustment assistance programs which will be available to no less extent to workers as to the industries affected by these tariff changes.

I also want to propose to the minister in this connection that the precedent set during the parliamentary consideration of the results of the last GATT tariff negotiations some ten years ago be followed on this occasion. At that time the House agreed to send the subject matter of the bill to adopt the results of the GATT negotiations to the Standing Committee on Finance, Trade and Economic Affairs so that there could be public hearings. During those hearings members of the committee could question not only the minister and his officials, but could also hear from representatives of the industries and workers affected by these tariff changes.

Actually it would be a very good reform of the proceedings of this House if, when it comes to consideration of changes in our tax laws, whether they be changes in our income tax laws, customs or sales tax laws, detailed consideration be carried out, not in Committee of the Whole, but in the appropriate standing committee of the House. We could hear directly from the people affected by those proposed tax changes, we could hear the views of experts outside the government sector and we could question directly not just the minister but also the officials who are advising him. We could do that to some extent at least. When just about every other bill is studied in a standing committee, the only exception being bills to implement a budget, one would think that this is really just a backwards way of going about the proper consideration of parliamentary business. If there was any bill which deserved attention in a standing committee rather than in Committee of the Whole—this House pretending to be a committee—it would be a bill to implement changes in our tax law.

• (1610)

In conclusion, I want again to say that it is not the intention of the official opposition to prolong unduly debate on this bill since it is to implement changes in the Customs tariff arising out of a ways and means motion presented before the last election. In Committee of the Whole we will be asking specific questions about the details of the bill.

In particular, we will be seeking further explanations not suitable to be given during second reading as to exactly how this bill differs from the ways and means motion presented before the election. However, our essential objective is to provide every opportunity for this government to present its own budget as soon as possible so that we can again demonstrate to the people of Canada that, despite what the Conservatives said during the past election campaign, they have no new or better ideas when it comes to dealing effectively with the problems of this country.

Mr. Bob Rae (Broadview-Greenwood): Mr. Speaker, it was with some reluctance that I agreed to lead off for my party on this measure since it is not a subject of which I have a great deal of personal knowledge but, having listened to the other two speeches, somehow my fears have dissolved in the face of experience.

There are a number of questions which we can raise concerning the Customs tariff. I am sorry the minister has decided to leave just as I have some questions to put to him.

Quite apart from these measures themselves, I think the general position of the government with respect to trade is unclear. I need only point out to the minister what I take to be two conflicting statements he has made over the past four or five months. The first statement with respect to trade and the objectives of the government was that the minister thought it would be a good idea if we had an active debate on free trade. The indication from the quotations which were widely publicized at the time is that the minister himself was personally leaning toward free trade with the United States as an alternative for Canada and as the direction in which we should be moving.

The second statement the minister made was in the House, and he indicated that quite to the contrary, he was now concerned about our pattern of trade with the United States and with the rest of the world. He was sufficiently concerned that he was looking at a range of policies which would give a greater amount of national independence to Canada, because he seemed to accept the argument which we had been making

that the underlying problems of the dollar and interest rates can only be solved once we address the question of our merchandise trade balance and our whole economic relationship with the United States as reflected in travel, in the current account deficit, in foreign investment, and in interest rates and dividends which are leaving the country at a great rate.

This debate is not an opportunity to raise those questions, but I think the minister should know that we are concerned about them and that we intend to be asking some very tough and particular questions about precisely what the intentions of the government are and how it intends to solve what is a structural problem in our economy. For example, 50 per cent of our merchandise trade takes place between parents and subsidiaries across the border between Canada and the United States. I think those patterns of trade are very unhealthy and very deep-seated in our economy. These are the kinds of questions we hope the minister will address himself to when it comes time to talk about multilateral trade negotiations and the agreements which have been signed.

I want to express my agreement with what has just been said by the hon. member for Windsor West (Mr. Gray) about how we should deal with multilateral trade negotiations. We too look forward to a detailed discussion and briefing so that we will be able to question the minister and other experts and people in the field who will have some sense of what the effect of these measures will be.

For example, I think there is a very real point in our having discussions today concerning the processing industry in Canada and the rights and economic concerns of fruit growers and vegetable growers. I think we are entitled to ask two questions. Why was the situation allowed to deteriorate to the extent that some of these industries are in trouble? It is well known, for example, on the Niagara Peninsula that the fruit canning and processing industry has been in trouble. There has been a considerable amount of competition from the United States which has forced many concerns to go under and which has caused a great deal of difficulty. I think we are entitled to know how the situation was allowed to deteriorate to the extent that these measures have now become necessary, rather than seeing this chummy, chummy, love relationship which has now been established between the Minister of Finance (Mr. Crosbie) and the hon. member for Windsor West. There is the consensual or chummy view that everything is for the best. A measure which helps the consumer and also the horticultural industry at one and the same time is a stroke of magic! The hon. member for Windsor West says this bill must be right and that if it was put forward by the previous government, it must be good.

Mr. Breau: Of course.

Mr. Rae: The rest of us are a little more skeptical about measures put forward by the previous government. We do not share the view that everything which comes from that direction comes from on high, and I think we are entitled to question how it is that the situation was allowed to deteriorate to the point where some of these measures became necessary.

I hope some hon. members who are knowledgeable in this sphere will be able to tell us what exactly is the situation in these industries and how these measures will help them. Are these measures enough? Does the industry want more? Is more assistance necessary? What is the competition? These are all questions which lend themselves to detailed answers, and I am hoping that the minister or some of his officials will be able to give us those answers.

I know the minister does not have a lot of time, but I would like to advise him that the question of trade with South Africa is raised by this bill, and I think we are entitled to answers to questions. We know why we entered into an agreement with the so-called Union of South Africa in 1932, but that is a remnant of our historical and colonial past at which perhaps we are now entitled to look again and ask ourselves whether we want today to be entering into a preferential trade agreement, not with the Union of South Africa but with the Republic of South Africa, whose laws on apartheid we have expressed abhorrence toward in the United Nations for some 20 years.

The departure of South Africa from the Commonwealth was noted in 1960. The prime minister at that time, the late right hon. Mr. Diefenbaker, was particularly active in raising the question of institutionalized racial discrimination in South Africa. The second reading stage of this bill provides us with an opportunity to raise questions with respect to our trade with South Africa and our investment patterns in South Africa. We intend to do that under Part IV of the bill.

To sum up, we look forward to a detailed description by the minister of the state of the industry, an explanation of how these particular measures will help the industry and how it was that things were allowed to deteriorate to the point they have so that such intervention has been proved necessary. Second, we are not satisfied with the confusion which reigns over the trade policy of the government. Finally, we have some specific questions with respect to Canadian economic relations with the Republic of South Africa. I hope the minister will be in a position to answer some of those questions when it comes time to question him in Committee of the Whole.

● (1620)

Hon. George Hees (Northumberland): Mr. Speaker, the Minister of Finance (Mr. Crosbie) has said that he would like to see a nationwide debate take place on the subject of the possibility of free trade with the United States, so I intend to put forward my views on this important matter during this debate on the customs tariff bill.

To start with, we must realize that the United States has a home market ten times the size of the Canadian market. This has enabled their producers of manufactured goods, the ones that provide the lion's share of the jobs and profits, to concentrate their production in individual plants on fewer lines of production.

This has made it possible for them to achieve far greater economies of scale, and hence lower costs, than those we can

achieve in the great majority of our plants. There are a few notable exceptions, such as Massey-Ferguson, International Nickel, Domtar and a few other Canadian giants. However, it should be borne in mind that 75 per cent of manufacturing plants in Canada employ fewer than 100 people.

With these economies of scale available to them, and with wages in the United States generally lower than those now paid in Canada for similar work, American goods are, in most cases, priced considerably lower than their equivalents in Canada today. That is one of the things which is immediately apparent to Canadian visitors to the United States. It is what keeps their cost of living quite a bit lower than ours.

If tariffs on American goods entering Canada ceased to exist, American plants would simply increase their production by one tenth, thereby further increasing their economies of scale and enabling them to further lower their prices. This would make it possible for them to sell their goods at prices considerably lower than those available in Canada today.

Those who are in favour of free trade with the United States, our producers of primary products and our importers of finished goods made in the United States, argue that such a move would open up a far larger market for our goods and hence would greatly increase the sale of our products in that market. They confuse availability of an additional market with automatic success in that market.

Those who have competed with American producers, both in the United States and in the export market, know very well that they fight tooth and nail to retain any market which they now have and any additional market which they think they have a chance of acquiring. Their answer to any new challenge is to lower prices and increase service, and that is exactly the procedure they would follow in meeting any new attempts by Canadians to make serious inroads into the United States market with products which are also produced in the U.S.A.

A great deal of production in Canada is carried on in American branch plants which have brought with them technology not available in this country. The principal reason these plants have been established here is the Canadian tariff and the trading advantages made available by the British preference. If the tariff disappeared, there would be far less reason for operating branch plants in this country, and their Canadian production would simply be added to that of the United States parent and shipped across the border to the Canadian market.

So I think you will agree, Mr. Speaker, that the idea of free trade with the United States is not an economically viable one for this country for the reasons I have mentioned. It would be a very serious blow to the manufacturing industry in this country, which is of such great importance to our employment, our prosperity, and our standard of living.

In addition to the economic side of the issue, there is also the very important political side. History shows us that the establishment of a free trade zone is usually the first step in moving toward full economic integration. A recent example is the European Economic Community, which started with limited free trade and has now elected a European parliament. There is no reason for believing that free trade with the United States would not move us in the same direction.

So it appears to me that an examination of the facts as they are today gives a clear indication that a move toward free trade with the United States would not be a good thing for this country, either from the economic or the political point of view. I believe that from both points of view it would be a disaster.

[*Translation*]

Mr. Robert Gourd (Argenteuil): Mr. Speaker, there is no denying that I too agree with this bill which was introduced by my government when it was in power. I am pleased to see that the minister is here. I should like to open a new bracket concerning this Customs Tariff Act. In the riding I represent, that of Argenteuil, we find the largest airport in North America, that of Mirabel. On rereading this bill, I decided to speak to this House of a problem that exists at Mirabel but that could easily be solved. It would be very easy to do if the minister decided to make of Mirabel a free port where primary products would be taken, processed then exported to the United States where we would have a market of over $200 million. It is most important to realize that such a project would be a first in North America; this type of thing does exist only in a few countries where what is commonly known as "duty-free zones" have been developed—

[*English*]

—where the manufacturing and assembly processes could be created in order to expand our market to our neighbours, the United States. We have in this country, especially in the riding of Argenteuil, the necessary manpower and technology. The only thing we would need is the facility through an amendment to the customs law.

[*Translation*]

It would be a cinch considering there already is on the Mirabel property the infrastructure of an industrial park, access to the specialized work force of the neighbouring automobile industry in the riding of my colleague from Blainville-Deux-Montagnes; and then I see the list of material to which these amendments will apply: typewriters, phonographs, record players, cameras. In short, all that is being amended by this bill could easily be assembled within a duty-free zone; and when I say that, Mr. Speaker, I merely mean an area in which primary goods could be imported duty free, assembled there and then exported to another country.

Argenteuil has numerous advantages and, of course, our friends the Tories have always called Mirabel "a white elephant" but nevertheless, Mr. Speaker, it exists. It is there and it will not disappear. We might as well stop politicking and make out of it something that will benefit all the population of my constituency. Close to Mirabel, you have the city of Lachute where many businesses had to close down for various

reasons. Here again, Mr. Speaker, we find a demographic concentration that could benefit from a duty-free zone for assembling and manufacturing factories, which could be easily established. I hope the Minister of Finance (Mr. Crosbie) will take this statement under consideration and remember that his Prime Minister (Mr. Clark) often says the time has come for action.

The Tory government can now use this tool to act, and I think that this amendment to the Customs tariff should include a provision to make Mirabel a duty-free zone in order to aid Quebec manufacturers and others who may want to settle in this region which is full of opportunities for industry and a population who would certainly welcome this move.

This bill includes provisions on vegetables. Market gardening is very important in the area surrounding the Argenteuil riding, and the eastern part of the riding as well as the Deux-Montagnes area are great apple producers. This could lead to a canning industry for export which would also benefit the area.

● (1630)

[*English*]

The object of this amendment would be to create jobs for the population of Argenteuil, the population of Quebec, in this year when we need a most comprehensive attitude from the government.

[*Translation*]

Not only is it very important to deal with an issue such as this, but I suggest that the present government should give top priority to the industrial and commercial development of Mirabel. Enough with all these demands. We must live with an elephant, Mr. Speaker, and it is the taxpayers of the whole of Canada who must assume the costs of its maintenance.

To those who blame the previous government, I can reply that I had no part in it. But they will not be able to blame me for not doing my duty and failing to urge the House to create an industrial region which would include the Mirabel area, in order to create the many jobs which are required in the Argenteuil riding where the rate of unemployment can reach 33 per cent during certain periods of the year. That is the reason for my insistence, Mr. Speaker, and I hope that the minister and his parliamentary secretary will look into this problem which Quebec is now facing. This is of utmost importance, Mr. Speaker, since we all seem to agree to this legislation, so that the minister may introduce his budget in the House as soon as possible.

During the months preceding the election I have seen our Tory friends opposite criticizing the budget tabled by the hon. member for Saint-Maurice (Mr. Chrétien) and saying how bad it was that such a budget be supported by a government. Maybe it is due to my naiveté or my lack of experience, Mr. Speaker, but I do not understand why the Minister of Finance now sitting in this House cannot bring in a budget some six

months after having assumed that position. What is he waiting for? Or is it that the budget brought down by the hon. member for Saint-Maurice was so good, and I believe it was, that he is simply going to carry on with the budget presented by the former minister of finance.

I will now conclude my remarks, Mr. Speaker, by renewing my request for his department as well as the Department of National Revenue to study seriously the matter I have raised and I hope that during the coming sessions we will have opportunities to discuss it more thoroughly and that very soon the ministers concerned will be in a position to transform the expropriated area of Mirabel into a duty-free zone to help the manufacturers who want to export and assemble goods in Quebec and especially in Argenteuil.

[*English*]

Mr. Gordon Taylor (Bow River): As Mr. Speaker is aware, second reading of a bill was devised to discuss the principle of a particular bill. I would suggest that discussions which range all over the atmosphere, all over right field and left field in second reading of a bill, are not only incorrect but accomplish really nothing.

There are two principles in which I am very interested in regard to this particular bill. Imports have a place, but when we are talking about tariffs and the farmers of this country, whether it is for fruits, vegetables or anything else, the major principle which must be considered is: How does it affect producers? When we provide tariffs which will destroy industry inside our country, certainly we are doing our producers no good whatsoever.

Over the years we have seen situations where imports have made it almost impossible, if not impossible, for producers in the country to produce. That is why so many of them have gone under during the last ten years. Any law pertaining to producers should ensure that the tariffs will not destroy or injure the Canadian production of foods. If we keep that point in mind, ensure that Canadian producers have a fair show in producing, and then provide them with a reasonable return for their production, we will be amazed at what can be produced in Canada through the use of hothouse agricultural technology, etc.

The second principle is: How does it affect the consumer? When we raise tariffs and leave them on continually, so that during the last two or three winters the people of this country had to pay $1 a head for lettuce, they are certainly not accomplishing their purpose. Not only is it inflationary, but it is causing consumers either to go without or is providing lettuce only for those who have plenty of cash. That is not the purpose of a tariff. I believe the purpose of a tariff should be to give producers a chance and an incentive to produce. Also it should provide as fair a price as possible to the consumers of these important products. If our tariffs accomplish these two principles, we will see a thriving industry in the country and we will ensure that our consumers get the food they require to build strong, healthy bodies.

• (1640)

[*Translation*]

Mr. Jean Lapierre (Shefford): Mr. Speaker, I am pleased to participate in this debate which I think is the second one that can be called a liberal measure; for example, on the 22nd you vote "blue". All Quebeckers remember that famous slogan of Mr. André Payette who is now I believe the Prime Minister's adviser on public relations and who was at that time in the advertising business and was interviewing a lady buying her groceries. She was flabbergasted by food prices and was saying: Mr. Payette, the only solution I see to those prices is to vote "blue" on the 22nd. Some Canadians believed it more than I would have liked, and finally, on the 22nd, they voted "blue" to give us that government opposite, that government which in spite of its many promises, introduces a Liberal legislation.

Like my colleague from Windsor West, I support this legislation because it was first introduced by the hon. member for Saint-Maurice (Mr. Chrétien) in a budget beneficial to all Canadians; but I am outraged that this government was not more original and did not introduce its own legislation.

I am pleased that consumers will be protected against overly massive imports of foreign products. Farmers in my riding will also be protected. Potatoes, strawberries and other fruit and vegetable growers in my riding will have access to the Canadian market at a better price for Canadian consumers. The advertising of the Progressive Conservative Party might have been dishonest or misleading, and perhaps the Minister of Consumer and Corporate Affairs (Mr. Lawrence) should set up an inquiry and at the same time look at the embassy issue.

On the night of May 22, the people in my riding were very disappointed to see that a Progressive Conservative government was in power, but they thought: With all their promises, they will certainly introduce legislation to help us, especially as concerns food costs, since even the commercials named the guilty party. Most Quebeckers saw this. The former prime minister was to blame for the increase in the price of bread and for everything else.

Now I am wondering whether we are making this government guilty of plagiarism. During the campaign, they had answers for everything, and now their only answer is to salvage the Liberal solutions. All members of my party and myself will support this because we hope it will help the Canadian producer and give some respite to the consumer.

However, Mr. Speaker, I must admit that I am extremely disappointed because even though I did not have any confidence in this government, I thought that they must have something ready to suggest in view of all the promises that they were making.

In this case, for instance, we see that they want to help reduce horticultural imports. They had also promised to do the same for dairy products. Since this subject is not covered by Bill C-18, I hope that the Minister of Agriculture (Mr. Wise), in co-operation with his colleagues, will succeed in reducing imports in this area. The government wanted to stop importing cheese and other food products. As a matter of fact, one of their famous promises was on this subject.

They have not found anything better to suggest than the Liberal proposals. I had to smile when I read in one of the schedules of the bill the reference to the import of coffins. I invite Parliament to pass this bill as soon as possible in case the government itself needs a coffin after tomorrow evening.

I have nothing to add and I wish only to remind the government that the motto of Quebeckers is: "Je me souviens" and that we remember those famous promises, that famous commercial and we shall not forget it for quite some time. I hope that at the time of the coming budget, should the government last until then, we shall be able to judge its performance. Mr. Payette, who did a commercial with so much verve might use a little more verve to try and convince his leader to participate more actively in the referendum debate.

Mr. Speaker, those were the few remarks I had to make on the subject. We shall ask more detailed questions when studying the bill clause by clause.

[*English*]

Mr. Arnold Peters (Timiskaming): Mr. Speaker, I am amused by the discussions that are taking place under this old ways and means motion contained in Bill C-18. I was particularly amused by the remarks of the hon. member who preceded me and who said "Je me souviens". They remember whatever the hell they want, and they forget whatever they don't want to remember.

Cheese was mentioned, but I point out that this problem did not exist until the former prime minister went to Europe and made a deal for gradual entry into the common market, establishing what is called a shoulder to shoulder sort of relationship. He made that deal and the price was the entry of 45 million pounds. That was the price of that deal. Hon. members remember what they want to remember and forget what they do not want to remember. I suppose that is always the case.

One of the problems we have with this kind of a bill is that it does not say anything or it says everything, depending on how you interpret it. It has become a means by which people speak in favour of high tariffs or recommend free tariffs. I suppose civil servants who understand something about tariff practice know what is being done, but I am sure most members of Parliament cannot understand these ways and means motions, how these things come about, or what the situation was before amendment. I can read as well as anyone and I would be quite happy to refer to some of the items.

A previous speaker mentioned lettuce and suggested that if it were not for the tariff structure we would not be paying high prices in the wintertime. It is indicated that the tariff on lettuce is 85 cents a pound, which I think is high, or free. It is free in any 12-month period ending March 31. It states that it shall not be maintained in force in excess of 16 weeks, which

may be divided into two separate periods, and the free rate shall apply whenever the specific duty is not in effect. In other words, it does not apply throughout the year. So the tariff is not really the reason for these high prices, except during those periods when Canadians are producing either at the beginning or at the end of the season.

We have before us a bill that the minister has said he will favour, support and endorse. He did not go so far as to say that he was going to understand it. Most ways and means motions introduced in this House leave a lot to be desired. We have references to South Africa and whether we should maintain the preferential treatment which was extended in 1932. We have heard about other arrangements which were made many years ago, and some references to whether we should now accept or continue those arrangements. The bill does not say what those arrangements were, it does not include an explanation of them and it does not indicate what are the recommended changes. In fact, the words in the ways and means motion only relate to changes that are going to take place.

In relation to the New Zealand agreement of 1932 clause 11 says that we will strike out tariff items 104a and 106 and the enumerations of goods and the rates of duties set opposite each of those items. Then it goes on to say that any enactment founded upon the motion shall be deemed to have come into effect on October 24 and to have applied to all goods mentioned in the said motion imported or taken out of the warehouse, and so on. There are another two or three lines that do not mean any more than the lines to which I have just referred. Then the bill goes on to provide much the same things for Australia and South Africa.

● (1650)

The Australian trade agreement goes back to 1960, but the South African trade agreement goes back to 1932. The members of this Parliament are being asked either to pass this bill or turn it down. If we pass the bill, what have we done to our agreements with New Zealand, Australia, or South Africa? I imagine there are very few people on the tariff board who know what is mentioned in the original agreement. If the government wishes to amend an act, it should at least give the section. I probably have the 1960 amendments in my office, but I do not believe that any member, including the hon. member for Winnipeg North Centre (Mr. Knowles), would have the amendment which was negotiated in 1932.

An hon. Member: It is in his head.

Mr. Peters: It may be in his head. He has just arrived and he can give that information himself. However, I do not think that it is in this bill, and how can we make even small changes to a tariff agreement with another country that was negotiated in 1932 or, for that matter, in 1960, when the government does not give the sections of the act that it is amending? I do not think that it matters one way or another. It has not really made a great deal of difference to anyone as to what happens with regard to tariff adjustments. These adjustments have been made many times, and there are always changes indicated in the ways and means motions.

In the agricultural field, however, there are too many problems which are of an immediate nature and which can have a detrimental and catastrophic effect on farmers of various commodities. The soft fruit industry has almost entirely disappeared from Canada, such fruits as peaches, cherries and strawberries. Most of the fruit industry in Ontario has disappeared simply because it could not compete in world markets. As I understand it, most of us in this House would like to have free trade and believe that it is a wonderful thing, provided it does not affect our commodities. Naturally, we want to protect our commodities, and I suppose that is true of every business from the peach producer to automobile manufacturer.

But what has happened? Certainly you, Mr. Speaker, have had personal contact with this situation and are aware of the inability of the trade board to operate fast enough to provide the kind of protection necessary with regard to agricultural commodities. It is interesting to note that in all these changes the tariff only applies to a specific field when it comes to agricultural products. The tariff is applied in the period when the surplus in another country is at its peak and our system is either beginning or ending, in most cases beginning.

This prevents countries with which Canada does not have anti-dumping laws from dumping in our country during our peak periods. They would normally be in a position to dump their agricultural products in Canada at the beginning of our season when production costs are still very high and the production period has not yet begun. The government is allowed to make these changes. If one were to take any commodity, and I will use cauliflower as an example, free rates shall apply during the months of January, February, March, April and May. I presume that is because our storage facilities will not hold cauliflower over a longer period. During the remaining months, however, in any 12-month period ending March 31, the specific duty or ad valorem duty, as the case may be, shall not be maintained in force in excess of 20 weeks, which may be divided into two separate periods, and the free rate shall apply whenever the specific duty or ad valorem duty is not in effect.

The reason for 20 weeks is that that is our period of production. We have always found, whether it be cauliflower, cherries or any other commodity, that the tariff board never reacts quickly enough to protect the farmer. The farmer is the victim of the improper or slow use of the regulatory tool with regard to applying tariffs. There may be one or two reasons for this. One may be that the government wants to make money, and they may be able to collect more money from the tariff than from their share of the production. I presume that this is true with regard to many of the commodities in Canada.

The Department of Agriculture does not have a say as to when the tariff shall apply. This means that by the time the matter has gone through two or three departments the problem has developed to a stage where the tariff will no longer alleviate the problem. This was found to be the case with imported meats. For a long time offshore meats were imported

into Canada at a rate which was considerably below what the Canadian market could stand. Boxed meat was being brought in from Australia and South America, and this constituted unfair competition to the meat producers in Canada, which meant that the price of beef was depressed for a considerable period of time.

When supplies of this offshore meat dried up, Canadian producers could not meet the demand and consequently the price jumped, which was a great detriment to the consumer because of the advantages taken by the importers and those in the wholesale meat business. That situation could have been balanced out to the best advantage of both the consumer and the producer. The producer would not have been subjected to the low prices then and would not have experienced the difficulties created in a market where the price to the consumer was too high.

One of the reasons that we have had so much difficulty with agricultural production is simply that the Department of Agriculture has not had the mechanism to control agricultural structures and has had no way of applying these tariffs at the most opportune moment. I am not suggesting that there is anything wrong with these tariffs or the periods which are mentioned in the bill. It may well be that 30 weeks is the right amount of time for cabbage because cabbage keeps a lot longer than cauliflower. It may well be that 20 weeks is long enough for cauliflower.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

SUBJECT MATTER FOR QUESTIONS TO BE DEBATED

The Acting Speaker (Mr. Scott, Victoria-Haliburton): Order, please. It is my duty, pursuant to Standing Order Order 40, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Saint-Léonard-Anjou (Miss Bégin)—Social Security—Request that principle of universality of family allowances be maintained; the hon. member for London West (Mr. Buchanan)—National Defence—Purchase of new fighter aircraft; the hon. member for Cape Breton-East Richmond (Mr. Hogan)—Regional Economic Expansion—Financial assistance for mine in Cape Breton.

● (1700)

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

PRIVATE MEMBERS' MOTIONS

[*Translation*]

Mr. David Kilgour (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, may we discuss motion No. 7? May we, with the unanimous consent of the House, stand motions Nos. 3 and 5?

[*English*]

The Acting Speaker (Mr. Scott, Victoria-Haliburton): Is it agreed that we stand these two items?

Some hon. Members: Agreed.

* * *

PENITENTIARIES

IMPLEMENTATION OF SUBCOMMITTEE RECOMMENDATIONS

Mr. Svend J. Robinson (Burnaby) moved:

That a special subcommittee of the Standing Committee on Justice and Legal Affairs be established to monitor the government's progress on the implementation of the recommendations of the previous subcommittee on penitentiaries, and to conduct such further inquiries and to travel as may be required.

He said: Mr. Speaker, as indicated in the notice of motion, the purpose of the motion this afternoon, which I hope will receive consent on all sides of the House, is basically to revive the terms of reference of a subcommittee established on October 21, 1976, well over three years ago. The reason for the notice of motion is that, despite the fact that the subcommittee had extensive meetings and came up with a unanimous report, today far too many of the recommendations of the subcommittee have yet to be implemented.

As I have indicated, it was on October 21, 1976, that the original subcommittee was established with consent from all sides of this House. I think it is important to indicate to the House that one of the reasons for that was that in the month preceding the establishment of the subcommittee, there had been three major riots—at Laval Institute, at the B.C. penitentiary in my province and at Millhaven in the province of Ontario, in which a total of over $2 million damage had been done. A subcommittee of the Standing Committee on Justice and Legal Affairs was struck, which subcommittee, I might add, contained a number of very distinguished members of this House who are still members of the House. I should particularly like to commend the work of the hon. member for Windsor-Walkerville (Mr. MacGuigan) who so ably chaired this subcommittee and who, I know, earned the respect not only of members of this House but of people all across Canada from the very many organizations involved in the field of corrections. He did an outstanding job and he deserves to be recognized for it once again by this House.

Some hon. Members: Hear, hear!

Mr. Robinson (Burnaby): In addition, there were a number of distinguished lawyers on that committee, such as the hon. member for Calgary North (Mr. Woolliams) who today is

chairman of the Standing Committee on Justice and Legal Affairs, and a number of other very distinguished members of this House. The hon. member for Restigouche (Mr. Harquail) was a member of the subcommittee, as was the hon. member for Rosemount (Mr. Lachance) who is not in the House today. So was the hon. member for Oxford (Mr. Halliday) and Mr. Stuart Leggatt who is not now a member of the House but is in Ottawa today. He played a very active role in the recommendations that led to the subcommittee report.

The subcommittee reported on May 26, 1977 with what might be considered record speed. It interviewed a large number of witnesses and travelled all across the country and to other parts of the world to examine penitentiary systems.

The subcommittee report, which I have before me, was a unanimous one. Members of the House will appreciate the significance of that. The report was perhaps an example of non-partisan politics at its finest. There was obviously some compromise but there was no question that the entire subcommittee unanimously supported the recommendations in the report. The key recommendation was No. 1 and I will read any excerpt from that into the record as follows:

A crisis exists in the Canadian penitentiary service. It can be met only by the immediate implementation of large scale reforms. It is imperative that the Solicitor General act immediately on this report as a matter of the utmost urgency.

That was in May, 1977. Unfortunately, the response of the then solicitor general was disturbing, to say the least. On this key recommendation with respect to a crisis existing in the penal system, a crisis detailed by a committee which had travelled from one side of the country to the other, the solicitor general, from the security of his office, said, "No, there is no crisis in the penal system; there may be problems, but crisis is perhaps not an appropriate word".

Things deteriorated from that point, Mr. Speaker. I might also add that during the period in which the subcommittee was making its investigation there was no violence whatsoever within the penal system. I think all components of the penal system had an air of expectation and had hoped that the subcommittee would come up with broad and sweeping recommendations for change, which, of course, it did.

Since that time, there have been a number of occasions both in committee and in the House where hon. members from all sides of the House have had an opportunity to monitor the implementation of the subcommittee's recommendations. It has been a rather sorry state of affairs.

I must again commend the former chairman of the subcommittee, the hon. member for Windsor-Walkerville, who despite the fact that he was a member of the government spoke out very articulately and forcefully, expressing his concerns about the failure of his government to implement a number of key recommendations of the subcommittee on penitentiaries. Certainly if his tones were strong, there was no question whatsoever where members of the Conservative party and members of my party stood on the recommendations of the subcommittee.

[Mr. Robinson (Burnaby).]

For example, in February this year, only a few short months ago, as a member of the opposition, the hon. member for St. John's East (Mr. McGrath), now a member of the government, speaking on the motion for concurrence in the second report of the Standing Committee on Justice and Legal Affairs, said as reported at page 2929 of *Hansard*:

We are as mad as hell, we are not going to take it any more, we are fed up with being ignored by the government.

He went on to talk about contempt. Later at page 2932 of *Hansard* he said:

What we are debating here today is this government's attitude to—one could almost say contempt for—parliament.

There was no doubt that members of the Conservative party who are now members of the government—the hon. member for the Yukon (Mr. Nielsen), the hon. member for St. John's East and a number of others, were very disturbed that the key recommendations of the subcommittee were not being implemented in areas such as ensuring an adequate scale of pay and recognition of working conditions within our penitentiary system. The fundamental concern was that those persons who work in such a penitentiary system be recognized as being basically in the front lines of what is a very arduous, difficult and demanding job. That has to be recognized not only in terms of pay, but in terms of pensions.

Surely it is wrong that the government should have to come before the Standing Committee on Justice and Legal Affairs and ask for supplementary estimates in order to give pensions to the widows and families of guards who are killed within the penitentiary system. What kind of recognition is that of the outstanding job being done by those persons who work within that system?

In addition, the subcommittee recommended that there should be voluntary retirement at age 55. Once again this recommendation has not been implemented by the government. In a moment I shall deal with the government's attitude toward implementation of the recommendations.

I say, Mr. Speaker, that we have to recognize the critical role that the staff within the penitentiary system plays. Morale has certainly not been high. There is no doubt about that. I have recently visited the B.C. penitentiary and a number of other institutions. There is no question that those persons who work in such institutions expected, and had every right to expect, that action would be taken, if nothing else at least on these critical recommendations with respect to working conditions within the penitentiary system.

● (1710)

In addition, the committee recommended in the strongest possible terms that there must be a separate, independent professional penitentiary staff system. This is very important, and it is a recommendation which to this date has again not been implemented by either the past or present government. There were concerns expressed about the size of our pentitentiaries. There were concerns expressed about a number of different areas. In fact, what we saw was a gradual erosion of the number of recommendations stated to have been implemented by the government.

For example, on August 5, 1977, the then solicitor general, the present hon. member for Blainville-Deux-Montagnes (Mr. Fox) indicated that he had accepted 53 of the recommendations in whole or in part. In February, 1978 the solicitor general at that time said 37 of the recommendations had been implemented or were in the process of being implemented. In October, 1978, the then solicitor general talked about 22 recommendations that had been completely implemented.

Mr. Leggatt in his speech of February 6, 1979, indicated that it was his view that some 14 recommendations out of a total of 65 had in fact been implemented over a period, at that point, of one year and eight months since the subcommittee reported to the House. I repeat, that—14 out of 65 recommendations had been implemented. The hon. member for Yukon, who is the present Minister of Public Works, in that same debate stated in no uncertain terms that his grievance was not with the solicitor general's department in terms of what it had done but in terms of what it had not done. He stated that the Liberals, Conservatives, members of the NDP and Social Credit parties had agreed unanimously, that this report ought to be taken as a package to be effective.

Its core recommendations have been completely ignored. He went on to say, I think quite rightly, that it is not irresponsible to suggest that unless something is done in a meaningful way about the adoption of the package of these recommendations, we will be back at square one. We all believed that this is what would happen when we submitted the report. To say we will be back at square one is a rather disturbing scenario, to say the least, if one bears in mind what I indicated square one was shortly before this subcommittee was established.

We have seen recently that one can build the finest institutions possible, where physical surroundings are flawless, and where living units are included etc. But where the basic recommendations of the subcommittee in terms of professionalization of staff and in terms of a number of other key recommendations, such as those relating to the grievance procedure, are not implemented, one can have the best institution in the world but we will still see flare-ups of the kind that took place at Kent institution within the past couple of weeks. In that case over half the prisoners were involved in a very expensive and damaging destruction of a substantial part of the Kent institution.

Where do we go from here, Mr. Speaker? We have a new government. We have members of this new government who have been active in opposition in calling for implementation, and full implementation, of the subcommittee's recommendations. As I said, we had the Minister of Fisheries and Oceans (Mr. McGrath) saying that they were fed up with the previous government's delay in implementing the recommendations, that they were not going to take it any more, and that they were fed up being ignored by the government.

These people are now members of the government. They now have an opportunity to implement those recommendations about which they were so concerned only a few short months ago. What do we see in response? Last week the Solicitor General (Mr. Lawrence) appeared before the justice and legal affairs committee with what he called a progress report. I have the document here. It concerns the implementation of the parliamentary report on the penitentiary system.

The present government has indicated that its view regarding implementation of these proposals is identical to that of the previous government. What kind of hypocrisy is this? What kind of charade are we being subjected to when, in opposition, members of this government, including a number of cabinet ministers, actively and outspokenly called for the implementation of the recommendations of the subcommittee? Yet when these people get into government and have a chance to implement the various recommendations, what happens? They are captured by the same bureaucracy, and we receive a report which might have been a photocopy of reports of January 1979, November 1978, March 1978, or August 1977. There is no change in the attitude of this government to the implementation of these recommendations.

I think that is a scandalous situation, Mr. Speaker. It is a scandalous situation when on the one hand the party in opposition can call in the strongest possible terms for the implementation of certain recommendations, yet when these people are in government and have a chance to act, what do they do? They carry on along the same course. It has been said by others, "progressive in opposition, conservative in government".

I want to say a word or two about the specific terms of this motion in the couple of moments I have left at my disposal. The motion calls for the establishment of a subcommittee of the Standing Committee on Justice and Legal Affairs which would be charged with the responsibility of examining the implementation of these recommendations. These were the recommendations which members opposite, now on the government side, were so concerned be implemented as a package. I say this subcommittee is essential, that there must be a body specifically charged with the responsibility of ensuring that these recommendations—all the recommendations, not just some of them—are implemented.

I understand that my friends on this side of the House will be supporting this motion. I would also hope that friends on the other side will not talk the motion out. I must say that I did speak with the Solicitor General, who indicated that he was prepared to accept the substance of this motion. He was prepared for there to be an ongoing permanent reference in line with recommendation 65 of the subcommittee, and he was prepared to appear, as he put it, whenever the committee asked him to appear with his officials. That is all well and good, but members opposite have a chance this afternoon to put their money where their mouth is and to allow this motion to come to a vote. It will be interesting to see whether, in that spirit of non-partisan debate which characterized the deliberations of the subcommittee, we will now be allowed to vote on this motion itself.

It is a straightforward motion. The recommendations of the subcommittee are clear. The attitudes of members opposite to those recommendations, and the failure to implement a number of them, have been clear for some time. I only hope

that that will be reflected in the vote taken today and that this motion will be passed unanimously by this House, just as the recommendations of the subcommittee were passed unanimously.

Thank you, Mr. Speaker. As I say, I will await with interest the response of members on the other side of the House.

Mr. Mark MacGuigan (Windsor-Walkerville): Mr. Speaker, I rise in support of the motion put by the hon. member for Burnaby (Mr. Robinson). I am not going to take long because I want to make sure this motion has an opportunity of getting through. The last thing I want is to contribute to the talking out of a motion as important as this one. In fact, not only do we support this motion, but we have in effect made the same proposal ourselves.

[*Translation*]

The hon. member for Rosemont (Mr. Lachance) raised the question of implementation of recommendation 65 both in the House and in committee.

[*English*]

The most charitable thing to say about the response of the Solicitor General (Mr. Lawrence) on both of those occasions was that he was evasive. He was evasive in the House, although he later claimed he misunderstood the question put in the House. We gave him a chance to put it right in committee but he was even more evasive. To indicate that this may even go beyond evasion, on the one hand he suggested that this recommendation was one of those which had been wholly accepted by the government. It was not on the list of those which had been rejected or was under question; it was on the list of those that had been accepted. Despite that assurance the Solicitor General said in committee that we do not need a reference of this kind, that we do not have time to deal with it, and that in any event it would be impossible to have this kind of reference. So much for his devotion to the implementation of recommendation 65.

● (1720)

Let us just take briefly each of those arguments. He says we do not need this kind of reference because of the fact that he is prepared to appear before us at any time. If we do not have a reference which enables us to hear him, how will he appear before us without a special order of reference? The House is well aware that the main estimates are due back in the House some time early in December. At that time the power of the committee to question the Solicitor General on this issue will expire, unless there is a special reference. It is a special reference we are talking about in this case.

He says we do not have time for it because we will have so much else to do in the Standing Committee on Justice and Legal Affairs. It is precisely because of this problem of time that we so strongly support the idea of a special reference. If that reference were to a subcommittee, if the subcommittee were a small one with one representative from each party, for example, the subcommittee could continue work on penitentiaries while the rest of the committee dealt with the work before it. That would be a way of dividing the business before the committee and enabling it to do both things at once.

The argument the Solicitor General made actually turns back on himself. He attempted to argue procedure, that it is impossible to have a permanent reference. We were anticipating on the one hand that the government would some time soon make it possible to have permanent references to committees or even provide that they do not need orders of reference. This is supposed to be in the package of proposals which the government is going to be making to this House for the reform of the rules. It is one that meets with considerable favour on this side. If that is not the case, there is certainly the possibility of continuing orders of reference each session which achieve the same over-all purpose. It is splitting hairs to maintain it is not possible to give the committee these powers.

We on this side of the House have a suspicion that the implementation of this report by the correctional service is a largely nominal one. Not entirely, since there has been a lot of good implementation. But we were given a lot of statistics in the committee, a lot of things we did not have the opportunity to follow up. We have our suspicions about how deep implementations may be intended to go.

It is for this reason that we feel we need additional time to look at this problem. We simply cannot do the kind of job which this subject requires, we cannot do justice to the work of the subcommittee on penitentiaries which members on all sides of the House say they admire, unless we have the opportunity to continue it in detail in the future.

There is a lot more I would like to say about this subject. I would like to use this motion as a springboard to talk about penitentiaries and I am pleased the hon. member for Burnaby has given us this chance, but I will eschew the opportunity on this occasion. I want to hear whether the government is going to allow this motion to pass or whether instructions have been given to its supporters on the other side to talk it out.

Mr. Duncan M. Beattie (Hamilton Mountain): Mr. Speaker, this is one of those topics where there seems to be little middle ground, and when one does speak out and take a stand, either one if viewed as believing penitentiaries should be like dungeons or that they should be like hotels and the prisoners the guests. Obviously, neither view is reality or what we as a society want our correctional service institutions to be. We as legislators must always be cognizant, even in the most serious and disturbing of times, that penitentiaries are there not because criminals are a bunch of mixed up kids. Criminals are there because they committed crimes, possibly violent crimes, and incarcerated only after due process of law and all its avenues have been exhausted. A prisoner or indeed anyone can be helped only if they want to be helped. Consideration and a want to help the inmate will only aid the rehabilitation process; it will not be the factor that will cause change.

The motion before this House today seeks to have a permanent reference during the Thirty-first Parliament to enable the House to review the implementation of the MacGuigan report. Certainly no one who believes that Parliament is important,

indeed the place where the laws of the land are made, could disagree in principle with this type of motion. However, and I will speak further about this a little later, when there is good faith from a new minister and 51 of 65 recommendations are in process of implementation or shortly to be acted upon, and only five recommendations because of circumstances outside the control of the minister will not be acted upon, then I believe a motion to ask for a permanent reference to check their implementation is not only redundant but a waste of our time.

Mr. MacGuigan: Why does he say it has been implemented?

Mr. Beattie: To answer the hon. member's question, the hon. member for Burnaby (Mr. Robinson) asked about and agreed with the terms of reference at the meeting last Thursday. Certainly until the private members' hour is changed, it does a disservice to the more important matters that could come before the House. I was pleased, however, to hear him mention the good work and results achieved by the committee. I concur with him in that regard. I had the opportunity to have a discussion with two former members, Mrs. Holt and John Reynolds, in Vancouver on Saturday night. They were not only more than pleased to have sat on that committee but pointed out the great work that had been done by the chairman of the committee. That is as far as I will go in support of the motion of the hon. member for Burnaby.

I think it is worthwhile before looking at the report or the motion to look at the situation that caused these recommendations. The relative peace before 1970 ended in that year and between 1970 and 1976 the number of cases of hostage taking, violence and murders in the Canadian penitentiary system increased alarmingly. In the 42 years between 1932 and 1974 there were 65 major incidents in federal penitentiaries. Yet in the two years 1974-1976, before the subcommittee was struck, there were 69 incidents which included 33 hostage takings, 92 victims and one who was killed. The whole process of violence in federal institutions was not just increasing but rapidly accelerating. This situation was judged by the House of Commons to be unacceptable. The matter was referred to the justice and legal affairs committee which set up the subcommittee on the penitentiary system in Canada.

The situation had deteriorated so far that it just was not an intellectual argument of prisoners' rights or a simple matter of a few troublemakers. It was a question of credibility, credibility not only of the institution and the inmates but also of the institution and the general public. There was deep concern, and let us not forget this point, as to who was really running the institution in the minds of many average Canadians. The public could not be sure if the violence was the result of too much suppression and oppression from the security guards or because there was too little supervision and control being exerted.

With Canadians in that sort of quandary, action had to be taken to bring back some sense of order to the penitentiaries in the minds of the citizens. The problem of credibility between the institution and the inmates was a totally different matter. Here it was not just a matter of perception or of public relations, but a question of intense frustration and anger at the lack of change in the institution. Mistrust had been allowed to developed which brought the inmates and staff to a state of anarchy. This whole attitude and situation reflected the state of the whole penitentiary system, not just one or two of the institutions.

● (1730)

The committee's work was intensive. It interviewed more than 2,000 inmates and staff, toured 24 institutes—seven of them outside Canada—and also held 72 formal meetings, lasting over 200 hours. The job done by the committee was just magnificent. The important thing about the 65 recommendations which came from this all-party subcommittee was that they were unanimously endorsed.

The recommendations covered a wide range of topics, from different types of rehabilitation to requirements for staff, to prisoner grievance procedures, to types of permissible treatment of prisoners, to reorganization of the system, and to new structure for the bureaucracy running institutions. The breadth of the recommendations, I think, represents the seriousness and the responsibility with which the sub-committee undertook in its task.

While one may have disagreements with any or all of the recommendations, it is an obvious fact that the 1970-1976 violence has definitely subsided. That is the important thing. Since that time only 17 hostage takings have occurred, which represents an over 60 per cent decrease just since the process started, therefore before any of the recommendations were implemented. The credibility of the system both in terms of the public and inmates has improved. Most Canadians today not only know who is running the correctional system but also feel that the rehabilitation process is much more effective than it was before 1976. Certainly with less violence one has to believe that the inmates have less outright hostility than they did prior to that time.

It is only natural in a penitentiary system that violence will occur from time to time. The important thing is that the violence which does occur is isolated and is associated with individual problems, not over-all grievances regarding the total correctional system. With the success of the sub-committee recommendations one would feel that on the whole they are moving the correctional service in the right direction.

However, to ask now as this motion does today for a permanent reference on the implementation of the recommendations is like shutting the barn door after the horses have bolted. The process of implementing the proposals is not starting but finishing, and not only is it finishing but it is doing it with a guarantee of co-operation from our new Solicitor General (Mr. Lawrence). He is not ducking the issue, as the hon. member suggests or shirking his responsibility. On the contrary, the Solicitor General is being very open and, indeed,

very supportive of the wishes of the Standing Committee on Justice and Legal Affairs.

This motion by the hon. member for Burnaby, while in principle acceptable, is really not needed. The hon. member knows that it is not needed, at least not at this point in time. The Solicitor General and, indeed, the two previous solicitors general have over the past two years regularly reported on the progress of the implementation of the report to the House. They have informed, as they should, the members of this House, the legislator of the land, of their department's action.

I listened to the Solicitor General last Thursday in the Standing Committee on Justice and Legal Affairs detailing the remaining recommendations which have not as yet been acted upon. Of the remaining 14 recommendations, nine have been accepted in principle, and only five at this point in time will not be implemented. The reasons for the delay or the rejection of the recommendations were explained at that time. I cannot understand why the hon. member for Burnaby insisted on going through with this motion today. It is not a motion which threatens to implement any of the rejected recommendations but only asks this House for what is already taking place.

The frankness and the openness of the Solicitor General should be welcomed, not ignored, by this House. This motion rejects implicitly the reasons for not implementing the other five recommendations. The reasons range from jurisdictional problems to a belief by the minister that other, more appropriate changes have taken place and will suffice, and to where the Solicitor General feels he should remain responsible for his department and therefore, directly to Parliament, rather than shifting that responsibility to a committee which would report to him on the activities of the correctional services. Like many other programs in Canada's federalism, the recommendations will have to be negotiated by province.

To conclude and to reiterate, private members' hour is an important and valuable time period if used in the proper manner. This particular motion, in my opinion, is a useless occupation of hon. members' time in a parliamentary session which has much more to offer in terms of sensible legislation.

Mr. David Kilgour (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, I rise in opposition to the motion, as did the last speaker. I regret that my address will not be as helpful to people who have not read the MacGuigan report as it will to people who have, but I will try to make it as clear as I can, bearing in mind that many people here probably have not read the MacGuigan report.

My remarks will deal with four aspects of the problem. First, I will review some of the events leading up to the MacGuigan report. Second, I will give some ideas on the penitentiary system. Third, I will discuss some of the principles underlying the recommendations in the MacGuigan report and the difficulties involved in maintaining a prison system. Fourth, I will give an indication of the progress of the implementation of some of the recommendations.

By way of background, between 1932 and 1974 a total of 65 major incidents occurred in Canadian penitentiaries. In 1975 and 1976 a total of 69 such incidents took place, including 35 hostage takings. This prompted the House of Commons to establish the sub-committee about which we have been talking today. That committee did very thorough work. It held 72 formal meetings. There were 407 witnesses. The committee conducted informal interviews with more than 2,000 inmates and staff. It toured seven U.S. institutions. The result of the inquiry was the MacGuigan report containing 65 recommendations.

The response of the government was an implementation committee which was established in the Department of the Solicitor General. To date, 51 of the 65 recommendations have been or are on the verge of being implemented. Five have been rejected, and nine are under review. The hon. member for Burnaby (Mr. Robinson) and the hon. member for Windsor-Walkerville (Mr. MacGuigan) were present the other day in the Standing Committee on Justice and Legal Affairs when the new Solicitor General (Mr. Lawrence) explained why at least some of those five were rejected.

A word about penitentiaries. "Penitentiaries" is an American term for an institution which was started in Philadelphia in about 1789 as a more humane alternative to the harsh punishment of the day.

Mr. Peters: What is the matter? Did you get the pages mixed up? That sounds like the beginning, not the middle of it. You should have come to that first.

Mr. Kilgour: The thought was that imprisonment under conditions of isolation—

Mr. Peters: Re-number the pages from now on.

The Acting Speaker (Mr. Scott, Victoria-Haliburton): Order, please. I think the courtesy of the House should be extended to the hon. member who is now speaking so that he can carry on.

Mr. Peters: He is not speaking. He is reading.

Mr. Kilgour: I will put my notes down.

Mr. Peters: It will be a better speech.

Mr. Kilgour: The original idea was that penitentiaries, by offering isolation and opportunities for work, would provide an enlightening atmosphere, which would render people convicted of crimes penitent and reformed. The original reason for penitentiaries was a benevolent one, but unfortunately it did not work out that way.

Charles Dickens, after a visit to a penitentiary, wrote, and I will have to read this:

> —I hold this slow and daily tampering with the mysteries of the brain to be immeasurably worse than any torture of the body; and because its ghastly signs are not so palpable to the eye—and it exhorts few cries that human ears can hear; therefore, I the more denounce it as a secret punishment which slumbering humanity is not roused up to stay.

• (1740)

Mr. Baldwin: That sounds like the NDP caucus.

Mr. Knowles: I never saw you at one.

Mr. Kilgour: Since Dickens' condemnation of the prison system, there has never been a time when the correctional system did not appear in need of rapid and substantial change. David Rothman, the historian, wrote the following:

Each generation discovers anew the scandals of incarceration, each sets out to correct them and each passes on a legacy of failure. The rallying cries of one period echo dismally into the next.

Actually, there has been a great deal of change in the last years, and prisons in Canada are very different now from the first Canadian penitentiary in Kingston in 1835. Large scale reform took place in 1960 as a result of MacLeod Committee's Correctional Planning Report. There were improved work programs, training and education were introduced, facilities were improved, new buildings were constructed. Two major changes were brought about: first, regional offices were established, and second, prison staff was unionized, becoming part of the Solicitor General's component of the Public Service Alliance of Canada.

If there is any inadequacy to my speech, Mr. Speaker, it is because of the flu from which I am suffering. I am afraid I have come from my sick bed this afternoon.

Mr. Knowles: Don't be away tomorrow night.

Mr. Kilgour: The MacGuigan report argues that the two changes which I have just mentioned have led to a breakdown in authority, creating a confusion of roles and responsibilities which, when coupled with more militant inmate attitudes, have produced the violent upheavals that have been the chief characteristics in the 1970s.

Two important principles expounded in the MacGuigan report are: first, that the purposes of imprisonment are the protection of society and the denunciation of criminal behaviour. Imprisonment is a legitimate measure as a last resort where a wrongdoer, having been given the opportunity, has wilfully failed to comply with other, more constructive and less severe alternatives to imprisonment. Second, protection of society as a purpose of imprisonment includes not only protection during a term of imprisonment by the physical removal of a person who is dangerous or who has failed to respect values that are protected by the criminal law, but also the protection of society after his release by means of a prison system designed to assist him toward personal reformation.

These principles were fully accepted by the new Solicitor General who has expressed before the members of the Standing Committee on Justice and Legal Affairs the hope that the future attention of the committee will be focused on the provision of alternatives to incarceration.

Let me discuss these two principles in terms of the penitentiary system. In prison terms, protection of society means the collective control of violence. The MacGuigan report was undertaken with the understanding that the aim of prison systems is the collective control of violence. In practice, the control of collective violence has been achieved by constant supervision and regimentation with elaborate systems of rules and regulations. In the past, some of these have gone to excesses. The maintenance of custody and order, the prevention of riots and escapes, have overshadowed every other consideration.

The MacGuigan report has properly recognized that to control collective violence, successfully, four conditions must be met: first, justice; second, alternatives to boredom; third, socialization; and fourth, good management.

The second principle refers to the idea of the prison system reforming the offender. The concept of rehabilitation is a fairly modern one which was not accepted in the past. For example, the last warden of New York's Sing-Sing prison believed that the aim of prison was to change inmates' behaviour rather than their character—to make them, if not better, at least more obedient to the criminal law. In his view, this was the only reform which society could expect.

In Canada the idea of rehabilitation arose in the 1950s in the Archambault and Fauteux reports, and stayed in the 1960s in the Ouimet report. It was to replace the "warehousing" approach which sought only to accomplish the task of keeping prisoners away from the public. The rehabilitation model caught on and was justified on humanitarian grounds and on the idea of transforming reformable criminals into law abiding citizens. But rehabilitation has proved to be a failure.

The MacGuigan report has also rejected this model. It believes that the incentive model is superior. It bases this on the principle that only the wrongdoer can bring about reform in himself, but the penitentiary system must be structured to give positive support to his efforts at reform by providing essential conditions. These conditions, as mentioned before, are: justice, work, and socialization.

Under the heading of justice, the condition of achieving justice in penitentiaries as stated in the MacGuigan report is based on three principles, which are, first, the sentence of imprisonment imposed by the court constitutes the punishment. People who work in the penitentiary system have no authority, right or duty to add to those penalties. Second, the rule of law must prevail inside Canadian penitentiaries, and third, justice for the inmate is a personal right and also an essential condition of their socialization and personal reformation. It implies both respect for the person and property of others and fairness in treatment. There must be clear rules, fair disciplinary procedures, and the provision of reasons for all decisions affecting inmates.

I cannot stress enough that these principles have all been accepted by the new Solicitor General. The rule of law is an axiom of common law. The concept that justice must prevail in every place and in every situation in Canada includes prisons. Indeed, someone has said that you can judge society not by what goes on outside prison walls but what goes on when someone has had liberty denied them. Where prisons are unjust, hatred is encouraged, and this ultimately leads to violence and the loss of control.

A number of steps have already been taken in the area of inmates' rights. First, as a result of recommendation No. 36 regarding inmate grievances, a new grievance procedure has been implemented which features speed in handling complaints, inmate involvement, and outside review. There is also a new system of a pre-grievance procedure. Second, in response to recommendation No. 29 which urged that the commissioner's directives be consolidated into a consistent code of regulations, a project was started to implement this recommendation. A project which involves rewriting the commissioner's directives that deal with the custody, treatment, training, employment and discipline of inmates, has also been begun and it should be operative by the spring of 1980. Also, all maximum and medium security institutions now have legal materials from which inmates can borrow on request.

I would like to say a word now on work and socialization. "Activity carries within itself the seeds of its own reformation", as was stated by Samuel Johnson. John Carlyle stated that "work is the grand cure of all maladies and miseries that ever beset mankind". Whether Carlyle and Johnson had prison in mind when they made these comments is certainly open to speculation, but these sentiments fit the second and third conditions in the MacGuigan report, that is, alternatives to boredom, and socialization, which the MacGuigan report believes are necessary.

The Solicitor General has assured the Standing Committee on Justice and Legal Affairs last Friday that, to his knowledge, every able and willing inmate is employed. Apparently, facilities for printing, audio-visual and microfilming now exist in several federal prisons. There is a new system of inmate pay, which is not at the rate that a lawyer or someone else might be paid, but it is being developed to provide an economic incentive to develop training skills. Farm production, kitchen gardening, horticultural programs, dairy and meat production are being increased.

● (1750)

Social interaction is another concern expressed by the MacGuigan report. According to the Solicitor General it is now a reality. I should like to give some examples. Common dining now has been established in nearly all institutions. Contact visiting has been made available. All inmates except those in dissociation and some in protective custody, of which I concede there are far too many, are now out of their cells for the greater part of the day and evening.

In response to the recommendations concerning socialization of inmates, new ideas such as the team concept, living unit and various treatment programs have been introduced into prisons. These are part of the concept of the incentive model recommended by the MacGuigan report. It goes without saying that his model is not necessarily popular with all inmates. The incentive model is based on the belief that the undesirable behaviour of others can be changed, even if this is done through somewhat coercive means. This coerced cure may be an advance in the prison system, as long as we keep in mind

[Mr. Kilgour.]

the words of Norval Morris, director of the Centre for Studies in Criminal Justice at the University of Chicago. He said:

> Rehabilitation, whatever it means and whatever the programs that allegedly give it meaning, must cease to be a purpose of the prison sanction. This does not mean that the various developed treatment programs within the prisons need to be abandoned; quite the contrary, they need expansion. But it does mean that they must not be seen as purposeful in the sense that criminals are to be sent to prison for treatment. There is a sharp distinction between the purpose of incarceration and the opportunities for the training and assistance of prisoners that may be pursued within those purposes. The system is corrupted when we fail to preserve this distinction and this failure pervades the world's prison programs.

I should like to make a comment on staff. Much of the MacGuigan report concerns itself with the inability of the staff of penitentiaries to function as a self-regulatory force to control the actions of a minority of offending guards who have contributed heavily to the atmosphere of confrontation in prisons. These negative impulses which affect the prisoner once incarcerated are the crux of the problem facing penitentiary services. The social problem has been at the root of the difficulties facing penal reform. The MacGuigan report succinctly points out, with regard to past programs of reform, that the changes which have occurred have failed to break down the core of repression upon which the system was built. With regard to this, and with reference to the correctional staff, the MacGuigan report sets forth principles five and six which read as follows:

> (5) Ways must be found to enlist the commitment, the reservoir of correctional expertise, the basic humanity and the capacity of the custodial staff to act as successful role-models for inmates in a co-operative effort to accomplish the great tasks that lie ahead of the Canadian Penitentiary Service.
>
> (6) A staff that is well-selected, well-motivated and well-paid is a key to any program of penitentiary reforms. Penitentiary work should be a professional career service modelled as far as practicable on the RCMP.

According to the MacGuigan report the incentive approach also should be applied to the staff. The idea of a professional attitude on the part of prison staff is stressed. I see the hon. member for Windsor-Walkerville has returned to the chamber.

Mr. MacGuigan: Just to hear the hon. member's comments.

Mr. Kilgour: He stated in a speech to the Canadian Association of Provincial Court Judges in Halifax:

> Only professionalism can guarantee the existence of strong staff attitudes which will both prevent collective violence and offer the possibility of reformation of inmates.

The MacGuigan report lays particular stress on recommendation 26 which suggests the following:

> . . . penitentiary service under the board must be an independent agency of the government and not subject to the Public Service Employment Act or the Public Service Staff Relations Act. It should resemble the RCM Police in its discipline and professionalism. Employees should be subject to discharge for misconduct or incompetence.

As expressed in the recommendation itself, the MacGuigan report had two reasons for this recommendation: the achievement of proper discipline among the employees, and the development of professionalism in the service.

The Solicitor General told the Standing Committee on Justice and Legal Affairs that a special task force has been developed to meet the recommendations dealing with the two reasons I have just mentioned. The primary objective of the

task force is to remove correctional service from the jurisdiction of the Public Service Employment Act. This will be achieved by referring to provisions in the Penitentiary Act which were rescinded by order in council in 1969. A schedule has been established for the continued work of the task force and the implementation of the recommendation involved. It is anticipated that by March, 1980, a new separate employer status will be created, along with the benefits which accrue to that status.

The Acting Speaker (Mr. Scott, Victoria-Haliburton): Order, please. I regret to interrupt the hon. member but his time has expired.

Mr. G. M. Gurbin (Parliamentary Secretary to Minister of Consumer and Corporate Affairs): Mr. Speaker, I rise in opposition to the motion put forward by the hon. member for Burnaby (Mr. Robinson) with all respect for the importance of the issue and for the sincerity of the hon. member. I do this after reviewing the status report offered as evidence that in fact the recommendations put forward, with the exception of the five which have been considered unacceptable for complicated reasons, are acceptable. After suggesting that he will maintain an openness and availability to the committee, the minister in fact has fulfilled his responsibilities, and plans to continue doing so.

I should like to comment on several issues contained within the minister's report. I applaud several of them, but I should like to comment on one in particular. Because of the shortness of time, I will deal with the one which I hope we will expand slightly. I am referring to recommendation 62 which promoted the concept of a special institution to be established in British Columbia for the exclusive treatment of drug addicts. At this time the federal Department of National Health and Welfare is conducting a national study into the problem of drug dependency and addiction in Canada. The results of this study are not available as yet and when available should be carefully considered, especially after the recent British Columbia experience, before this recommendation is acted upon.

I have had personal representations from persons from Alcoholics Anonymous who have grave concern regarding the treatment of drug addicts and alcoholics within the penitentiary system. On this point in particular I plan to make personal representations to the minister. It is clear from my experiences in medical practice that in fact we are inadequate, in the penitentiary system and throughout society, in our ability to deal with alcohol and drug problems. Other people who are much more qualified than I are looking into this area and developing reasonable policies to bring us to a point where we can deal in a more meaningful way with alcoholics and people who are dependent upon drugs. But particularly within the prisons system there is a circumstance where people who enter into the system with an alcohol or drug dependency problem, are perhaps worse when they come out.

The conditions within the penitentiary system do not allow for the normal interflow which can occur outside prison, especially with the association of Alcoholics Anonymous. If there was an opportunity for this association to deal directly with prisoners in penitentiaries, it might improve the ability of the system to deal in a meaningful way with people who have been convicted. I plan on making personal representations to the minister in that regard.

There are several other matters that we could comment upon, but may I call it six o'clock?

The Acting Speaker (Mr. Scott, Victoria-Haliburton): The hour provided for the consideration of private members' business having expired, I do now leave the chair until 8 p.m.

At six o'clock the House took recess.

• (2000)

AFTER RECESS

The House resumed at 8 p.m.

GOVERNMENT ORDERS

[*English*]

CUSTOMS TARIFF

MEASURE TO AMEND

The House resumed consideration of the motion of Mr. Crosbie that Bill C-18, to amend the Customs tariff and to make certain amendments to the New Zealand Trade Agreement Act, 1932, the Australian Trade Agreement Act, 1960 and The Union of South Africa Trade Agreement Act, 1932, be read the second time and referred to Committee of the Whole.

Mr. Arnold Peters (Timiskaming): Mr. Speaker, when the House broke off consideration of Bill C-18 at five o'clock I was attempting to make the point that customs bills, and the ways and means motions that precede them, do not provide enough information to enable the average member of Parliament who is not familiar with a specific tariff problem to comment on whether or not they should be passed and, if they are passed, on what difference it will make.

The passage of such customs bills and ways and means motions changing tariffs makes a great deal of difference to the government, as the government collects a lot of money through tariffs. One hon. member suggested that perhaps it is for this reason that the price of lettuce is so high during many months of the year. I suggest that is only part of the reason. In any event, there is a need for tariffs. The Canadian public is not yet aware, and may not be aware for some time, of the difficulties that are created in many fields of agriculture as a result of international agreements at GATT. As we compete in this world with large industrial countries it is almost inevitable that a country the size of Canada will come out badly in

negotiations. Many of our small industrial and agricultural areas are affected by changes, modifications, and upgrading of GATT agreements.

I am pleased to see the former minister of agriculture here tonight as one of the problems we have experienced over the years has been the result of the Department of Agriculture trying to defend and protect fruit producers, vegetable producers, and the producers of many other agricultural products, while at the same time attempting to ensure a supply of these products to the consumer at reasonable prices and to promote the entry of those products into other markets. This situation has been affected by tariffs, and by the very limited role the Department of Agriculture has been able to play in deciding when tariffs should apply.

Many producers have felt that the application of controls has not been fast enough to provide even minimum protection for the industry. If that is not true, then how can we explain the fact that we have lost many of our markets for Canadian agricultural products? We have lost most of our fruit markets. I suppose Niagara Falls will soon be remembered only as a honeymoon centre rather than a fruit growing area. That may now be the case, except for the fact that a few wine companies are still hanging on despite great difficulties in that industry.

Not long ago one could go into a store and buy a crate of Canadian grapes or a barrel of apples at a reasonable price. Today most people cannot afford to buy fruit in that quantity. It has been claimed that the high cost of these fruits and vegetables is directly related to the high cost of picking the fruit and harvesting the vegetables. I do not think that is any more expensive in Canada than in the United States.

One problem that we have faced is the shortage of volume to supply canneries. I cannot speak in detail about the situation in the Niagara peninsula and the loss of canneries in that area, but I am aware of the situation in my own area of northern Ontario which is not too well known for its production of vegetables. On probably three or four occasions we have been the world potato king. We have held on a number of occasions the Pea King award. We have received awards for several other vegetables, including turnips, which now have a new name.

● (2010)

Mr. Whelan: Rutabaga.

Mr. Peters: Yes, rutabagas or something. At one time in my area, the little clay belt, we had a canning factory which canned peas. Those peas were under the label of Northern Pride, Wabi Valley and several other names. They were produced for two or three of the large chain stores as well. It was a very good industry for the farmers in the area and was owned by a very small company. This company got an offer from Canada Packers, and Canada Packers did the same thing as these packing companies have done all over the country; they bought the factory, operated it for one year, and then closed it down. Now no peas are canned in the little clay belt. This has happened with peaches, pears, apple sauce, cherries, and many other commodities. They are being bought out in Canada, and instead of the tariff structure allowing a steady inflow over a long period of time, the only fodder available for the canning factories in this country appears to be only in areas where the large bulk of that produce is grown.

The minister indicated that the reason for those limitations in this bill is to alleviate this problem so that we would be able to extend our season through imports. The majority of our products would be under tariff, and when we were finished our producing season then we could import, which would meet the needs of the canning industry. Unfortunately, this does not happen. If I go into a store and buy jam, I probably buy jam packaged in the United States. Some Tory members would tell me it is probably because of the cost of picking the fruit. I do not think that the wages for fruit pickers are higher in Canada than in the United States, so it must be something else.

I would not hesitate to pay a few cents more to buy jam, a car, or anything else that was made in Canada. I once thought that I had purchased a car made in Canada because it had the word Canadian written on the side, but it turned out not to be a Canadian car at all. These tariff adjustments probably will not produce the outcome which Canadians anticipate. It has been suggested that we need free trade. I am all for it because it is great for selling gold, lumber, iron pellets, and many other things which we produce. It is great for selling grain, grass seed, and other commodities, but it is not great for the guy who manufactures cars, or the farmer in the country who is located a number of degrees north of his competitors and who experiences a longer growing season. That is the reason for tariffs.

If we have to use tariffs, surely the government can be fair to the members of Parliament and explain to them the tariff regulations involved in this bill. There are pages of numbers and general changes. They do not show where the numbers came from, what they apply to, what they affect, nor show in any way why there should be a change or where preferential treatment should be increased or decreased. It is all very well when the government has a majority for it to ram through ways and means measures every time it wants more money or it wants to change the tariff structure, but it seems to me that in a minority government it behooves all members to participate. The explanation given for this bill is:

> This bill would implement the ways and means motions relating to the Customs Tariff that were tabled by the Minister of Finance on October 23, 1979.

That does very little to explain all the appendages to this bill which include such areas as medicine, aircraft engines, coffee, electricity, steel, soap, gelatine and so on. It goes on for two pages talking about one very simple commodity. I thought that sugar was sugar, but there are two pages on the different kinds of sugar. I suppose that we have learned something about the degrees of good and bad sugar, but the form in which this bill is presented is not sufficient to explain and justify the passage of tariff or customs legislation.

I have mentioned that the bill also amends the New Zealand trade agreement of 1932, the South African trade agreement

of 1932 and the Australian trade agreement of 1960. There is no indication on page two of this bill what those amendments mean. As I pointed out earlier, even my friend, the hon. member for Winnipeg North Centre (Mr. Knowles), was not here in 1932, so he would not have the bill in his files. I do not know where we could get the bill.

An hon. Member: In the archives.

Mr. Peters: Yes, perhaps in the archives. This bill is important to Canadians. The form in which it has been presented certainly does nothing for the freedom of information policy of the government. I believe that when we pass this bill we will be passing a pig in a poke. I doubt that even the people who have dealt with the specific segments of the bill could even get up and indicate what the changes are, people such as the former minister of agriculture. Will this bill produce the required changes to eliminate the problems of the producers?

Hon. E. F. Whelan (Essex-Windsor): Mr. Speaker, the hon. member for Timiskaming (Mr. Peters) talked about this bill and what effect it would have on certain people. I think we should understand why this bill is before the House, Mr. Speaker. It has not come about because of one day, one week, one month or one year of work, but because of many days, many weeks, many months and several years of work on the tariff board report and on the negotiations at the GATT meetings in Geneva.

● (2020)

Earlier this afternoon we heard some remarks about consultation. According to that hon. members you would think that this sort of thing had never taken place before in Canada. I was going to inform the government House leader earlier today—I did not want to take up the time of the House—but I should like to inform him now, through you, Mr. Speaker, that these tariff changes have come about as a result of such detailed consultation as had never taken place in our history before. I refer to meetings between producers, processors, consumers—all the people involved in the trade who are concerned with the changes in tariffs on food in Canada. There was never such consultation before and the record will show that never have there so many people involved.

Producers and people from different parts of the processing industry and the retailing industry were sent as observers, and as advisers to the negotiators in Geneva. They put forward their ideas on the changes that should be made. That kind of consultation had never happened before. These people were not just from the Liberal caucus but were from all walks of life, from farm organizations, producer marketing groups, provincial governments—some provincial ministers actually took part in the discussions. They were free to do that; in fact they were asked to do that.

Some gains were made, Mr. Speaker, although from the remarks made by the hon. member who spoke just before me, you would get the idea that we gave everything away. I believe he used lettuce as an example. Mr. Speaker, you could use that old story about the best salad in the world—"let us alone". Mr. Speaker, lettuce is left alone except for 16 weeks of the year when it is in production in Canada. The rest of the time it is admitted duty free. The Canadian horticultural industry and the producers' organizations can arrange that it be admitted for one sixteen-week span, two spans of eight weeks each, or for two spans of ten weeks and six weeks in the two production seasons. In this country we have an early spring season, and then the second crop later in the year. It is left to the producers to decide whether they want a straight 16-week span or two eight-week spans at different times, or whatever. This is arranged through consultation; it is not forced upon them.

The Minister of Agriculture (Mr. Wise) is not in the House tonight, but shortly after his appointment he issued a press release announcing some of these new tariff changes and pointing out how beneficial they would be to agriculture. You would have thought he had accomplished this in his two weeks as minister. Mr. Speaker, we started meetings long ago. Our chief negotiator would return from Geneva and we would have meetings late into the night to discuss the changes and concessions that were offered. We had to take some very tough positions, as is obvious by what has been accomplished in these negotiations. The minister's press release pointed out how beneficial these changes would be to some agricultural production entities in Canada.

A good example of some of the benefits that have been gained is in the production of tomato paste. This will affect southern Ontario, southern British Columbia and, with new varieties, many other parts of Canada such as the Annapolis Valley will benefit. Some hybrid varieties are proving very successful in areas of the country that do not have the same number of heat units as southern Ontario. The new varieties require less heating units and thus require fewer frost-free days to produce a mature crop.

We know that the processing industry is on the verge of expansion because the protection given to the tomato paste industry has been raised to 13.5 per cent. This will make it possible for the producers to know what they face and what their competitors will have to pay in order to bring that product into Canada.

Mr. Jake Warren, who was our chief negotiator in Geneva, formerly our ambassador to the United States and High Commissioner to Great Britain, is one of the most capable men I have ever met. Certainly, we did not always agree. When I remarked that on one occasion, someone replied, "For Whelan to always agree would be an amazing thing in the first place." Mr. Warren was a tough negotiator, and when we told him what we wanted, he went to Geneva with our demands, and generally that is what we got. Naturally, he did not win everything, but he won some concessions for the agricultural industry. Some of them were things that we should have had previously. The hon. member who spoke before me said that some industries had been disappearing in parts of Ontario, parts of Quebec, parts of British Columbia such as the Fraser Valley which produces vegetables, and some parts of the maritimes.

We must face facts, however. We should concentrate on growing those products which are suited to our climatic conditions and in which we have proved our efficiency. This bill will help us accomplish that although, of course, not to the degree that will satisfy everyone.

Mr. Roy (Laval): Gene Whelan's bill.

Mr. Whelan: Humility just about overcomes me, Mr. Speaker, because my hon. friend said, "That's the Gene Whelan bill."

Mr. Peters: It sounds like one.

Mr. Whelan: It may be said that the bill does not provide enough protection for those vegetables that require a great deal of hand labour. The hon. member who spoke before me talked about having some kind of immediate surcharge or border control that could be activated if damage is about to be sustained by producers of a certain commodity and cheap imports are going to destroy their return. This is one of the things that was recommended in the tariff negotiations and it was expected that an agreement could be worked out.

The Minister of Agriculture, who is not present in the House, issued a press release about the changes in the implementation of an import surtax. The Canadian horticultural industry and the tariff board made a recommendation that an automatic surtax should be applied to imports of horticultural products as they cross the border, if the cost fell below a "trigger" price based on an average of the previous three-year f.o.b. import prices. That is not what we got, Mr. Speaker. We have something that can take as long as 20 days to implement. That is not what I had suggested and it is not what I thought would be brought forth in this House by the minister. He comes from an area that is involved in all kinds of production. When you consider the kind of consultation that has to take place before the Minister of Industry, Trade and Commerce can implement that surtax, you can see that it is going to be too late to be of any benefit.

The Minister of Agriculture is one of the key ministers in this matter, but if he should happen to be out of the country there is nothing in the bill, that I can find, that provides for action to be taken in his absence. It appears to me that nothing can be done if these products are coming into Canada while he is out of the country—unless they find him so that he can issue an order, and then they go through this consultation process. That is a bunch of bureaucratic nonsense. Hardly another country in the world that would allow that. I fought against that same thing and I was so sure that we would be successful. I am so disappointed that we have something that will take as long as 20 days.

● (2030)

Some Canadian products have only 20 or 30 days' production. It takes 20 days to put in an order. My God, Mr. Speaker, it will be too late. Destruction will take place and you then discourage production of that kind of a crop. Anyone who knows about high risk crops will understand that. Talk about the amount of money involved! The Minister of Finance (Mr. Crosbie) is not here. There is one minister here, the Minister of National Defence (Mr. McKinnon). He is going to defend the government's stand on these things. But the Minister of Finance is not here.

Talk about vegetables and things which require a tremendous amount of hand labour. These are the things for which farmers borrow. Over 50 per cent of farmers' total income goes in interest on that kind of borrowing because they need so much capital to operate. From the time they plant seedlings to the time they transplant them, they cultivate them, baby them, harvest them, pack them, and all those things, over 50 per cent of their expenditures go on interest rates and this was when they were below 10 per cent.

I have letters from farmers who are paying 15 ½ per cent and 15 ¾ per cent on greenhouse operations to keep going for this winter's operation. They do not know what will happen to them. They do not know whether they should continue. Some are not, because of the insecurity that exists. The insecurity is still there because the surtax, the program announced by the new Minister of Agriculture is just not satisfactory. It is just not what the horticultural industry asked for. It is not what the over-all industry asked for and it is just not what the former minister intended. He wanted to make sure Canadians had the opportunity to consume Canadian products and wanted to give them the kind of protection and security they needed, so that when they do go to the bank manager—

Mr. Peters: Why wasn't there a trigger mechanism in the bill?

The Acting Speaker (Mr. Scott, Victoria-Haliburton): Order, please. I think the hon. member for Essex-Windsor (Mr. Whelan), should carry on.

An hon. Member: Why?

Mr. Whelan: It is up to the government to implement the regulations. But I know what those gals and guys in Industry Trade and Commerce think about farmers in negotiations. The Minister of Industry, Trade and Commerce (Mr. de Cotret) in the other place answered a question the other day. I can find no place where this has been changed. They were talking about negotiations on quotas and chickens coming into Canada. He said that that was the Minister of Agriculture's job. I can find no place where that authority has been vested in the Minister of Agriculture. I can find no place where the Minister of Agriculture went to Washington to negotiate chickens at all. A bunch of bureaucrats went to Washington to do it. Let me tell you when I was Minister of Agriculture they were not allowed to do that.

Some hon. Members: Oh, oh!

Mr. Whelan: When we went to Washington and the secretary of agriculture for the United States sat across the table, if we did not agree then we went to GATT and let an independent court settle the problem. We did not give away the kitchen with the stove and the cupboards and everything in them. We

knew that we were right. My, the controls that the Americans have. When a Canadian tries to export products to Americans he finds that the controls are much stricter than the Minister of Agriculture is suggesting now. We want at least equal to that or even better than the Americans have to protect their producers.

Most people try to get across that Americans are not protective of their society. They are not trade restrictionists, so people say. Mr. Speaker, they are the greatest trade restrictionists that I know of any place in the world. I base this on my nearly seven years as Minister of Agriculture studying and looking at what other countries were doing to protect their producers. They have some of the most restrictive trade practices anywhere. Some have been wiped out under these negotiations. There are hidden tariff practices. If there is evidence of their using them, you can take them to GATT to find out why they are using them, and appeal for compensation in those cases.

If one checks the history of negotiations, one will find there have never been any more detailed negotiations. This applies not to just the horticultural sector but to the meat sector also, probably the most successful of all negotiations that took place at Geneva. They were probably most beneficial for that industry, the most important industry of all, the over-all agricultural industry of Canada.

As I said, most of it was agreed by consultation with the provincial ministers and in some instances with the provincial premiers. If they wanted to be involved they could be. One or two of them actually took part in the negotiations. They went there themselves to make suggestions and to consult with the people who were concerned.

I could not agree more with what was stated earlier. Ministers have had since June 4 to draft a new bill or have a new policy to inform people. But what we should have is an old schedule alongside this one to make a fair comparison and to see what changes have been made, how they have been made, whom they will benefit and whom they will harm, etc. There will be some who will say that they have been harmed by this.

If you read this bill as an ordinary layman it says: an Act to amend the Customs Tariff and to make certain amendments to the New Zealand Trade Agreement Act, 1932, the Australian Trade Agreement Act, 1960. I believe the Australians and New Zealanders are given one more year of phasing in the tariff changes on pears, and it makes it a little better for British Columbians who export some cherries to Australia and New Zealand. One would think that was the main part of the act. But when one looks at the act and sees the tremendous amount of changes that have been made not only for horticultural crops but for the many other entries produced in Canada—some we hope will be produced more abundantly than—ever before because of this legislation—it will be a challenge to a lot of producers in Canada. It will be a challenge to a lot of people thinking about processing here.

Our biggest customer is the United States. We are their biggest customer in the world for these particular products. Many people are not aware of this fact or are not aware of the amount of trade that takes place between our two nations. That does not mean that we cannot discuss or disagree, or go to GATT if necessary to have those kinds of discussions. It does not mean we cannot put things on the table and allow a free and independent body to make that decision for us if we cannot come to a harmonious agreement between ourselves. We will see as we go over the schedule the many changes that are made. I hope that any members who do not have the answers before them will be provided with them when the time comes for this bill to follow that stage.

I have had some discussions, not in as much detail as I would have liked since the ways and means motion has been tabled. I think we should have had the opportunity to discuss in full detail some of these things with the Canadian Horticultural Society, the Canadian Food Processors Association and the Canadian Federation of Agriculture. How many members have done this? I have not had time to go over each item to see if there are other changes. Maybe I should not even be concerned about that because the ones that are being changed from the original negotiations I believe are mentioned at the front of the bill.

Some questions will be asked by members who were not involved in the negotiations. These people will want to know if it will protect the potato growers. We think the tariff on potatoes is probably something farmers have wanted for years and years. Equalization, fair trade, and fair opportunities are what these tariff negotiations have brought for Canada and the United States. The Americans removed their quota. I do not have the figures in front of me. I believe their quota was around 400,000 cwt., and that has now been removed. The exorbitant rate that was put on after reaching a certain amount was removed from the United States tariff program. There have been concessions in the potato industry in Canada. For a long time this industry has wanted to be on an equal footing.

● (2040)

The increase in production will not take place overnight with these commodities, even if we have the know-how. I know that in Your Honour's constituency there is a tremendous potential for certain horticultural crops. I was recently there. I saw some of these commodities left in the field.

The other night there was a program over CBC which showed grain rotting in Stavely, Alberta. The next morning I called the Alberta Pool to see how much had been lost. I was told that the amount lost was unreportable. The other night the head of the Canadian Grains Commission appeared before our committee. I asked how much grain is lost this way in western Canada. He informed me the amount was so small it could not be measured. Because of that report, editorials were written about what a crying shame it is that our grain is rotting while people are starving in other parts of the world.

The other day while driving down highway 115 through Victoria county I saw acres and acres of pumpkins that had not been harvested. There are tomato fields in my area that were not touched because production was so good. Because of

their capacity for processing, they could not handle all the production. One farmer had 500 tons on his farm that were not touched. His acreage was that good that he was able to supply his share of the market off the other part of the field. The processing facilities of the other companies were filled to the brim. The gods were good to us.

Some of this kind of production could be used for tomato paste. Tomato paste does not require the same high quality product as ketchup, canned tomatoes and tomato soups. In Canada we maintain a very high standard. These tariff changes will allow us to keep that high standard of which we are so proud. We are superior to any other country. Any country that exports to Canada must meet the same high standards that we impose on our producers and processors.

Let us hope that some of this waste will be overcome. Some producers may be enticed to crowd their facilities a little if they have this kind of protection. They could gear up their facilities to take care of the extra tomatoes.

Fast food outlets are rapidly becoming a way of life in Canada. The pizzerias and similar establishments use a very high quality tomato product. It contains vitamin C and other minerals necessary for a healthy diet. That was something that was considered in these tariff negotiations.

I am sorry I was not here earlier today to hear the Minister of Finance introduce this bill. I hope he gave those responsible for these tariff changes some credit. They worked hard on the negotiations that took place. There was horse trading, bartering, and travelling back and forth across the ocean to see if they should bend a little bit, and so on.

Our world is small and becoming smaller all the time. We are trading in a world community, in fact a world neighbourhood. No matter what happens, we are going to be affected. Something may happen that would never have happened 10, 20, 30, 40 years ago. We are affected almost instantly now.

With satellites we now know what production will be ahead of time. We can pretty well tell whether there will be a lack of food before harvesting, because of the pictures continually sent to earth by these satellites. Our Canadian Department of Agriculture shares in some of these satellites. We are in a better position to know how to deal with our fellow man not only in trade, but to assist him in a time of need. Are we doing that?

We in this country have some of the best know-how on production and processing. We have the most modern means for processing. We also have some of the best methods of research. In addition to our own researchers, we have signed agreements with other countries which have top notch researchers and scientists.

We have an exchange program with the United States for scientists. In January of this year we signed an agreement with Israel, which has some of the most competent scientists. They do an excellent job on horticultural crops. Their research is available to us through agreement. On projects where we do better, their researchers work here instead of duplicating the work in their country. Their researchers work on projects here and ours work on some projects in their country. This could be with regard to apples, pears or peaches, or any kind of vegetable crop.

Israel's irrigation expertise is superior to any in the world. It can be beneficial to Canada. Their research has come about because of the tremendous amount of energy it takes to pump their water. Nearly one-third of their energy consumption is to irrigate crops in desert or semi-desert areas. Although there are different climatic conditions there, this research can be used for many of the crops produced in Canada.

Possibly Bill C-18 is not considered by some to be important. However, it is a very important bill for the horticultural industry. They have been asking for it for a long time. I note that two concessions are being made to Australia and New Zealand concerning pears. I do not see much wrong with that. I am not saying I would have given them because we are always being told if we do not do something, they will. However, they are Commonwealth trading partners and members of GATT. If it will be beneficial to one part of this nation, allowing our producers to expand their production, that is all right with me.

Mr. Woolliams: Mr. Speaker, I wonder if the hon. member for Essex-Windsor (Mr. Whelan) will accept a question. In his speech he talked about seeing fields of tomatoes in Ontario that were not harvested. He has always been a great advocate of governing boards. There are boards that govern wheat and other commodities. Does the hon. member not feel that if we had the law of supply and demand governing, maybe these tomatoes might have been harvested? The hon. member made a great speech. Why is he so extravagant in his suggestions as to what happened? I would like to hear what he has to say. I do not live in a tomato area. I live in a wheat area where young farmers today are questioning even the Canadian Wheat Board and government interference with private enterprise. I would like to ask the hon. member about that.

• (2050)

Mr. Whelan: Mr. Speaker, first I want to say that the tomato marketing board was put into effect in Ontario long before I even came on the scene. That was under a Conservative government which has been here for 37 years. The Canadian Wheat Board was put into effect by a Conservative government, and it had reasons for setting up the Canadian Wheat Board. One need only read history and refresh his memory about the unfairness which took place.

The same thing happens with any other crop. If you happen to be a big tomato grower and are a good friend of the processor, you might just deliver all your crop. However, if you are out in the country a little farther away and perhaps not such a good friend of the processor, you may not deliver yours. Under the marketing system of Ontario under that great Conservative regime, all producers are treated equally and fair. They are producing the product they contract to produce. Nothing stops them from being efficient or producing the best tomatoes. They strive to produce more per acre than they did previously, and they up their production per acre all the time.

remedy. I know that even this government, with all its undoubted ability, will find it difficult to make 48 hours out of only 24, and even if there were 48 hours we could not legislate in this Parliament for all the problems which exist.

We must have a system whereby, through the regulatory process, we can implement in some detail the general principles laid down in Parliament. But in doing so, there must be some remedy. It is not for this House to allow governments to cut the umbilical cord. When we give authority by a statute through an enabling section to a government, a government agency, a government corporation, the governor in council or the minister, to proceed by regulation, we must guarantee to the people we serve that there will be a remedy for them to come back and say, "this is unfair, this is unjust". When that happens, when the public is aware of this, then the bureaucrats—and we have been making a little fun of them but I have deep respect for the people in the public service who serve this country—will have to realize they have a responsibility and that the attempts to govern by regulation must always be subject to the supervision of the House. Anything less than that is not good enough.

[*Translation*]

Mr. Pierre Deniger (Laprairie): Mr. Speaker, I rise briefly tonight to congratulate the government for introducing the bill with which I agree entirely, Bill C-18, to amend the Customs tariff.

Mr. Speaker, if we have those trade agreements, if we have customs agreements, it is still important that we have customs clearing centres. As member for Laprairie, a riding which includes six cities, the cities of Saint-Lambert, Candiac, Lemoyne, Laprairie, Brossard and Greenfield Park, I rise on behalf of my riding and the whole south shore to ask the minister if he would not consider it appropriate in 1979 to support for the whole south shore the establishment of a customs house. The riding of Laprairie is the place where all trucks coming from the United States pass to go to Montreal and there are now in Montreal only two customs clearing centres and those centres are overworked and nearly have a monopoly. In light of the volume of goods being moved by truck and also the extent of the energy crisis that is coming in our society I believe the time has come for us on the south shore to have a customs clearing centre. When I talk about the south shore, I am talking about a territory that includes the riding of Beauharnois, the riding of Chambly, the riding of Longueuil, the riding of Verchères, the riding of Shefford, several ridings which would be directly affected and would benefit directly from such a center. Do not forget, Mr. Speaker, that this summer we on the south shore had to put up with the inconveniences of repairs made to the bridges linking my riding and the surrounding ridings with the island of Montreal. Champlain, Victoria, Jacques-Cartier bridges and the Hyppolite-Lafontaine tunnel-bridge as well as the Mercier bridge were very congested.

The reasons for that congestion in addition to the repairs were precisely that heavy traffic caused by trucks hauling those commodities so essential to our survival coming in from the United States. And precisely, Mr. Speaker, if we had had on the south shore that customs clearing centre which comes entirely under the responsibility of the Minister of National Revenue (Mr. Baker) and to whom I have already spoken about this problem, I am sure all people in general would have benefited from it.

[*English*]

The present sufferance warehouse facilities are becoming increasingly congested and the addition would make the present facilities more efficient and give a better service to the community at large. The prime location of the proposed warehouse being at the focal point of the main highways from New England, New York and all states on the eastern seaboard, and the fact that trucking companies would be able to proceed on delivery without having to incur crossing and recrossing of bridges as it is with the South Shore industries, would reduce traffic congestion of the bridges to and from the Island of Montreal. Also the non-productive mileage incurred would be reduced drastically.

• (2110)

Mr. Baker (Nepean-Carleton): On a point of order, Mr. Speaker—

Mr. Deniger: If the hon. minister would permit me, I have seized him of this matter and I hope that he will give it his usual wisdom.

Mr. Baker (Nepean-Carleton): I thank the hon. member for his comment, but I want to assure him tonight that the question of a customs house at Candiac is under very active consideration by the department.

Mr. Deniger: I want to thank the minister for his kind words. I hope he will see this matter through, because it is very important to my entire region.

Mr. G. H. Whittaker (Okanagan North): Mr. Speaker, I wanted to say a few words on the Customs tariff bill because I do not think one has come before the House in the last seven years on which I have not spoken. I had quite a lot of input into the customs tariff question before coming to the House of Commons. I see the former minister of agriculture, the hon. member for Essex-Windsor (Mr. Whelan), is coming into the chamber. Certainly I give him some measure of credit for this bill, but I would not give very much credit to the Liberal government when it was in power. I do not believe the former minister had very much clout in the cabinet because it took so long to get this type of bill before the House. I know the hon. member likes to take credit for it, but I would give an awful lot of credit to the people in the industries and the farming communities through their horticultural councils and other organizations, as well as the tariff board. They made a comprehensive study of what was going on. Also I would like to give a lot of credit to the negotiators at the tariff negotiations.

For many, many years the former Liberal government gave agriculture away in its negotiations. It gave away tariff concessions for agriculture in this great agricultural Canada of ours. It gave it away to other types of industry which had high tariff protection. Because of this we had to do a tremendous amount of work. We even went so far as to point out that Canada was a saint in the world of sinners when it came to tariffs for agricultural products. Canada had nothing when compared to other countries, to protect its agriculture.

It reminds me of the Kennedy Round of Negotiations. This type of thing happened to us. The Kennedy Round negotiated the removal of the tariff on apples over an eight-year period. What happened to us? No sooner were the negotiations finished and they came back, and the former minister of finance removed completely the tariff on apples coming into Canada. Then he told the people in the agricultural community that the United States would do the same. When he went to the United States asking them to do the same, they said, "Look, when we make a negotiation that is what we mean". They did not take their tariff off. We had nothing; they had something. It was things such as this that were happening to agriculture in Canada. It was difficult to receive any information on what was going on in the negotiations. It was very, very hard to get any information. Organizations such as the horticultural council and others in Canada spent years and years trying to get something which would help the situation.

Perhaps I will say that this bill goes a long way toward doing something to assist the situation, but it does not go all the way. It does not give us a protection similar to other agricultural countries. Certainly it does not give us the protection which exists in Australia. Australia partakes in tariff negotiations, but if that country does not like one's product, it finds something to stop it completely; it is not even let in. I am not happy about concessions to Australia on canned pears. I do not understand exactly what the concessions are with Australia.

Mr. Breau: Cherries.

Mr. Whittaker: I hope the concessions will not do too much. The hon. member mentioned cherries. The former minister of agriculture said that we shipped cherries to Australia.

Mr. Breau: Crosbie said, "Cherries".

Mr. Whittaker: That will be the day. They would not have them; they would not take them.

Mr. Breau: Your minister said that.

Mr. Whittaker: Well, okay.

An hon. Member: Why do you believe him now?

Mr. Breau: I do not believe him; neither does he.

Mr. Whittaker: Perhaps the hon. member could rise and make a speech after I am finished. Sometimes he makes good ones. I agree with the hon. member for Peace River (Mr. Baldwin) on what he said about orders in council and regulations being established without consultation and knowing what was happening. That type of practice will not continue.

The former minister of agriculture mentioned what the Minister of Agriculture (Mr. Wise) said a few months ago about Customs tariff. There was a complete and utter mess left for us when the election was called. It had to be straightened out.

Mr. Whelan: Oh, oh!

Mr. Whittaker: This bill was brought in approximately a month to six weeks before the election was called. Why was it not brought to the floor of the House? Why was it not passed? There would have been no trouble having it passed through the House quickly. It was not brought in. It was given as a concession to keep the minister quiet. Certainly his government was not willing to bring it in, and the election was called. When the season for fruit came around, there was a complete and utter mess which had to be straightened out.

Mr. Whelan: That is not true.

Mr. Whittaker: I will tell the hon. member that I have never seen such fast action in my life as that of the present cabinet. The mess was straightened out and put on the right footing.

Mr. Whelan: Tell us what they did.

Mr. Whittaker: The Minister of Agriculture contributed greatly.

Mr. Breau: It is a good thing Ray was not responsible for it; they would be bankrupt.

Mr. Whittaker: I can tell the hon. member that the minister contributed greatly because he had some clout in cabinet. The President of the Privy Council and Minister of National Revenue (Mr. Baker), who is charged with the responsibility of collecting these tariffs after the bill is passed, was involved. His input was fast, sure, and decisive. The Minister of Agriculture had to come in and make some press releases.

● (2120)

We have heard members talk about surcharges. We have not asked for a surcharge for a great many years. The first time I was involved in a request for such a surcharge was in 1955, but we got absolutely nothing. There was no such surcharge established before the election. We did not obtain a surcharge because, as I believe, the then minister of agriculture could not get his five-ring circus together, and I mean the five departments that are involved. Our Minister of Agriculture has been able to accomplish a great deal in a very short time on behalf of the consumers and agricultural producers.

The hon. member for Essex-Windsor says it will take 20 days to bring a surcharge into effect. The Minister, being honest, says it could take up to 20 days even though they will work with the speed we saw at the end of last June in cleaning up the mess left by the former government. We do not have to

These tariff negotiations are something they have wanted for some time.

There is no guarantee that we can stop the waste. But if the matter was left to the open market system everybody would grow tomatoes and hope somebody would buy them. Tomatoes are a perishable crop. If they are two days too long on the vine and the wrong kind of weather comes along, they are destroyed immediately and completely. They are unfit for processing, and unfit for human consumption because they burst and rot in the field.

If the hon. member wants to come down to Ontario and grow tomatoes, I do not think the Ontario government would let him. He could grow all the tomatoes he wanted in the Fraser Valley or some other area, but I do not think he could find a grower in all of Ontario who is in an area where there is a tomato processing plant who would grow them without a contract, even if he had the right to do so, because of the terrible things that used to happen. It is not new for these products to be wasted. I think there are about 30 products in Ontario which are regulated under provincial marketing legislation provided for the protection of producers. They are guaranteed nothing. They are guaranteed compensation only if the proper grade of product is delivered. If junk is delivered, producers are told to take it home. They have to meet the grades and standards provided for under the legislation.

Let us consider the Canadian Wheat Board. If a farmer was 20 miles out in the country and got to the elevator late, he would find the elevator was full, and he was told, "No room; go home." R. B. Bennett set up the Canadian Wheat Board because of the unfairness that existed regarding quotas. If we could find a way to get rid of all of our grain and if we could sell it all on the world markets, quotas would be opened up and there would be practically free delivery. I am sure the hon. member knows that from time to time farmers just said they would wait for a better price. They were not going to deliver even where quotas were opened wide. However, the Alberta Wheat Pool told me an interesting thing. They said, "You know, Mr. Whelan, this year 60 per cent more grain than last year was delivered to our elevators". I asked why. They said, "Our grades are better. We do not have so much tough and damp grain and we are able to store it without worrying about it spoiling". If they did not have drying facilities and if they took in tough and damp grain—

The Acting Speaker (Mr. Scott, Victoria-Haliburton): Order, please.

Mr. Whelan: I could go on and on, Mr. Speaker.

Mr. Woolliams: Mr. Speaker, I rise on a question of privilege. I appreciate the speech made by the former minister of agriculture.

Mr. Roy (Laval): A great speech.

Mr. Woolliams: Certainly it was great, and I know the hon. member would like it, but let me point out one simple factor. When R. B. Bennett set up the Canadian Wheat Board, it was not on a compulsory basis. McFarlane was head of the Canadian Wheat Board. Later during the war it operated on a compulsory basis. The hon. member was very verbose in making a speech in support of boards. He was talking about tomatoes and other products, but when he dealt with R. B. Bennett's setting up the Canadian Wheat Board he did not point out that it was not set up on a compulsory basis. Only when the Liberals got back in after the depression did it operate on a compulsory basis. The hon. member's brother was in the socialist government in Saskatchewan, and the hon. member believes in boards. I am not saying boards are all wrong, but I am referring to some of the complaints he made tonight. I hope the Canadian people and the farmers of Alberta and Saskatchewan know that when the Canadian Wheat Board began operating on a compulsory basis—

Mr. Deputy Speaker: Order, please. The hon. member will agree with me that he is raising more a matter of difference of opinion than a point of order or a question of privilege, which has to be related to procedure and practices in the House. An abuse of a rule does not excuse another abuse, unless the hon. member wants to make his case.

Mr. Woolliams: I would still like to finish one thing. The former minister of agriculture has been basically hypocritical in what he has said.

An hon. Member: Hypocritical?

Mr. Woolliams: Well, in his statement. I am not saying he is a hypocrite. He believes in boards, and then complains about abuses.

Mr. Whelan: On a point of order, Mr. Speaker—

Mr. Deputy Speaker: I think the hon. member's case was not too good as far as questions of privilege are concerned. He just had another opinion.

Mr. Whelan: On a point of order, Mr. Speaker, I do not pretend to be a perfectionist. The hon. member almost appears to be saying he is. A perfectionist is a person who takes infinite pains—and then gives them to others. The hon. member referred to my brother. He has brought my family in on this. My brother has lived in Saskatchewan since 1946. The hon. member said my brother was a member of a socialist government.

An hon. Member: Isn't he?

Mr. Whelan: I point out to the hon. member that the Conservatives have been in power in Ontario for 37 years. They are strong marketing board people. R. B. Bennett forced the Canadian Wheat Board on the people. They never had a vote until the Liberals came in.

Mr. Deputy Speaker: Order, please. The hon. member will agree that we are faced with a difference of opinion.

Mr. G. W. Baldwin (Peace River): Mr. Speaker, I would like to say just a few words before the hon. member for

Essex-Windsor (Mr. Whelan) retires to receive first aid for his arm with which he has been vigorously patting himself on the back. Before he does that, I want to remind him that he was a member of a government which collected together the greatest galaxy of bureaucrats with which this unfortunate country was ever cursed.

Mr. Whelan: Not in my department. We only added 23 in seven years.

Mr. Baldwin: I sat on a committee which examined some of the work of the bureaucrats in the hon. member's department. I will admit that after the joint Standing Committee on Regulations and Other Statutory Instruments had occasion to rebuke the minister and his department, they did mend their ways. There never was a government which got together such a group of bureaucrats who would never use one word when they could use 100, particularly if those 100 were couched in a form which was unintelligible to the ordinary person.

Getting back to the bill, from which we seem to have departed, and looking at the bill, at first blush, clause 2 says:

The Minister may order

(a) that the specific rate of duty . . . shall apply in lieu of the ad valorem rate of duty—

Then we go from there to clause 6 (2) which says:

Notwithstanding anything inserted in Schedule A to the customs tariff . . . the Governor in Council may, at any time during the period commencing with the coming into force of that section . . . by order effective on and after . . . increase a rate—

Then we come to look at the fine print, and I happened to turn this up at page 27 Schedule III: a new tariff on "Aircraft, not including engines, under such regulations as the minister may prescribe". These have been the curse of this country, the attempts by governments, at the instance of their bureaucracy, to control this country by order in council and by regulation.

● (2100)

We sat on this committee, which was a good, all party committee, which acted unanimously. I recall one of the victories, which we should have won but which we did not, when a member of the party of the hon. member for Essex-Windsor, the former member for Vancouver-Kingsway, Simma Holt, was persuaded to bring in some very legitimate complaints about non-tariff structures brought into effect by order in council which had a very deleterious effect on the entry into Canada of certain types of footwear. She made a very strong case—she showed there had been much injustice—but nothing was done.

This is the trouble we face, and I am sure the minister will agree with me in his heart because he knows it to be so, that the former government intervened so massively in every aspect of the private lives of people, giving itself the right through its bureaucrats to act by order in council, that the rule of law and the rule of Parliament ceased to exist. That is what we face today. I call attention very briefly to the fact that here in a very simple bill amending the tariff structure we find—

An hon. Member: It is not simple.

[Mr. Baldwin.]

Mr. Baldwin: The hon. member for Timiskaming (Mr. Peters) brought to my attention the difficulty which ordinary people have in understanding the legislation, and not only understanding it but realizing the extent to which, at the whim of the minister on the advice of his officials, the government may vary, change and alter not only these tariffs but the non-tariff structure, and the people who are involved will not know anything about it until it is over and done with.

I am fortunate to be able to sit on the same committee in this ensuing session, and I hope that the committee will continue to give to the people of Canada, as an arm of this Parliament, an opportunity for them to stand up and complain about the practice of using orders in council and regulations under this act without there being some remedy. One of the things which we have suggested, and I hope this government will bring it into force—and I see my hon. friend, the Minister of National Revenue (Mr. Baker), who is charged with this bill and is a very useful member of that committee, and also the Minister of Energy, Mines and Resources (Mr. Hnatyshyn), both of whom, I hope, will see to it—is that in cases of this kind there be pre-publication of rules and of orders in council as well as of regulations so that people who are affected will be advised. This will be done by notice so that those who will be affected, the producers and the consumers, will have an opportunity to make representations directly to the government or to the tribunal which will be making the decision, or to members of Parliament who, in the final analysis, are the ultimate harbingers of destiny, as it should be, of the affairs of the nation.

There is no doubt in my mind that a continuation of this practice is the easy way to do things, to sit cosily up in your office and enact the regulation or order in council. Nine times out of ten the minister does it on the advice of his advisers. I am not saying that in a disparaging sense, because it is utterly impossible in the kind of society we have for ministers to be on top of all the data, all the orders in council, and all propositions which are put before them.

Mr. Whelan: You have super ministers over there and they have three departments!

Mr. Baldwin: The trouble with new ministers is that they are like Hercules.

Mr. Whelan: Come now.

Mr. Baldwin: They have the old stable to clean up with a hundred years' accumulation of you know what.

Some hon. Members: Oh, oh!

Mr. Knowles: They were not in power one hundred years; it just seems like that.

Mr. Baldwin: It is time the matter received the attention of this House. I am sure that from time to time this committee will be bringing in recommendations when it has come to their attention that there have been abuses of the regulatory process, so that the public of Canada will know that there is a

worry about the lack of speed in respect of agricultural matters at this time. These things can and will be done.

Under this new minister most of those things that have to be known to keep the agricultural industry out of trouble are known very quickly. Most of these things are known two or three weeks before the trouble develops. Under the previous administration we had great difficulty in getting things done. I should not say that we never got tariffs imposed, because I remember shortly after coming here the hon. member for Essex-Windsor did impose a surcharge on cherries. I think he was able to do that because other members of cabinet did not realize or understand what was going on. As soon as they did, that was the end of it, and we did not see another rapid imposition of a surcharge to provide the protection needed.

Under the previous administration we thought we were going to see a formula developed. We had hopes that the former minister would be able to sell that formula to his cabinet colleagues. He was unsuccessful because five years or six years later we still did not have a formula. We have such a formula today, and I am quite proud to note its existence. This is a formula that can and will be workable.

Mr. Whelan: You know it is a halfway measure.

Mr. Whittaker: The former minister says it is a halfway measure. He did not bring in anything so we did not have any measure at all. I do not believe this is a halfway measure. That hon. member can sit there and say those kinds of things, but let us wait and see how this works. When we see it work we will realize it is not a halfway measure. I think it is going to work, and the former minister of agriculture, the hon. member for Essex-Windsor—

An hon. Member: He will be the minister again next week.

Some hon. Members: Oh, oh!

Mr. Whittaker: If he is going to be the minister again next week, God help the country. That hon. member keeps patting himself on the back, and he did so while watching the producers and the canners in this country go down, down and down. I have in mind the tomato industry in southern Ontario, which is now in a really sad situation.

Some hon. Members: Oh, oh!

Mr. Deputy Speaker: Order, please. I think the hon. member for Okanagan North (Mr. Whittaker) should be allowed to make his speech without constant interference by other members in this chamber.

An hon. Member: They just do not like to hear the truth.

Mr. Whittaker: Thank you very much, Mr. Speaker. I was coming to the end of my remarks at any rate. The catcalls from the other side sort of worked me up. At any rate, I am sure that the industry will be pleased to see this bill passed. It should have been in place for last year's crop. Some products did receive the protection required through an order in council by our government. Some products did not receive the protection needed. When we pass this bill it will go a long way toward helping the agricultural industry in this country but, as I said before, it does not appear to me to provide the protection in Canada that other countries have in respect of agriculture.

Mr. Ray Chenier (Timmins-Chapleau): Mr. Speaker, the tariff board and the horticultural industry recommended that an automatic surtax be applied to imports of horticultural products as the produce crossed the border when the price fell below a "trigger" price based on an average of the previous three-year f.o.b. import price.

The present proposal is not automatic and is not what was requested by the industry or the tariff board, and the news release of October 22 is erroneous and misleading.

The improved faster system is unlikely to be any different from the present system, for the following reasons. There is a time delay between the produce crossing the border and the industry authorities verifying the information to bring to Agriculture Canada's attention, resulting in a probable delay of several days. The imports are usually made in summer months when cabinet ministers are frequently on holidays or absent from the office and cannot take the fast and effective action necessary. Officials of both departments need time to consult and go over the information, and this will result in more delays. This type of procedure requires notifying the exporting country, and consultation prior to the surtax being put in place, with more delay.

It is common knowledge that the three-year average proposed as the trigger price base did not take into account the inflation rate, and the 85 per cent of the three-year average is unlikely to be of much help under present economic conditions.

Since the season for crops like sweet cherries, etc., is very short, about three to four weeks at most, and injury can occur within a few days and a few shipments, the proposed system will not be of any real value because it is not automatic. The season will be over and the injury will have occurred before any action will have been taken. For commodities not named, the 20 days to make a decision is completely unworkable. The opposition among the two departments from a bureaucratic standpoint is well known, and since there is nothing new in the proposals to overcome this opposition, these time delays will be long. I cannot see that this proposal will be any different from the present procedure.

Miss Aideen Nicholson (Trinity): Mr. Speaker, this bill will implement the ways and means motions relating to the customs tariff which were tabled by the former minister of finance in the last Parliament on October 23, 1978. Essentially it removes the tariffs on imported fruits and vegetables at certain times of the year and reinstates them during our growing seasons when domestic produce is available. It helps the consumer at times when food is scarce and expensive, and it protects our producers at other times.

Unfortunately the new government did not see fit to recall Parliament in June to deal with these matters. In the situation in which we find ourselves now, it becomes clear that this bill and other measures are needed more than ever.

● (2130)

Consumers are bearing substantial increases in food costs. U.S. trucking costs have increased 45 per cent since last winter, and those increases are expected to drive imported food prices to record highs this winter. The increases in gasoline prices in Canada which the government is about to impose, will further drive up prices, as the energy costs involved in the food chain—transportation, storage, processing and packaging—are passed on to the consumer. The decline in the dollar will add 15 per cent to the cost of imported foods. When imported foods become more expensive, we have seen that domestically produced foods go up in price too, because there is less competitive pressure from imports.

In all these circumstances, this bill which is before us and which is left over from the previous Parliament, is necessary, and it is also very necessary that other measures be introduced. I hope that when this bill is passed, the government will introduce its own measures in response to the current situation. The food policy group, for instance, in the consumer affairs department needs to be strengthened, not, as rumour emanating from the new government would have it, included in the Department of Agriculture. With this change, it would be difficult to see how this group could maintain a strong, independent voice for consumer interests.

Food policy decisions which have been in abeyance need to be implemented. The new government has said that it is committed to bringing down the cost of inflation. One of the key places to start is with food prices. People must shop for food every week, and when they are faced with increasing food prices it tends to trigger more demands for wage settlements as people become concerned about how they will cope with the cost of living. While I commend the government for belatedly introducing this measure, I would also point out to ministers that, in our present circumstances, it is a very small measure. I trust that they will soon bring in their own measures and address the question of rising food prices.

Motion agreed to, bill read the second time and the House went into committee thereon, Mr. McCain in the chair.

On clause 1—

Mr. Breau: Mr. Chairman, as we begin consideration of clause 1 in Committee of the Whole, could the parliamentary secretary indicate exactly where the changes are? I understand that there are some changes in this bill in the ways and means motion of this Parliament as compared to the motion in the previous Parliament. We will give the parliamentary secretary a minute to get organized and for the officials to be seated. Before we go any further, we would like to know what the changes are.

Mr. Ritchie (York East): Mr. Chairman, I will start by giving some of the changes involved, and when the officials arrive I will make sure whether or not I have the complete list. The change on canned pears from Australia has already been mentioned. It extends the phasing out of the preferential tariff by a year and gives a slightly more favourable rate in the interval than the original ways and means motion of the last Parliament. There is an inclusion, and I believe this is a change which is not related to fruit and vegetables. It extends numerous temporary tariff reductions on consumer goods which were scheduled to expire on June 30, 1979. Most of these were originally introduced in the budget of February, 1973, and have been extended from time to time since. The main products subject to these so-called temporary reductions are raw sugar, motor vehicle parts, cameras and films, vacuum cleaners, pharmaceuticals, chinaware, bottles, and hand tools.

These temporary reductions will become permanent when the bill is introduced on the results of the multilateral trade negotiations and is enacted. There is I believe one other change with regard to sugar. The temporary rates on sugar and related products now in effect were based on the recommendations made by the tariff board in its 1971 report on sugar. By virtue of this bill these rates will be continued indefinitely rather than just to June 30, 1980, as provided in Bill C-51 in the last Parliament. Those are the changes about which the hon. member inquired.

Mr. Breau: While on clause 1 it is customary to make some general comments. The hon. member for Windsor West mentioned to the Minister of Finance that perhaps the other bill could be tabled and, before it is passed to third reading, referred to a committee of the House for detailed study as was done ten years ago when the Kennedy Round was brought before the House. This would do two things: it would give hon. members an opportunity to study the bill in greater detail, and it would facilitate the passage of the bill when it comes before the House again. This is the approach that we hope the government will take. Can the parliamentary secretary tell the House whether that is the government's intention?

Mr. Ritchie (York East): Mr. Chairman, I have not consulted with the minister on this matter, but I thought about it myself in the interval. It seems to me to be a very sound suggestion. However, subject to checking with the minister, I cannot confirm just what we will be doing.

Miss Nicholson: Mr. Chairman, what will the situation be with regard to cheese? As part of the GATT negotiations, I understand that we agreed to allow the Europeans access to our domestic market. During the election campaign, when the Prime Minister was leader of the opposition, he said in a speech in southern Ontario and one in Quebec that he intended to reduce the import quota on cheese by ten million pounds. I am not quite sure at this point whether we can take as the government's intention, the GATT agreement of last June or the Prime Minister's statement when he was leader of the opposition, during the election campaign.

● (2140)

Mr. Ritchie (York East): Mr. Chairman, I will have to take that question as notice because I am not informed on the subject and it is not, of course, affected by the current bill.

Clause agreed to.

On clause 2—

Mr. Peters: Mr. Chairman, I would like an explanation. This is a fairly simple section. It reads as follows:

Section 15 of the said act is repealed and the following substituted therefor:

Normally when you are making an amendment to a bill and have it before you, you also have what it amends. In this case, however, we have the following:

15. (1) The minister may order (a) that the specific rate of duty provided for in tariff items 8702-2, 8703-1, 8704-1, 8706-1, 8707-1, 8709-1, 8710-1, 8715-1, 8717-1, 8720-1, 8721-1, 8722-1, 8724-2, 8728-1, 9201-1, 9202-1, 9203-2, 9205-2, 9206-2, 9208-1, 9210-1, 9211-2.

It is continued on the next page where it reads:

—and 9402-1 shall apply in lieu of the *ad valorem* rate of duty or the free rate of duty.

Mr. Chairman, we are asked to pass that. What in hell does it mean? What is the point of putting it in there in that form? There is no explanation of what it modifies, and no explanation of any of the figures. Why did they not just put in the numbers from 8702-2 to 9201-1 inclusive? Why did they leave some out? Why is it not a full series of numbers. Now we are going to pass it. Why? What does it say? What does it tell me? What does it tell you? We can go on, as there is a whole lot more.

If anyone here thinks they understand it, I will read it for them, but I do not see any sense in reading it. It does not make any sense to me and I do not think it is going to make sense to anybody else. There is nothing to put it against, as the former minister of agriculture pointed out. How are we going to make a tariff change by a number that does not apply to anything, is not related to anything, does not modify anything, and when there is no indication of what product is affected? Can we guess? The hon. lady who spoke a minute ago mentioned cheese. Is that 8704-1 or 8722-1 or could it be 9211-2?

During the war this kind of code was used to confuse the enemy; here it is used to confuse hon. members. There is no bloody way we should pass this kind of junk, and that is all it is. I do not think I ever remember not having something to put it against. If we are going to modify something we should say what we are modifying. The act is not mentioned nor is the section that is to be modified. The page supplied for notes is blank on what is being modified.

I do not know if this is good or bad, Mr. Chairman. I do not know anything about it—I do not know what any of those numbers are. I am pretty sure not many Canadians know what the numbers are, either. I do not think there is any sense in me saying, "pass Mr. Chairman, pass, Mr. Chairman"—pass for what reason? If we wanted to give this government a blank cheque we would do so, but we do not need to do it in this form.

We got a little lecture on freedom of information tonight—and I agree entirely with it—but Mr. Chairman, this is not freedom of information or freedom of anything else. The explanatory note comprises three lines which read:

This Bill would implement the ways and means motions relating to the *Customs Tariff* that were tabled by the Minister of Finance on October 23, 1979.

I lost the ways and means. I asked the Table officer to send me a copy, and he did. It is identical to what is here. It does not tell me anything different. What does tell us something? If the parliamentary secretary wants to tell me what these specific rates of duty provided for in tariff item 8702-2 are, and later is going to tell me about 8703-1, then I would also like to know why 8702-1 is not included? Why do we not do something with that one as well? Maybe he wants to tell me that and maybe he does not. I do not know.

We do some very stupid things as members of Parliament, Mr. Chairman. Today I was considering the salary we are paid and I am surprised how highly paid we are for our efficiency. If we were to pass this, it seems to me that we do not deserve any kind of salary. We are being asked to pass something that does not relate to anything and that does not have any yardstick to measure it against—obviously it is modifying something. It reads, "Section 15 of the said act is repealed and the following substituted therefor:". The note in the margin reads, "Application of specific duties or *ad valorem* rate in certain items." It does not say what they are nor whether they are additions.

Clause 1, which we passed, referred to: "Strawberries or cherries, pickled or preserved in salt, brine, oil or any other manner,". That covers a wide variety of things.

Mr. Froese: Mr. Chairman, I rise on a point of order. The schedules are attached to the bill and the numbers are there. I realize they are not the same as they were in former years. I cannot understand the hon. member, with all his years of experience in the House, not knowing what the numbers were in previous years. I personally have looked up the areas that are important to me and I know where the changes have taken place. When it comes to fruit and vegetables, I know what the numbers are. I feel the schedule shows the changes that are going to be made, and there must be a record in Parliament of what they were before.

Mr. Peters: Mr. Chairman, I am duly chastised, humbled, and highly sorry that I cannot understand it. We are not on the appendix, are we? Maybe I missed something—maybe we have reached the stage of the appendix, or maybe we are going to discuss the appendix separately item by item. If we are at that stage, then I missed something. I was of the opinion that we were on clause 2. If I am, it does not list the appendix in this section. When we come to the appendix I presume we will discuss that. I am pleased that the member is familiar with the tariff numbers and that he understands. I would guesstimate that there are 250,000 tariff numbers. Maybe that is a conservative figure. In 20 years I have not given much attention to memorizing that list. It is not the Canadian Tire catalogue, and I am not going to get a prize.

• (2150)

I am still of the opinion that we have listed these numbers but have not indicated what they are put against or to what they apply. Maybe I should ask a very simple question. Why

do we underline some of them and why do we not underline others? Why is "rate" underlined? Is that a new item?

Now we go on to some of the clauses under proposed section 15, and *ad valorem*—I suppose that means value, does it? They cannot even write the damn thing in English. It is not even in French. It is written in another foreign language. Whatever it means it says *ad valorem*. It says here: "rate of duty provided for in tariff items 8718"—they are not in the list—and it carries on to say "shall apply in lieu of the free rate of duty."

Proposed subsection (c) reads:

(c) that the specific rate of duty, or *ad valorem* minimum rate of duty, as the case may be, provided for in tariff items 10 8702-1, 8705-1, 8708-1, 8712-1, 8720-2, 8724-1, 9203-1, 9205-1, 9206-1, and 9211-1 shall apply in lieu of the free rate of duty,

There is an indication that subsection (c) is a substituted section and I would like to know for what it is substituted. Is the underlining showing the changes that were made?

I know this has been translated into the second language, whichever way that is, but we always have room on the other page to put the explanation of what we did. We are not doing that. It seems to me that we can pass this if we want, but we will not have understood it or have done much about it if we do. We are not sure whether it is good or bad. I am not sure. But I am sure that some of these changes must mean something. It does not mean that we have had people in Geneva negotiating GATT agreements, in many cases getting the worst of it for several years. Yet we are going to come up with a total change in our tariff and Customs structure that is obviously not going to be good for everybody. It will be worse for some and better for others. I would like to know first who it will be good for and who it will be bad for: Those things that are good for the people that I represent, I will vote for. But I would have to look seriously at the ones being taken away.

We are all Canadians, but we differ in some respects. Some people depend on agriculture, some on natural resources, and some on manufacturing for their livelihood. I would imagine each of these tariff items will affect something. I would like to know what they are. I do not imagine that when I sit down the parliamentary secretary will tell me what they are. I know that I can look back. But let us take a look at No. 8702-2. This is in schedule I at page eight of Bill C-18. This concerns asparagus processing. My friend knows all about this one, he knows that number off by heart. It says that if it is British Preferential Tariff—and I do not know whether we get asparagus from Great Britain, I would doubt it but maybe we do—asparagus can come in free. On what is it free? What does this mean? Is it free on two cases of asparagus? I do not know. But we are not buying any asparagus. If we get it from the most favoured nation, we will pay 3½ cents but not less than 10 per cent, or free. That is nice, but what does it mean? It is not going to be less than 10 per cent, or free. What does it mean?

It does not mean anything to me. It is going to be 3½ cents but not less than 10 per cent. I do not think I can get any asparagus for three cents. Now, if we buy it under "general tariff" it says 3½ cents but not less than 10 per cent, or free. That has not told me anything. Has it told hon. members anything? Has that told us what it was before? Does it tell us where it was moved from? How do we modify it? To what extent will it apply? However, it does say: "In any 12 month period ending 31st March, the specific duty or *ad valorem* duty, as the case may be, shall not be maintained in force in excess of 8 weeks, and the Free rate shall apply whenever the specific duty or *ad valorem* duty is not in effect." What does that tell me? I suppose if I were in the business it would tell me something about it.

I listened with great interest to what the former minister said. He said it would be triggered by the horticultural society. Then he was a little indefinite as to how they were doing it. I may have got confused by him saying that in some cases it took three weeks to make the kind of order they were going to trigger.

It is all very well, but I suppose there is some reason why we made this change. I do not see why we should pass all these numbers. The hon. member may know, but we are not supposed to be flipping to the schedule and the annexe until we come to them. We are supposed to follow some order, confusing and unenlightening as it may be. Before we pass these items we would like to know whether there was any increase or a decrease.

What was the most favoured nation tariff last year? Was it two cents or five cents? I do not know whether or not it was raised. It does not even say plus or minus. It does not say it was increased or decreased. There are some very serious omissions in the way we are presenting these Custom tariff amendments, Mr. Speaker.

I would like to call it ten o,clock so the department can think about these things and perhaps supply some additional information.

Progress reported.

• (2200)

PROCEEDINGS ON ADJOURNMENT MOTION

[*Translation*]

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

SOCIAL SECURITY—REQUEST THAT PRINCIPLE OF UNIVERSALITY OF FAMILY ALLOWANCES BE MAINTAINED

Hon. Monique Bégin (Saint-Léonard-Anjou): On October 24 last, Mr. Speaker, I put to the Minister of National Health and Welfare (Mr. Crombie) a simple and direct question, to wit whether he was in favour of universal family allowances. As it has been customary for Progessive Conservative ministers

ever since they came into power, he spoke entirely beside the question telling me how much he approved the child tax credit created by the Liberals.

Why did I suddenly ask such a question? Because serious rumour in women's organizations and in social planning councils has it that the Progressive Conservatives have decided to remove part of the family allowances to finance their credit, that is some $575 million for the first year.

We saw during the weekend that the cat was again out of the bag as evidenced by an article in the *Toronto Star* and another in *Dimanche-Matin*. Even the Prime Minister (Mr. Clark) in Gander was compelled to admit that such an idea was being considered by the Progressive Conservative government. Again today I put my question to the minister who once again answered beside the question, this time referring to the redistribution of income and to poverty. He also deceived the House and the Canadian people when he made them believe that I had myself initiated a review of family programs for children which he only carried on. This is entirely false. The work which I undertook in my former department dealt with the creation of a Canadian guaranteed annual income plan.

As long as an annual income guarantee proposal is not put forward in this House, I will find it unbelievable that a minister whose mandate is to improve the family policy can be so weak in front of his cabinet colleagues as to consider taking the family allowances from certain children. Is the minister for children ready to sacrifice nearly $1 billion in fiscal exemptions for children, and a good part of the $2 billion family allowances, in order to finance the Conservative election promises of his Minister of Finance (Mr. Crosbie)? He would then be on an equal footing with the minister of the underprivileged, which he is at that, who will sell out Canada's poor during a secret meeting of the welfare ministers Monday next, November 12, behind closed doors, at the Four Seasons hotel in Toronto. Is he so weak in cabinet—he who is not even in charge of the committee on social affairs—who is not political minister from Toronto, who is the junior to the future superminister of social development who is not even appointed yet, that he cannot hold his own before the Treasury Board bureaucrats and the economics ministers, who do not give a hoot about the seven million Canadian children who are still receiving family allowances? To whom and for how much will the children's budget be sold out in a country where provincial governments do not develop policies for the support of families, and where 2,000 day care places were lost during last year only? No redistribution policy, Mr. Speaker, and I shall conclude on this, can replace a family policy. And neither should be sacrificed by any minister who cares, who believes in the quality of life.

Family allowances, after all, are but a timid step to promote birth and prove to young couples and especially mothers that our society believes in and wants to help Canadian families. In cases where a couple earns $35,000, Mr. Speaker, the wife does not get that salary, and often the only cash that goes to the mother is the family allowance cheque.

I therefore conclude on this suggestion: a government that intends to do such a thing and cancel family allowances is totally cut off from the grass roots.

[*English*]

Mr. Stan Schellenberger (Parliamentary Secretary to Minister of National Health and Welfare): Mr. Speaker, when the hon. member raised her question about family allowances the other day, the minister made reference to developments a year ago when the hon. member occupied the post of minister of national health and welfare. At that time the hon. member sponsored new legislation which reduced the amount of the universal family allowance from approximately $28, which it would have reached last January under normal escalation, to an even $20 per month. At the same time a new child tax credit was introduced in association with the income tax system under which families could receive an annual amount of up to $200 per child depending on the amount of family income. This was, in effect, a move away from universality and an increased emphasis on selectivity in the provision of child benefits.

We on this side of the House supported that legislation at the time because it represented an attempt to ensure that government assistance to families to meet the costs of raising children was being directed more efficiently toward those with the greatest need. Of course, we recognized this was a new step. It was an experimental step, so to speak, but we felt it was something worth a try, and therefore we supported the legislation in this House.

It may well be that the hon. member may be posing her question in order to give the minister an opportunity to expand on the government's future policy in the child benefit system. He is not prepared to do that at this time, and I think it is reasonable for him to take that position after only a few months in this portfolio. I know that the hon. member opposite and her colleagues spent many years studying the child benefit system and possible improvements to it before they were able to come to a decision which led to the legislation a year ago. While the minister does not intend to take as long as his predecessors in coming to conclusions, I think it is only reasonable for him to have a little more time to look into the whole system of child benefits which the Government of Canada administers at this time: the universal family allowance payments, the more selective child tax credit and, of course, the tax exemptions under the income tax system.

I will simply say at this time that the minister is aware of the important role the universal family allowance has played in Canada. He also regards the experience with the child tax credit over the past year to have been an interesting one and something worth careful consideration and assessment. I can assure the House that the whole field of child benefits is one of the minister's priority interests in his portfolio, and he will be giving serious study to possibilities for improving the system. Indeed, this government accords a high priority to social programs generally and to seeking improvements which will

ensure that the needs of Canadians are met as effectively as possible.

NATIONAL DEFENCE—PURCHASE OF NEW FIGHTER AIRCRAFT

Hon. Judd Buchanan (London West): Mr. Speaker, on October 23 of this year I asked the Minister of National Defence (Mr. McKinnon) two questions regarding the new fighter aircraft program. The first dealt with the dearth of industrial benefits being offered by the two contenders on the short list. The second question was directed specifically to the engine problems being encountered with the F16 and the performance problem with the F18A.

When the short list containing these two aircraft was announced last November, the present minister described it as a peculiar choice. Now he seems to be moving with unseemly haste. The minister must be aware—and if he is not, he should consult his colleague, the Minister for Science and Technology (Mr. Grafftey)—that it is absolutely crucial that Canada be assured of solid industrial benefits and offsets when making such a major purchase. There is grave doubt as to whether either the F16 or the F18A will be able to provide these. We have not been nearly as bloody minded as countries like France and Sweden in using our major military procurements to aid and assist our high technology industries.

● (2210)

Let me deal with the industrial benefits proposed by General Dynamics, the manufacturers of the F16. Of the $2.3 billion involved in the purchase, only $10 million is for advanced programs and advanced technology. There is absolutely no system or subsystem work. When there are large electronics contracts, they call up "manufacture of card assemblies, castings," and other built to print hardware, in other words, a sophisticated form of paint by numbers.

If one assumes that in a modern fighter aircraft about 35 per cent to 40 per cent is for electronics, then the real amount of electronics transmitted on this aircraft is a pitifully small percentage of the total. There is, in short, almost no significant technology transfer. The General Dynamics proposals will guarantee our accelerated obsolescence and continued build-to-print handouts.

The Industry, Trade and Commerce evaluation report which was completed in July of 1979 stated, concerning General Dynamics:

If the attitude displayed by General Dynamics' negotiating team is typical of other aspects of its operations, one would have to be seriously concerned about the seriousness of their intentions to live up to any industrial benefit commitments.

General Dynamics' past record indicates that this concern is well founded.

When General Dynamics sold the F16 to the NATO consortium in 1976, they made a series of commitments. Let us look briefly at what has happened to them.

The price per aircraft was "not to exceed" $6.09 million. By 1977, each aircraft was costing $11 million. According to the general accounting office in the United States, there is no common understanding of the term "not to exceed". What is being said now is that the price was only a goal—any modifications made to the aircraft would push up the price, and the European countries must in turn pay for all such increases.

General Dynamics also promised 58 per cent in offsets to the European countries—a commitment which would guarantee 25,000 new jobs. An average of only 48.5 per cent has been achieved, with the resulting 11,000 jobs, with no outlook that this number will increase.

The high technology transfer has been, at best, negligible. The European countries have become subcontractors; all the research and development has taken place in the United States. The NATO consortium does little more than assemble parts.

Congressman Jack Edwards, the leading Republican on the house appropriations defence subcommittee, said recently that the engine problems "leave us in a right disastrous position", to use his words, and that if he were building the F-16 powered by this engine, "I'd be nervous". To add insult to injury, strikes at the Pratt & Whitney plant together with a shortage of parts mean that by the end of this year planes will be delivered with "gaping holes where the engines should be".

The other contender on the short list is the F-18A, built by McDonnell Douglas. Here again, there would be no high technology transfer for Canadians. McDonnell Douglas has included a $507.5 million package of Standard DC-9 and DC-10 work. This "offset" is clearly outside the guidelines established for the NFA program. So far as the aerospace subsystem work is concerned, again the ITC evaluation stated that:

Neither company's industrial benefits in this category are considered to make an adequate contribution to a life cycle support capability in Canada, nor do they extend the technological expertise of the eventual Canadian industrial participant.

The F-18A is now running into significant cost overruns on the U.S. order of 1,366 planes.

Serious deficiencies are showing up during the test stages of the plane. Of major concern is the combat radius and range shortfall. The F-18A is having to come home early because of its inability to stay in the air; there is a range loss of between 10 per cent and 15 per cent. The U.S. navy does not know why they are seeing this loss of range. Nor is the F-18A achieving a proper speed of acceleration. What is specifically important here is the fact that the aircraft cannot get to the sector of the area where the intruder is. The enemy may be out of radar range and the radar of the aircraft then cannot pick it up.

On Friday last, there was an accident involving the landing gear on the F-18A. The plane had gone through two days of testing on an aircraft carrier; however, when it came to make its first land approach, the landing gear broke. Because the landing gear is so complex, there could be serious problems and expense involved in maintaining the aircraft in a land role, which is the stance for which Canada intends to use the aircraft. We think it would substantially and significantly push up its life cycle costs. There is clear evidence that there is no

effective competition between the two contending aircraft. The potential industrial benefits package does virtually nothing for Canada's high technology industry. Moreover, both aircraft show serious deficiencies in their performance capabilities. In view of this, I urge the minister to add the F-18L to his short list. We would be in on the ground floor. It would offer significant technological advantage for Canadian industry. I feel strongly that that is something members on all sides of the House would like to support.

● (2215)

Mr. Dan McKenzie (Parliamentary Secretary to Minister of National Defence and Minister of Veterans Affairs): Mr. Speaker, I think the only gaping holes we have are in the presentation made by the hon. member this evening. I have complete confidence in the Minister of National Defence and Minister of Veterans Affairs (Mr. McKinnon) and his officials. They will not buy any aircraft with landing gear falling off, or gaping holes. The hon. member can be assured that we will ensure industrial benefits for every province in Canada.

On October 23 the Minister of National Defence replied to a question by the hon. member for London West (Mr. Buchanan) regarding an article which appeared in the Washington *Post*. The article in question reported upon delivery delays and other problems being encountered with the engine which powers the General Dynamics F-16 aircraft, one of two finalists being considered by Canada in the new fighter aircraft competition. Having now had an opportunity to examine the article, the minister asked me to elaborate upon his earlier reply, which I am pleased to do.

For the past 2½ years, the fighter aircraft project team of the government has been investigating both the F-16 and F-18A aircraft in most minute detail. Before any decision is made by the minister, I can assure you, Mr. Speaker, that he will have received a very comprehensive assessment of the situation, and that this factor will be considered carefully in the government's forthcoming selection of a new fighter aircraft, together with many other factors which affect the decision, including all aspects pertaining to both final contenders.

It is worth bringing out that two separate problems were discussed in the article. The first involved late deliveries of new engines to the United States air force because of extended strikes at two American companies supplying components to the engine manufacturer. Both strikes are now over, and there is no reason to doubt this problem will be cleared up by the time Canada starts receiving CF-16s in mid-1982, should that aircraft win the competion. The second problem involved technical difficulties with the engine itself. I can only reiterate that all technical aspects will be examined fully before the final decision is made.

I am reluctant to say more at this time because of the highly competitive stage we are currently at in this lengthy competition. I can assure the hon. member that there will not be a repeat of the Liberal disaster in purchasing LRP aircraft for Canada, in which there was complete disarray among all government departments and costs were very, very high to the Canadian public. I assure the House that the present minister will not repeat the past mistakes of the former government.

REGIONAL ECONOMIC EXPANSION—FINANCIAL ASSISTANCE FOR MINE IN CAPE BRETON

Mr. Andy Hogan (Cape Breton-East Richmond): Mr. Speaker, on October 19, 1979, in answer to my questions on financial assistance for the proposed Donkin mine in Cape Breton, the minister told me that the matter is under very active consideration at this time and will be discussed in cabinet before very long.

Since we are now getting toward the middle of November, and in view of the remarks we are hearing practically every day in the House from the Prime Minister (Mr. Clark) and from the Minister of Energy, Mines and Resources (Mr. Hnatyshyn) that the goal of the present government is self-sufficiency in energy by 1990, it seems the cabinet and Treasury Board are taking a long period of time in making a decision about the Donkin mine. Recent evidence for this is the statement attributed to the premier of the province of Nova Scotia as carried in the Halifax *Chronicle-Herald* on October 22. It reads as follows:

● (2220)

We have determined that we are not going to be held up on this. We are going to move on it ourselves so that when the final decision is made we will be right on schedule.

Considering that the mine when it is completed after five or six years will be producing or is slated to produce in its first stage two million tons of coal, and this will permit the replacement of some eight million barrels of oil per year, it is difficult to understand why the premier should have to make the threat that Nova Scotia will go it alone, at least in respect of the clearance and preparation of the site, as I understand it, during this winter. Surely the minister will acknowledge that if the drill ships had been leased and done their work in June or July we should actually have started by this time, not next spring. The tunnels should be on the way to being built so as to get the coal to the market as early in the mid 1980s as possible.

The minister in his answer to my questions has said:

The timing of the production of the mine is very important to ensure that market conditions and forecasts are such that it will come on stream at the most opportune time.

I think the minister will agree with me that, given the precarious situation as far as imported oil is concerned, which could become even more desperate if there is a counterrevolution or further trouble in Iran, then the market for that much coal is certainly there. The president of the Nova Scotia Power Corporation, Dr. Lester Kirkpatrick, told the industrial committee of the Nova Scotia House of Assembly on March 30, 1979, that the absence of assured coal supplies over the next decade and the need to find alternatives to oil-fired generation forced the power corporation to take a share in New Brunswick's Point Lepreau nuclear power plant.

I think it is obvious this means that we should not postpone the opening of Donkin any longer. The extra test hole drilling that began in September is now finished and confirms more accurately the quality and quantity of the coal in the Donkin area, as well as off Point Aconi.

Considering that in the first two years of constructing these tunnels to get at the coal about 500 persons will be employed in the construction process, and that when finished 1,150 will be employed at the mine by 1985 or 1986, if it is started now, and when you consider the help this would be in terms of our balance of payments problem, which is now very acute and will remain so for some time, the minister will understand why we are impatient with the speed at which this mine is being developed.

Surely the financial cost to the federal government, through the Cape Breton Development Corporation, will be high, but it would be spent over a period of four or five years and there is a good chance that all of these capital costs would be returned to the government because the prospects for this mine are so good.

We have thousands of people looking for jobs at the Cape Breton coal mines. The savings in unemployment insurance and, in some cases, in welfare payments, would be very noticeable in such an area. The spinoff effects from this mine would give a stability to the mining areas on the south side of Sydney Harbour which they have not seen since the Second World War, and this time it should be of much longer duration.

I hope the minister will convince the cabinet to proceed quickly on this vital labour-intensive and energy-intensive project that would be good for the province of Nova Scotia, the people of Canada, and the industrial area of Cape Breton.

A friend whom I have known for many years, with the Department of Energy, Mines and Resources, has warned me that, given the present restraints program, the President of the Treasury Board (Mr. Stevens) might prefer to help two private foreign firms to invest in Cape Breton coke production. He estimated that this would bring about 400 new jobs. We are anxious to see the Cape Breton coke production increased since that could only be good for the area, including the coal mines. Surely, though, the minister will not allow the priority of the Donkin mine, with its 1,150 potential employees, to be scrapped by the Treasury Board in favour of private foreign firms producing coke that would give us 400 jobs.

● (2225)

If the coke oven consortium can be a viable thing for Cape Breton, it should go ahead as soon as possible after the Donkin mine is started. Such productive expenditures could only be good for this long suffering area of Nova Scotia and, as I mentioned, ultimately redound to the good of Canada.

Hon. Elmer M. MacKay (Minister of Regional Economic Expansion): Mr. Speaker, I want to say to my friend opposite that I enjoyed the informative presentation which he made tonight. I want to assure him that, as far as I am concerned, there is no danger of scrapping the Donkin mine per se in favour of any coking operation.

As the hon. member knows, because he is knowledgeable about mining and comes from that area, currently Devco supplies coal to two distinct segments of industrial activity. He knows that there is high grade metallurgical coal for coke making operations as well as thermal coal which is purchased by Nova Scotia Power Commission. Devco has demonstrated over the past five years the capacity to develop markets for its coal. As its production has increased I believe from one million tons to 2.6 million tons, a planned increase of the thermal portion of this coal production from 1.3 million tons to 4.2 million tons over the next five years will require the development of further markets.

The major increase in consumption is expected to be from the Nova Scotia Power Commission. There is also a possibility, of course, that should it be possible, as the hon. member has said, to have an auxiliary coking capacity because of some merchant coking operation, that would also require additional coal. The corporation intends to press ahead with plans by the new mine.

The premier of Nova Scotia has recently indicated that for the best long-term advantage of Nova Scotia, a further reliance must be placed on coal. Like the hon. member opposite the premier of that province is impatient for this to commence. There has been excellent co-operation between the two levels of government, and the drilling operations that were conducted this year, and for which the province of Nova Scotia will be reimbursed, were in my view done within the proper time. They could have been done a few weeks or months earlier, but the main thing is they were done within the limit of the weather which would have soon made it impossible had weather conditions worsened.

The hon. member also knows that very shortly there will be financial and technical people from the Cape Breton Development Corporation appearing before the standing committee. He can be assured that he will have an opportunity to speak to these people about these conditions and the Lingan mine which has had a strong performance recently. The No. 26 collery is of particular interest because of the type of coal it produces. There is also the Prince mine.

As far as segregating funds or giving the member a definite commitment about the precise amount of money that will be used, for example, in the Prince mine, or the allocating of funds for the starting up of the Donkin mine, I have to be honest and say that at the present time I do not know what kind of money is involved for each of these operations. They are all part of the general coal strategy. It is a high priority with myself and my government. It is true that some time has gone by since I indicated to him that we would be talking about this matter in cabinet. We are still at the discussion stage and I am hopeful that quite soon we will have more definite information for him. In the meantime he can pursue this matter with myself and the officials in committee.

Mr. Deputy Speaker: Order, please. The motion to adjourn the House is now deemed to have been adopted. Accordingly, this House stands adjourned until tomorrow at 2 p.m.

At 10.29 p.m. the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Tuesday, November 6, 1979

The House met at 2 p.m.

• (1405)

ROUTINE PROCEEDINGS

[*Translation*]

NATIONAL UNITY

QUEBEC REFERENDUM—REQUEST FOR DEBATE ON QUEBEC WHITE PAPER TO ESTABLISH POLICY ON REFERENDUM—MOTION UNDER S.O. 43

Hon. J.-J. Blais (Nipissing): Mr. Speaker, pursuant to Standing Order 43, I ask for the unanimous consent of the House to move a motion dealing with a matter of pressing and urgent necessity.

Since the white paper on the referendum was tabled in the Quebec National Assembly, the Canadian people have been shocked and dismayed at the incapacity of the federal government to respond to that threat to the survival of Canada. Considering the step taken by the Ontario premier and his statement supported by the Liberal leader in that province, and since the Ontario premier, given the inaction of the federal government leader, has been compelled to speak on behalf of Canada and condemn the sovereignty-association option in specific, clear and convincing terms, I move, seconded by the hon. member for Welland (Mr. Parent):

That reasonable time be allotted to the House to hold a debate on the white paper so that hon. members may direct the government towards a referendum policy which the government is idly searching for or has not the courage to adopt.

Mr. Speaker: Pursuant to the provisions of Standing Order 43, the presentation of this motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

[*English*]

HEALTH

CANADIAN MENTAL HEALTH ASSOCIATION—REQUEST LEVEL OF FEDERAL FUNDS BE MAINTAINED—MOTION UNDER S.O. 43

Mr. Andy Hogan (Cape Breton-East Richmond): Mr. Speaker, I rise on a matter of urgent and pressing necessity under the provisions of Standing Order 43.

Whereas the Canadian Mental Health Association is one of our very valuable national volunteer agencies dealing with Canada's number one health problem, and since the president of this organization has noted that the restraint program carried out by the federal government means the loss of preventive treatment for the emotionally ill in their own area, I move, seconded by the hon. member for Sault Ste. Marie (Mr. Symes):

That this government stop playing Scrooge with the mentally ill of this country.

Mr. Speaker: Is there unanimous consent for the introduction of this motion for debate at this time?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

[*Translation*]

SOCIAL SECURITY

REQUEST GOVERNMENT REFUSE TO IMPLEMENT UNJUST AND DISCRIMINATORY PRACTICES WITH FAMILY ALLOWANCES—MOTION UNDER S.O. 43

Mr. Raymond Savard (Verdun): Mr. Speaker, under the provisions of Standing Order 43, I request the unanimous consent of the House to present a motion dealing with an urgent and important matter.

As the present government intends to cancel or considerably reduce family allowances, and low and medium-income earners will be most severely affected, I move, seconded by the hon. member for Saint-Jacques (Mr. Guilbeault):

That the government forgo immediately the implementation of such plans which would be unfair and discriminatory.

Mr. Speaker: Under the terms of Standing Order 43, such a motion cannot be put without the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

[*English*]

THE ADMINISTRATION

PROTEST AGAINST POLICY STATEMENTS BEING MADE OUTSIDE HOUSE—MOTION UNDER S.O. 43

Mr. Ed Lumley (Stormont-Dundas): Mr. Speaker, I rise on a matter of urgent and pressing necessity under the provisions of Standing Order 43.

In view of the speech yesterday by the Minister of Transport (Mr. Mazankowski) in Toronto, where he described his remarks as his first major policy speech, and in view of the fact that his party, when it was in opposition, vehemently opposed policy statements being made outside the House, I move, seconded by the hon. member for Laprairie (Mr. Deniger):

That the Prime Minister instruct his cabinet ministers to make their policy statements in the House of Commons in order to fulfil his campaign pledge of making Parliament more relevant.

Mr. Speaker: Such a motion can be presented for debate at this time, pursuant to Standing Order 43, only with the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

THE CANADIAN ECONOMY

HARMFUL EFFECTS OF HIGH INTEREST RATES—MOTION UNDER S.O. 43

Mr. Rod Murphy (Churchill): Mr. Speaker, I rise on a matter of urgent and pressing necessity. In view of the fact that present interest rates are increasing at an alarming rate, and that as a result many small businesses, including realtors, are suffering a drastic reduction in the level of business, and that as a result businessmen of the city of Thompson, including prominent Conservatives, presently are organizing a petition against this Liberal policy now embraced by the Conservative government—

Some hon. Members: Oh, oh!

Mr. Murphy: —I move, seconded by the hon. member for Saskatoon East (Mr. Ogle):

That this House states its opposition to the government policy of allowing interest rates to increase, and that the government should immediately reverse this drastic and dangerous policy which is creating extreme financial hardship to all Canadians, including pensioners, farmers, consumers, the unemployed and operators of small businesses.

Mr. Speaker: Presentation of such a motion for debate requires unanimous consent. Is there unanimous consent?

[Mr. Speaker.]

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

[*Translation*]

AIRPORTS

RENTING OF AUTOMOBILES—INQUIRY WHETHER GOVERNMENT WILL IMPLEMENT RECOMMENDATIONS OF COMPANIES—MOTION UNDER S.O. 43

Mr. Eudore Allard (Rimouski): Mr. Speaker, I rise under Standing Order 43 to ask for the unanimous consent of this House to move a motion on an urgent and important matter.

In view of the fact that the new policy at airport car rental counters has met with the disapproval of Canadian rental companies, and since this policy gives foreign companies easier access to the rental market, I move, seconded by the hon. member for Roberval (Mr. Gauthier):

That this House call upon the Minister of Transport to make the changes and amendments recommended by the Canadian rental companies so as not to favour foreign companies at the expense of our own national companies.

Mr. Speaker: Pursuant to Standing Order 43, such a motion can be introduced only with the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

● (1410)

[*English*]

EXTERNAL AFFAIRS

GOVERNMENT PROTEST TO IRAN FOR KIDNAPPING OF U.S. EMBASSY PERSONNEL—MOTION UNDER S.O. 43

Mr. Bob Corbett (Fundy-Royal): Mr. Speaker, I rise on a matter of urgent and pressing necessity under Standing Order 43.

In view of the contemptible attitude of the Ayatollah Khomeini of Iran toward the civil liberties and rights of not only his countrymen, but those of legitimate aliens domiciled within Iran's borders, and his support of actions of blackmail and terrorism against these defenceless people, I move, seconded by the hon. member for Nepean-Carleton (Mr. Baker):

That the Government of Canada extend its protest to the government of Iran against the latest act of criminal aggression: the siege of the U.S. embassy and the kidnapping of its staff and their families.

Some hon. Members: Hear, hear!

Mr. Speaker: This motion can be presented for debate at this time only with the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Mr. Speaker: The House has heard the terms of the motion proposed by the hon. member for Fundy-Royal (Mr. Corbett) and seconded by the hon. member for Nepean-Carleton (Mr. Baker). Is it the pleasure of the House to adopt the said motion?

Some hon. Members: Agreed.

Motion agreed to.

* * *

ECONOMIC COUNCIL OF CANADA

REPORT OF COUNCIL THAT INCREASED PRICES OF ENERGY WILL HAVE DISCRIMINATORY EFFECTS ON EMPLOYMENT OF WOMEN—MOTION UNDER S.O. 43

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

In view of the fact that the report of the Economic Council of Canada released last week states that higher-priced energy could reduce the unemployment rate because secondary workers—by which the council means primarily women—would leave the labour force, and in view of the fact that in the Speech from the Throne the government promised a full employment strategy for women, I move, seconded by the hon. member for Vancouver East (Mrs. Mitchell):

That this government move quickly to introduce programs that will effectively counteract the discriminatory effects on employment for women that the Economic Council of Canada has predicted will result from higher energy prices.

Mr. Speaker: Is there unanimous consent for the introduction of this motion for debate at this time?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

[*Translation*]

SOCIAL SECURITY

REQUEST CERTAIN MINISTERS BE ADMITTED TO INNER CABINET—MOTION UNDER S.O. 43

Mr. Jean-Claude Malépart (Sainte-Marie): Mr. Speaker, pursuant to Standing Order 43 I seek the unanimous consent of the House on a matter of urgent and pressing necessity.

There are in Canada over two million senior citizens, 700,000 unemployed and seven million people whose income is under $10,000 a year. Unfortunately, these poor people are represented only by back-row or second-class ministers—the Minister of National Health and Welfare, the Minister of Labour and the Minister of Employment and Immigration—who are not part of the inner cabinet which takes the main decisions such as those having to do now with the oil price increase. We are all aware of the serious consequences this decision will have on the low and medium wage-earners who will be the first to be affected by this increase and who will lack the necessary income to meet it.

Therefore I move, seconded by the hon. member for Verdun (Mr. Savard):

That the Prime Minister appoint forthwith these three ministers to the inner cabinet in order that they may defend the interests of low income citizens and fight against excessive oil price hikes.

Mr. Speaker: Pursuant to Standing Order 43, this motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

ORAL QUESTION PERIOD

[*English*]

ENERGY

AVAILABILITY OF OIL SUPPLIES TO MEET NEEDS THIS WINTER

Hon. Allan J. MacEachen (Cape Breton Highlands-Canso): Mr. Speaker, I have a question for the Minister of Energy, Mines and Resources. He will be aware that the National Energy Board, on Friday, released an up to date assessment of oil supplies in Canada, especially looking toward the winter months.

● (1415)

In view of the disquieting statement contained in the report, to the effect that there is no certainty that Canadians will be free from oil supply problems this winter—including home heating oil—will the minister, in light of this most up to date reassessment of our situation, tell us what fresh steps he is contemplating to ensure that Canadians, particularly those in Atlantic Canada and Quebec, will have the certainty of oil supplies this winter? That is the issue at stake. Canadians are entitled to know with certainty that oil supplies will be provided for this winter.

Hon. Ray Hnatyshyn (Minister of Energy, Mines and Resources): Mr. Speaker, I take issue with the emphasis which the hon. member has placed on the press release of the National Energy Board. The report indicated that we would see ourselves through this winter, notwithstanding the rather unfortunate position that the previous administration left us in with respect to the supply situation in Canada.

The hon. member knows full well, as a member of that administration, that when this government came into office we

were faced with depleted inventories and that we have taken some very great initiatives.

An hon. Member: Name them.

Mr. Hnatyshyn: I will, in fact, name them: there are quite a number. I assure hon. members of this House that we have taken initiatives with respect to the supply situation, and I can list them seriatim if the hon. member has the time. I propose to deal with these initiatives in the debate this afternoon, since the Leader of the Opposition has indicated that he wishes to discuss this matter during the course of the debate.

Mr. MacEachen: Mr. Speaker, I am not interested in the hon. member's apologia about his inadequacies at the moment. The National Energy Board report states quite clearly that it would be rash to predict with any certainty that Canadians will be free of oil supply problems this winter. I would draw to the minister's attention the press release containing these very words.

In light of the resignation of the government of Iran today, the political disturbances which exist in that country at this very moment, and Canada's dependency for a considerable portion of its annual supply on Iranian sources, can the minister tell the House whether the government has made any approach at the political level to authorities in Iran to ensure the continued supply of this vital oil for Canada which amounts, as I understand it, to about 100,000 barrels a day?

Mr. Hnatyshyn: Mr. Speaker, I believe that the statements made by the hon. member cannot assist in terms of the outlook for next winter, in the sense that he is attempting to dramatize that which ought not to be dramatized. We in this government are taking steps with respect to policies which the opposition does not want to support but which will allow us to reach self-sufficiency and increase our supply in Canada.

As far as dealing with the government of Iran is concerned, obviously, the information has just been received. We will, of course, be in touch respecting this matter of continuing supply. We are taking steps to increase and maximize the amount of available domestic production, and we intend to continue to monitor the situation very closely. We are confident that we will be able to make it through this winter, and we will do the very best we can in terms of domestic production, domestic availability and international supply to assure that this particular objective is reached.

Mr. MacEachen: Mr. Speaker, the hon. minister speaks about confidence in facing the situation this winter. The National Energy Board report states that it would be rash to predict with any certainty that Canadians will be free from oil supply problems this winter.

Will the minister depart from that complacent attitude to understand the gravity of what the National Energy Board report states, and move with some speed to establish the Emergency Supplies Allocation Board? What is the minister's justification, in light of the report of the NEB and the instability in the Middle East, for not having appointed the members of this board? If he has not done so to date, will he do it today so that somebody can get on the job, even though the minister does not seem to be on it at the moment?

• (1420)

Mr. Hnatyshyn: Mr. Speaker, all I can say to the hon. member is that he clearly does not understand the question. He did not understand it when he was in government, and that is one of the reasons we are facing any serious prospect with respect to this winter.

The fact of the matter is that the department is setting up a support basis upon which any emergency allocation would be available. This is in place and is proceeding. As the hon. member knows, it only comes into effect when there is a crisis and the matter is reported to the House for debate under the legislation which was passed in the last Parliament. We do not have a crisis situation now. The Energy Board release indicates that the situation is manageable, but points out that there are circumstances that will cause the situation over the winter to be fragile.

I have encouraged the National Energy Board to make these reports available to the Canadian people. I think we should have this openness in terms of assessing the situation in Canada today, so that people can realize this is a commodity which should be treated with care and that there should not be the attitude that was taken previously with respect to energy supply—the stand-pat, do-nothing attitude of the previous government.

Some hon. Members: Hear, hear!

MEETING OF PROVINCIAL MINISTERS ON OIL SUPPLIES THIS WINTER

Mr. Herb Breau (Gloucester): Mr. Speaker, the minister may very well say that there are no problems, but the National Energy Board has stated that it would be rash to predict with certainty that Canadians will be free of oil supply problems this winter.

In view of the fact that the provincial energy ministers thought there could be an emergency this winter, when they met last week or the week before in Calgary to discuss this problem, and undertook to provide a report to the minister, can the minister tell the House if he has received this report? If he has, what is in it, and what will he do about it?

Hon. Ray Hnatyshyn (Minister of Energy, Mines and Resources): Mr. Speaker, as usual, the hon. member's question is a week late: it has already been asked in the House by one of his colleagues.

I did receive a report from the provincial ministers. On a previous occasion, when responding to his colleague who sits not very far from him, I pointed out that we have been in close consultation with the provincial ministers. There was a suggestion that the technical advisory committee with respect to allocation be considered for reinstatement. I pointed out on previous occasions that there is some legal impediment with

respect to the creation of that advisory committee, due to possible combines implications.

We are, in fact, in close consultation on the question of allocation with the provinces and we keep them informed. We are providing them with full details of the supply situation on a monthly basis, and I have taken steps with respect to that matter to have open statements made to the Canadian public about our supply situation. The National Energy Board is now issuing a press statement on a periodic basis. These are the things that are being done by this government which the previous government refused to do.

Mr. Breau: A supplementary question, Mr. Speaker. If the minister does not answer questions, we must continue to ask them. Can the minister tell the House if he has done anything to make sure that in the event of interruption of oil imports to Quebec and Atlantic Canada this winter, that western Canadian oil can be transported to eastern Canada? That is a simple question. Forget the rhetoric and just answer the questions.

Some hon. Members: Hear, hear!

Mr. Hnatyshyn: Yes, Mr. Speaker.

* * *

THE CANADIAN ECONOMY

PROFIT INCREASES—DECLINING STANDARD OF LIVING

Mr. Bob Rae (Broadview-Greenwood): Mr. Speaker, my question is for the Minister of Finance. I wonder if he can reconcile two different sets of figures which have recently been released to this House. The first set is the one released today, showing that profits have gone up 51.9 per cent in the third quarter, and in some industries they have gone up as much as nine times in the third quarter.

Would the minister like to reconcile that particular figure with the figure released two weeks ago showing that the standard of living of the average Canadian was falling behind the rate of inflation? Would he like to compare the social justice of those two figures for the House?

Hon. John C. Crosbie (Minister of Finance): Mr. Speaker, I should like to refer the hon. member to the report of the Economic Council of Canada—an independent body, of course, with no axe to grind. In their latest report, they show that the real inflation adjusted rates of return which they have computed on business profits dropped significantly during the 1970s as a result of inflation, that the tax system increased the real decline of business profits despite various measures introduced to counteract that, and that the decline in real profits in that period adversely affected business investment, and that it is only in 1979 that the real rate of return is being restored to previous levels.

● (1425)

Therefore, I point out to hon. gentleman that these increases which he mentioned in percentage terms are not accurate. You have to compare them to what they are being increased from. It is this year, for the first time in five or six years, that business profits are becoming adequate; so that the aspersions he is casting on the business sector are quite unjustified, as usual.

An hon. Member: Put some life into it.

Mr. Rae: Mr. Speaker, I thank the minister for the spontaneity of that answer.

Some hon. Members: Oh, oh!

Mr. Rae: I would like to read to the minister a statement that he made last week, not in this House but in the Empire Club. He said:

> But neither have I found Canadians so unrealistic, so naive as to expect and believe that we can achieve our economic goals without real sacrifice.

Relating the two figures that I have just given the minister, and of which he is fully aware, I ask him a very simple question: In this fight against inflation which the minister has embarked upon—helped, as he is, by the "Horsemen of the Apocalypse"—can he tell us who is making the real sacrifice in our society? Is it the food companies whose profits have increased 900 per cent in the third quarter, or is it the workers whose wages have fallen behind the increase in the rate of inflation?

Mr. Crosbie: Mr. Speaker, the hon gentleman's questions are predictable and that is why I have here a response ready from the Economic Council of Canada.

Some hon. Members: Oh, oh!

Some hon. Members: Hear, hear!

Mr. Crosbie: His jeers and sneers against the business community, the risk-takers and entrepreneurs of this country are very predictable. The kinds of figures that he uses and the kinds of comparisons that he makes are equally predictable and inaccurate.

Mr. Rae: Mr. Speaker, in light of the increasing evidence that the inflation from which we are suffering is caused by administered prices both in the energy field and elsewhere, I ask the minister if it is still the policy of this government to follow the policy set out by the Prime Minister in his statement to *Executive Magazine* in May, 1979, that competition policy is being placed on the back burner.

In addition, I ask the minister why he still has the ideological attachment to his opposition to the notion of a fair prices commission which would give Canadians the sense that in the pricing mechanism there is at least an element of justice as we face hard times in the 1980s.

Mr. Crosbie: Mr. Speaker, we are not for a wages and incomes control policy; therefore, we are not for a partial wages or incomes or prices control policy. As far as statements by the leader of our party are concerned, I certainly pay a great deal of attention to them and I hope that the hon. gentleman does also. I might also add that housing starts rose last month.

Some hon. Members: Oh, oh!

An hon. Member: Order.

Mr. Crosbie: The hon. member did not ask about housing starts—

Mr. Speaker: Order, please. The hon. member for Algoma.

* * *

ENERGY

PLAN FOR EMERGENCY ALLOCATION OF SUPPLIES—REACTION OF PROVINCES

Mr. Maurice Foster (Algoma): Mr. Speaker, my question is to the Minister of Energy, Mines and Resources. In light of the National Energy Board report last week, I ask the minister if, in fact, a plan has yet been formulated for the emergency allocation of petroleum supplies, and what is the reaction of the provinces to that plan?

Hon. Ray Hnatyshyn (Minister of Energy, Mines and Resources): Mr. Speaker, as I have indicated on a number of occasions in the House and earlier in my replies to the hon. member's colleagues, planning is going ahead at the official level. We have been in consultation and we are having the greatest amount of input into the process with the provinces. As I say, we have the support structure in place with respect to any pricing situation which might occur. I want to reiterate that it is not the opinion of the government at this time that we are in that particular position.

I want to assure the hon. member that we are looking at making it through this winter in terms of the fact that we have built up the inventory quite substantially over the course of the summer months, but while we have not attained in some instances the level of inventory that would be desirable from a perfect point of view, we are not in a bad position with respect to facing next winter. We are taking a number of initiatives to avoid the necessity of having to look at a pricing situation. I assure the hon. member that if that situation does occur, we will be able to move very quickly with respect to the implementation of the provisions as may be necessary.

Mr. Foster: Mr. Speaker, in light of the minister's answer, could he confirm reports that the plan will not be available until the early winter months of 1980; that in fact the provinces are quite upset that they have not been consulted and have not had an opportunity to have input into such plan?

● (1430)

Mr. Hnatyshyn: I cannot confirm that, Mr. Speaker. In my estimation, it is not correct.

[Mr. Rae.]

REASON EMERGENCY SUPPLIES ALLOCATION BOARD NOT ESTABLISHED

Mr. Paul E. McRae (Thunder Bay-Atikokan): Mr. Speaker, my question is to the Minister of Energy, Mines and Resources. Will the minister explain why Bill C-42, which was passed by this House on March 21 and accepted by the opposition at that time—now the government—has not been followed? Specifically, why has the emergency allocation supplies board as prescribed in that bill not been established?

Hon. Ray Hnatyshyn (Minister of Energy, Mines and Resources): Mr. Speaker, I point out to the hon. member that we are taking steps to bring into effect a substantial part of that legislation which may be required in the event of an emergency. As hon. members will recall, there are elements with regard to the allocations bill with which we did not agree when in opposition. I am considering bringing in some amendments to that legislation. I intend to do that as soon as the necessity arises and space is available in terms of the legislative timetable.

I assure the hon. member that in terms of our energy supply situation, we want to take initiatives that will increase the supply, that will turn the direction of the leadership which the government gives this country toward increasing supply in Canada and toward increasing alternative sources of supply. We are working in that direction in our policy, as opposed to the previous administration which the hon. member supported, which looked at everything in a crisis way.

Mr. McRae: The minister has not explained why we do not have a board. If there is an emergency supply situation—and it is very possible there will be one in eastern Canada—if the other oil companies will not do something about it, is the minister prepared to instruct PetroCan to actually make deliveries during that emergency?

Some hon. Members: Oh, oh!

Mr. Hnatyshyn: Mr. Speaker, I want to advise the hon. member that we have been taking steps. Earlier this year, during the month of September, I asked the National Energy Board to look at the system of allocation of western crude to eastern Canada. As a result of my request, the National Energy Board approached Interprovincial Pipe Line with respect to its method of allocation.

I can tell the hon. member that on the basis of the initiative that I took, there has now become available for independents in Quebec a very substantial additional supply of crude for that part of the country and for the benefit of eastern Canada. I had to take those initiatives as a result of the dreadful situation I was left with when we came into power—remnants of the previous government.

[*Translation*]

CRUDE OIL—GUARANTEES GOVERNMENT WILL OBTAIN FROM REFINERIES RESPECTING CANADIAN SUPPLY TO INDEPENDENTS

Mr. Pierre Bussières (Charlesbourg): Mr. Speaker, the Minister of Energy, Mines and Ressources has just indicated that as a result of representations made to the National Energy Board, it is now possible for eastern independent distributors to obtain Canadian crude. This is all very well, Mr. Speaker, but according to my information, the independents who have obtained western Canada crude through the Interprovincial Pipe Line have not yet been able to find a refiner willing to refine this crude oil in Montreal. What action has the minister taken? What guarantees has he obtained, what firm commitment has he obtained from the refiners? First, did he get the assurance that they will refine the crude oil obtained by the independents and second, that they will also supply heating oil to Quebec independents?

[*English*]

Hon. Ray Hnatyshyn (Minister of Energy, Mines and Resources): Mr. Speaker, the hon. member will know, from his brief experience as a parliamentary secretary, that the department is in constant touch with regard to the whole question of supply. He will know that an initiative was taken by my predecessor, the energy minister in the previous government, with regard to an inquiry into the supply for independents. That particular report languished with the previous government; they apparently had to wait until after the election to release it.

I moved immediately to release the report. I distributed it to the parties involved, indicating to them in no uncertain terms that we were going to look very carefully at the whole question of allocation to the independents, and that there would be no attempt to increase the market portion by any of the refiners and terminal operators. I simply want to point out I followed that up with a telex during the month of August, in which I very clearly pointed out the rules of the game as far as terminal operators and refiners are concerned.

[*Translation*]

REQUEST GOVERNMENT GUARANTEE REFINERIES WILL SUPPLY INDEPENDENTS

Mr. Pierre Bussières (Charlesbourg): Mr. Speaker, I have a supplementary. I just reminded the hon. minister of some facts: first, that if the independents get crude oil from the west, it is thanks to the minister's initiative, and I commend him for it—

Mr. Speaker: Order. If the hon. member has a supplementary, would he put it now?

Mr. Bussières: What will the minister do now to ensure that refiners will, indeed, refine the crude oil, because crude oil cannot be used in furnaces, that is the problem? Also, what assurance can he give us that refiners will supply independents with heating oil?

[*English*]

Hon. Ray Hnatyshyn (Minister of Energy, Mines and Resources): Mr. Speaker, I have tried to point out to the hon. member, and to hon. members generally, initiatives I have taken with regard to making crude available to the independents in the province of Quebec. If the hon. member has any specific instance that he wants to bring to my attention—

Some hon. Members: Oh, oh!

Mr. Hnatyshyn: The hon. member can talk in general terms and rhetoric; he can make an allegation. I simply say that if he wants to have a particular situation looked into, if he brings it to my attention he can rest assured that I will give it the most serious attention and do what I can to alleviate any isolated incident.

* * *

VETERANS AFFAIRS

REQUEST FOR FULL-TIME MINISTER

Mr. Leonard Hopkins (Renfrew-Nipissing-Pembroke): Mr. Speaker, I have a question for the Prime Minister. In view of the strong and justifiable request by veterans across Canada to have their own full-time Minister of Veterans Affairs, and because it is essential that the Canadian Armed Forces have a full-time minister, when is the Prime Minister going to split the present dual departments of National Defence and Veterans Affairs and give a full-time minister to each department?

Right Hon. Joe Clark (Prime Minister): Mr. Speaker, I think that the government, the veterans and the armed forces of this country are very fortunate to have a Minister of Veterans Affairs and Minister of National Defence as competent as the hon. Allan McKinnon who is able to carry out these dual responsibilities.

Some hon. Members: Hear, hear!

Mr. Hopkins: Mr. Speaker, we are not questioning the ability of the Minister of National Defence and Veterans Affairs; we are questioning the inability of the Prime Minister to appoint ministers.

Some hon. Members: Hear, hear!

Mr. Hopkins: A supplementary question, Mr. Speaker. Does the Prime Minister's decision to give only one minister to these two departments indicate that this is the first move to phase out the Department of Veterans Affairs; and, if not, why does the Prime Minister obviously continue treating these two very important departments, these two people-oriented departments, as minor priorities on his list?

Mr. Clark: Mr. Speaker, I noted through the last Parliament the hon. member's great concern about the inability of

the former prime minister to appoint at least one minister whom the hon. member had in mind. He has my sympathy on that.

The hon. member asked a particular question about the future of the Department of Veterans Affairs. I can assure him, without any equivocation or qualification, that we intend to retain an independent and strong Department of Veterans Affairs as an independent unit in the Government of Canada.

Some hon. Members: Hear, hear!

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EXTERNAL AFFAIRS

FOREIGN AID EXPENDITURES FOR COMING YEAR

Miss Pauline Jewett (New Westminster-Coquitlam): Mr. Speaker, I have a question for the Secretary of State for External Affairs. Can the minister confirm to the House that owing to inflation there will be, in real terms, a decrease in Canada's foreign aid expenditures this coming year? If so, can she indicate to the House why she continues to speak at international forums about the necessity of providing increased aid to those in need, while at the same time cutting back the real value of that aid?

Hon. Flora MacDonald (Secretary of State for External Affairs): Mr. Speaker, the actual figures for our aid program will become known to the House and to the country when the estimates are tabled next year. I cannot give the hon. member that information at this time. I can say, however, that there will be no fewer dollars paid out in aid to developing countries in the next year than there has been this year.

As well, I would like to emphasize that we have made recent payments to foreign countries such as Bangladesh through a new program of food aid totalling some $40 million, and there have been new pledges to the Caribbean of some $10 million. Then just recently there was a pledge of some $15 million to Kampuchea to help meet humanitarian needs in that part of the world.

● (1440)

Miss Jewett: I realize there will be no fewer dollars. The point is that with inflation running at 9 per cent, and aid increasing at—probably—only 2 per cent, the real value of our aid is declining.

Can the minister give us an equal assurance that the increase in aid to Kampuchea, of which we all approve, will not mean a decrease in the other foreign aid which is provided, including that provided through non-governmental organizations?

Miss MacDonald: I can assure the hon. member that the attention and the importance we shall be attaching to the work of the non-governmental organizations will increase, not decrease, in the years ahead.

[Mr. Clark.]

SOCIAL INSURANCE

USE OF SOCIAL INSURANCE NUMBERS

Mr. Bill Clarke (Vancouver Quadra): Mr. Speaker, my question is for the Minister of State for the Treasury Board. Can the hon. gentlemen indicate, generally, what his responsibilities are—

Some hon. Members: Oh, oh!

Mr. Clarke: —and, specifically, whether they include investigation of improper use of social insurance numbers? If so, I want to ask him what measures he is taking to prevent the unnecessary use of these numbers by government and by business.

Some hon. Members: Hear, hear!

Hon. Perrin Beatty (Minister of State (Treasury Board)): I am tempted to respond to the first part of my hon. friend's question by saying the information is classified. The fact is, the Prime Minister has asked me to take responsibility within the government for matters relating to bilingualism within the public service, as well as privacy and compliance with part IV of the Human Rights Act. I will be tabling legislation dealing with the Crown corporations' omnibus bill, and responding on behalf of the government with regard to both regulatory reform and the Lambert commission experts.

As to the second part of the question, I do, indeed, have responsibility for developing a policy on behalf of the government with respect to social insurance numbers. I expect that within a matter of a few days I shall be able to announce to the House the fact that the government will be following a policy very different from that of the previous government: we will be rolling back the use of social insurance numbers in the federal government to a very minimum—

Some hon. Members: Hear, hear!

Mr. Beatty: —and setting an example for the private sector—

Some hon. Members: Order!

Mr. MacEachen: Ten o'clock.

* * *

[*Translation*]

FEDERAL-PROVINCIAL RELATIONS

INQUIRY WHETHER DECISIONS ON IMPORTANT PROJECTS IN QUEBEC WILL BE ANNOUNCED SHORTLY

Hon. Marcel Lessard (Lac-Saint-Jean): Mr. Speaker, my question is for the Minister of Supply and Services. In light of the meeting held yesterday in Montreal during which several federal and provincial ministers had discussions about projects to be undertaken in the province of Quebec and in light of the comments we heard last night from provincial ministers as well

as from Senator de Cotret, could the minister tell us whether he intends to announce immediately or very soon the decisions that his government will make as to the sums of money which will be invested in projects that have already been announced in Quebec and I am, of course, referring more particularly to the proposed fiscal data study centre in Jonquière?

Hon. Roch La Salle (Minister of Supply and Services): Mr. Speaker, I will be happy to answer the hon. member's question. That meeting was excellent. I would not venture to say that the Quebec ministers told us what their priorities were, but they told us about their projects in general. We listened to them as equals—

Some hon. Members: As equals!

Mr. La Salle: Yes, we listened to them as equals. The discussion was quite fruitful for both sides. That is something new for you, but not for us. The discussion left a good impression. Now, to give a very clear answer, the projects in question have not yet been announced, but they will be very soon, as the hon. member said.

Mr. Lessard: Mr. Speaker, I have a supplementary question. The minister is very satisfied with the results of the meeting, but according to some statements he made, his counterpart Mr. Landry, was a lot less satisfied with those results. He has nothing whatsoever against being consulted or against participating in a dialogue, but what he is mostly interested in is knowing the government's decision. Is the minister going to wait several months again before announcing his decision? Could the Minister of Public Works, who is smiling, go ahead soon, if he is authorized to do so, of course, and erect those buildings, because they will be needed?

Mr. La Salle: Mr. Speaker, I would like to reassure the hon. member as well as Mr. Landry. It will not take several months.

* * *

[*English*]

FISHERIES

COD QUOTAS ON HAMILTON BANK

Mr. William Rompkey (Grand Falls-White Bay-Labrador): Mr. Speaker, my question is directed to the Minister of Fisheries and Oceans. The hon. gentleman met yesterday with the Premier of Newfoundland and among other subjects discussed was the allocation of cod quotas on the Hamilton Bank.

Can the minister confirm that the position of the Premier of Newfoundland was that cod quotas be reserved exclusively for the inshore fishermen of Newfoundland and Labrador? Can the hon. gentleman tell us his response to that submission, and whether any agreement was reached between the premier and himself at the conclusion of their meeting? Can he report to the House the results of that meeting yesterday?

Hon. James A. McGrath (Minister of Fisheries and Oceans): Yes, Mr. Speaker, we had a very useful and co-operative meeting with the government of Newfoundland. I indicated it was our policy that primacy, or first call on the Hamilton Bank or northern cod stocks should be for the Newfoundland inshore fishermen, recognizing, of course, the importance of that cod stock to the maintenance of the north-east coast inshore fishery.

Mr. Rompkey: My supplementary is to the Prime Minister. We know the Prime Minister had a meeting with the Premier of Newfoundland on the question of the jurisdiction of offshore oil and gas and we are aware of the outcome of those discussions.

Can the right hon. gentleman tell us whether he has taken part in similar discussions with respect to jurisdiction over fish stocks, and can he tell us whether his position with regard to fish stocks would be the same as his position with respect to jurisdiction over offshore oil and gas?

Right Hon. Joe Clark (Prime Minister): Mr. Speaker, I have not had a meeting with the Premier of Newfoundland to discuss the question raised by the hon. member, although the Minister of Fisheries has been meeting with Newfoundland officials, as he has just said, to discuss ways in which federal and provincial governments can co-operate to strengthen and develop the fisheries serving Newfoundland and Canada.

* * *

[*Translation*]

ENERGY

INQUIRY WHEN PRIME MINISTER INTENDS TO ANSWER LETTER FROM MR. ROY (BEAUCE) ON OIL SUPPLIES TO INDEPENDENTS

Mr. Fabien Roy (Beauce): Mr. Speaker, my question is directed to the right hon. Prime Minister.

Late yesterday I sent him a letter concerning two very important matters. One has to do with the supply of gas and heating oil to the eastern provinces, the other with the supply and the securing of supply quotas to independent distributors. I have waited until the end of the question period. Mr. Speaker, I would like to ask the right hon. Prime Minister whether he has received my letter, whether he has read it and, third, whether he intends to take action on it today.

Right Hon. Joe Clark (Prime Minister): Mr. Speaker, I did receive the hon. member's letter. I even read it. I intend to speak later today during the debate which is to be opened by the Leader of the Opposition and which relates to the questions raised by the hon. member.

[*English*]

INDUSTRY

LAY-OFFS AT PLYWOOD PLANT IN BURNABY, B.C.—GOVERNMENT ACTION TO RECTIFY

Mr. Svend J. Robinson (Burnaby): Mr. Speaker, my question is for the Prime Minister, in the apparent absence of the Minister of Finance whose flippant answers to serious questions are rather useless.

In view of the fact that the largest plywood manufacturer in Canada, Weldwood Limited, has just announced the lay-off of 700 people, stating that the major reason for the lay-offs is the government's high interest policy which is having a disastrous effect on the Canadian housing market, can the Prime Minister advise the House what action he intends to take to get these people back to their jobs?

Right Hon. Joe Clark (Prime Minister): I shall certainly be prepared to have officials of my government meet with representatives of the company and of the workers to see if there is some action we can take which will get them back working productively.

Some hon. Members: Hear, hear!

Mr. Robinson (Burnaby): That is a rather unfortunate answer to a serious question.

Some hon. Members: Oh, oh!

Mr. Robinson (Burnaby): The manager of the plant said this morning the government's high interest rate policy was like a drug which cured the disease but killed the patient. What message can I take from the Prime Minister to the 700 workers and their families who are now without income as a direct result of this government's high interest rate policy?

● (1450)

Mr. Clark: Mr. Speaker, the hon. member can take back to the 700 workers, in whose name he presumes to speak, the fact that the Government of Canada and the Prime Minister of Canada are concerned about their situation. We are prepared to do what we can to try to help remedy their situation. I would suggest to the hon. member, and to the workers, through him, that they might find it more productive to get in touch with me directly.

Some hon. Members: Arrogance.

An hon. Member: No respect for Parliament.

* * *

INTERNATIONAL TRADE

PROPOSED COMMITTEE STUDY OF NUCLEAR ENERGY AND REACTORS—DELAY CAUSED TO PROMOTIONAL EFFORTS

Hon. Jean-Luc Pepin (Ottawa-Carleton): Mr. Speaker, my question is for the Minister of State for International Trade. In view of the announcement, still to be debated in the House, of the creation of a committee to look over the whole question of nuclear energy, including the export of nuclear reactors, I am concerned about the possible effects of that announcement and of the creation of that committee on the Canadian marketing efforts to sell nuclear reactors so important to our balance of trade.

Can the House be assured that the promotional efforts of the Canadian government are continuing now, and have instructions to that effect been given to various departments involved in it, such as the Department of Industry, Trade and Commerce, Atomic Energy of Canada Limited and the Department of External Affairs, particularly through the Secretary of State for External Affairs and trade commissioners, or are we going to witness another hiatus of the type we had on the Jerusalem issue?

Hon. Michael Wilson (Minister of State for International Trade): Mr. Speaker, the question of the export of nuclear equipment is very important to this country. I believe that in the Candu system we have a very important export product. Last week, I met with Mr. Donnelly, president of AECL, as well as the Minister of Energy, Mines and Resources. That is the second meeting we have had in the last couple of weeks to discuss this very point. I would expect that this series of meetings will be continuing in order to develop broader trade packages which co-ordinate with our nuclear export activities and to follow through in the direction in which the member is suggesting we should go.

Mr. Pepin: Mr. Speaker, I gather that the minister has the support of all his colleagues in the cabinet for that effort. I should like to hear it very strongly and publicly.

In view of the importance of the sale of a Candu reactor to Japan, in particular—something which is very important for the future of the program—is the minister ready to go to Japan, possibly taking some of his colleagues, such as the Secretary of State for External Affairs, to promote the sale of a nuclear reactor to Japan as soon as the government of that country is formed?

Mr. Wilson: Mr. Speaker, Japan was one of the countries we discussed. I have also been in touch with our embassy. Embassy officials are keeping us in close touch with the way discussions are going in Japan. The hon. member must be aware of the fact that there are some differences of opinion in Japan as to which way to go. We are following this very closely, and if it is appropriate for me to visit Japan in furtherance of our export activities, I will do so.

SALE OF NUCLEAR REACTOR TO MEXICO

Mr. Maurice Dupras (Labelle): Mr. Speaker, my question is to the same minister. In answer to my colleague's question of October 24 with regard to trade with Mexico, the minister said two months ago that a committee had been set up. That was on October 24. What was the study carried out, when is the

report going to be tabled, and can we expect from this government some interest in AECL?

Hon. Michael Wilson (Minister of State for International Trade): Mr. Speaker, when I made reference to that study, I believe I also said that the study would take about six months to complete. The study is continuing, and we expect that following its completion we will have something to announce.

Mr. Dupras: Mr. Speaker, Canadians have fresh in their minds the bungling of the Conservative government of this industry back in the 1950s, when Canadians were becoming increasingly worried about the fate of our Candu program. I want to know if we can get an answer before six months elapse.

Mr. Wilson: Mr. Speaker, to repeat my answer, we will not have an answer before that six months period is up. These contracts on Candu reactors are very complex. They have to be co-ordinated with the countries involved. The study is going on with people in Canada as well as with Mexican officials to see how we will be able to co-operate in the export of that product.

[*Translation*]

U.S. POLICY ON ATTENDANCE AT CONVENTIONS—REQUEST GOVERNMENT INTERVENE

Mr. Bernard Loiselle (Verchères): I have a question, Mr. Speaker. As a result of the U.S. legislation on convention expenses, the Canadian hotel trade has lost almost $100 million in revenue. What progress is being made in the negotiations with the U.S. government in this regard, and what kind of representations does the Canadian government intend to make to the American government so that they will change their legislation?

[*English*]

Hon. Michael Wilson (Minister of State for International Trade): Mr. Speaker, this question of convention business coming to Canada from the United States, which has been affected by the legislation concerned, is of very real interest to us.

We have had discussions at the official level with the United States, and these are ongoing. I believe that the Secretary of State for External Affairs has had discussions on this matter with the Secretary of State of the United States. They are aware of our concern and they are also aware of the concern we have for the linkage they have made between convention centres and border broadcasting. We are following this question very closely, and I hope there will be a satisfactory conclusion in the not too distant future.

[*Translation*]

Mr. Loiselle: Mr. Speaker, my question is directed to the Prime Minister. Does he intend to discuss this specific matter with President Carter during his forthcoming visit to Ottawa and what priority does he, personally, give to this issue?

Right Hon. Joe Clark (Prime Minister): Mr. Speaker, indeed I intend to raise this matter with President Carter as it is one of our priorities.

[*English*]

CANADA-U.S. AUTO PACT—REQUEST QUESTION BE RENEGOTIATED

Hon. John C. Munro (Hamilton East): Mr. Speaker, I should like to direct a question to the Minister of State for International Trade. In view of recent figures indicating that there is a $2.9 billion trade deficit in the auto trade, in view of the fact that the Automotive Parts Manufacturers' Association has recommended to the government their need in particular for further investment and the need for a special fund for research and development and retooling and, further, that the government should seriously consider discussing the whole question of the auto pact and whether it should be opened up for renegotiation with the President of the United States—that being also a specific recommendation of the government—would the minister please tell us what he intends to do about these recommendations?

Hon. Michael Wilson (Minister of State for International Trade): Mr. Speaker, the brief to which the hon. member referred was presented to my colleague, the Minister of Industry, Trade and Commerce, about two weeks ago. We had a good discussion with the representatives at the time. Since then I have discussed it with other members of the association. It is currently under review. This is an important issue, particularly in the area of trade.

Mr. Munro (Hamilton East): What about the present?

Mr. Wilson: The hon. member might address that question to the Prime Minister.

AUTO PACT—REQUEST PRIME MINISTER DISCUSS QUESTION WITH U.S. PRESIDENT

Hon. John C. Munro (Hamilton East): Mr. Speaker, I address my supplementary question to the Prime Minister who, I believe, heard my first question to the Minister of State for International Trade. Part of that question was whether this whole matter, serious as it is, will be discussed with the President of the United States this Friday by the Prime Minister.

I would also ask, in conjunction with that, whether the Prime Minister would indicate to the House whether he will discuss with the President of the U.S. the whole question of aid to Chrysler. As he knows, Mr. Miller, in the United States, has indicated they are giving loan guarantees of, I believe, $1.5 billion to Chrysler in that country. Mr. Miller indicated that perhaps similar action should be contemplated by other jurisdictions, particularly in view of the fact that the Chrysler Corporation, I believe, lost some $40 million this year and some $80 million last year. Would the Prime Minister indicate

whether he is prepared to discuss that matter also with the President on Friday?

Right Hon. Joe Clark (Prime Minister): I am going to raise with the President discussions relating to the auto pact, and I have no intention, today, to raise questions relating to Chrysler.

* * *

● (1500)

FISHERIES

OVER-THE-SIDE SALES OF SQUID

Mr. Ted Miller (Nanaimo-Alberni): Mr. Speaker, my question is directed to the Minister of Fisheries and Oceans. The minister is aware of the difficulties maritime fishermen have had in selling squid. Also, he is aware a representation was made earlier this summer for over-the-side sales and that the request was refused on the basis that processors had guaranteed that those squid could be purchased and processed in Canada.

Can the minister give some guarantee to maritime fishermen that he will reconsider the decision of his department to refuse over-the-side sales for maritime fishermen in regard to the dumping and the waste of that fishery resource?

Hon. James A. McGrath (Minister of Fisheries and Oceans): Mr. Speaker, the hon. member is referring to a situation recently in Nova Scotia in the area of St. George's Bay, where there was a request to sell over-the-side to Japanese freezer-trawlers. At the time the request came in, Canadian processors were buying and continued to buy from Canadian fishermen.

Mr. Breau: At 12 cents a pound.

Mr. McGrath: Also, the hon. member should bear in mind that there is a very difficult market situation at the present time as a result of an oversupply situation, resulting from an oversupply in Canada and an oversupply in the other squid fisheries of the world off the coasts of Japan and New Zealand. As a consequence, Canadian freezers are bulging at this time with squid which cannot be sold. Consequently, it is not our policy to license any more foreign over-the-side sales as long as that situation prevails.

Mr. Miller: Mr. Speaker, is the minister aware that the same concern exists in Newfoundland and that Newfoundland fishermen will want some guarantees, some policy statement from the minister as to what might happen to their squid and mackerel fisheries next season?

Mr. McGrath: Yes, Mr. Speaker, I am aware of that concern. I can assure the hon. member and the House that government policy in this regard will be announced in due course.

[Mr. Munro (Hamilton East).]

AGRICULTURE

REPORTED EFFECTS ON JUVENILES OF HEAVY MILK DRINKING

Mr. Gus Mitges (Grey-Simcoe): On a lighter note, Mr. Speaker, my question is for the Minister of Agriculture. According to a press report last week, Alexander G. Schauss, director of the Institute for Biological Research at City College, Tacoma, Washington, stated that studies of juvenile delinquents have shown an apparent relationship between heavy milk drinking and antisocial behaviour.

Such statements should not go unchallenged; therefore, I should like to ask the Minister of Agriculture if he would consult with his colleague, the Minister of National Health and Welfare, to refute publicly such irresponsible statements which, if left unchallenged, could do irreparable damage to dairy farmers and the dairy industry.

Hon. John Wise (Minister of Agriculture): Mr. Speaker, in response to the question of the hon. member, I regret that I have not had an opportunity to read the article to which the hon. member referred. I can think of a number of factors which might encourage juvenile delinquency, but certainly drinking milk is not one of them. It seems to me that it is just about as ridiculous as the statement made and reported that eating too much beef makes one ferocious.

* * *

PRIVILEGE

MR. ROBINSON (BURNABY)—ANSWER OF PRIME MINISTER DURING QUESTION PERIOD

Mr. Svend J. Robinson (Burnaby): Mr. Speaker, I rise on a question of privilege which affects not only my rights as a member of Parliament but those of all members of this House. In response to a serious question asked by myself of the right hon. Prime Minister (Mr. Clark) the clear implication of the answer given by the right hon. Prime Minister was that the persons whom I represented in asking that question, some 700 families, perhaps would have received better service had they gone directly to the Prime Minister.

Some hon. Members: Shame.

Mr. Robinson (Burnaby): I ask the right hon. Prime Minister to refute categorically any suggestion that I might not be serving properly my constituents: they had every right to come to me as their member of Parliament; that it will not be necessary to bypass individual members of Parliament; that we are not nobodies, as the right hon. member for Mount Royal (Mr. Trudeau) has called us. I ask the right hon. gentleman to withdraw the insinuation that it is necessary sometimes to bypass individual members of Parliament and go directly to the right hon. Prime Minister.

Right Hon. Joe Clark (Prime Minister): Mr. Speaker, on that question of privilege, let me first assure the hon. member

that I intended no such insinuation; and, second, I congratulate him for his great speed on his feet.

MR. ROSE—PROPOSED U.S. NUCLEAR POWER PLANT—ANSWER OF SECRETARY OF STATE FOR EXTERNAL AFFAIRS

Mr. Mark Rose (Mission-Port Moody): Mr. Speaker, I rise under Standing Order 17(2) concerning what I regard—

Mr. Speaker: Order. I have notice of the question of privilege of the hon. member. He indicated in the terms of it that his question of privilege relates to an incorrect statement made in the House a few days ago which, within its terms, puts him in some difficulty. The hon. member will know that questions of privilege have to be raised at the first available opportunity. It is difficult to open the practice of members raising questions of privilege several days after they have occurred, unless of course the hon. member has some special reason for doing so.

Mr. Rose: Mr. Speaker, the matter just came to my attention, and the minister to which I wish to address my question of privilege was absent from the House. So I beg Your Honour's indulgence that I might be permitted to proceed on this.

Thank you, Mr. Speaker. I rise because of an inadvertent, misleading statement made in the House a few days ago. Before I begin, I should like to thank the Secretary of State for External Affairs (Miss MacDonald) for a letter which was delivered to my desk a few moments ago indicating that the government has at least gone part way toward the request I made last Wednesday.

My question related to a nuclear power plant close to the Canadian border at Sedro Woolley, Washington. Even before the accident at Three Mile Island, the people in my part of the country were extremely worried about this prospect.

I should like to address myself now to the question. My question last Wednesday, as reported at page 802 of *Hansard*, reads as follows:

—In view of the fact that a huge nuclear power plant is proposed for Sedro Woolley, in Washington's Skagit Valley, and since the site chosen is only 35 miles from population centres in British Columbia totalling almost one million people and should an accident ever take place massive environmental and evacuation problems would likely be encountered, what is the government's attitude toward the building of this nuclear power plant so close to our border? Is it one of official approval, disapproval, or indifference?

The reply I received from the Secretary of State for External Affairs reads as follows:

Mr. Speaker, this is a concern that has been expressed to me by many members on this side of the House as well as members in the opposition parties. While it is impossible for Canada to determine where the United States, or interests in the United States, will locate their nuclear power plants, nevertheless we have raised this subject with officials of the U.S. State Department.

I regard this as a reassuring reply. I and other members were left with the distinct impression that the phrase "we have raised this subject with officials of the U.S. State Department" meant that Canada had opposed the site at Sedro. That is precisely what the minister's answer implied, although perhaps unintentionally. One could hardly be blamed for assuming, because members on both sides of the House had expressed concern, that the minister was concerned too, that Canada had done more than merely raise the subject with the United States but in fact had declared its opposition to the location.

However, I have received a diplomatic letter, an aide memoire, which indicates precisely the opposite. Referring to page 3 of the aide memoire dated August 29 this year, it reads as follows:

Therefore, although the Government of Canada is not opposed in principle to the construction of a nuclear power station near the border, it wishes to be kept informed of project developments, particularly with respect to questions of public safety and environmental risk.

Regardless of what was said to me and other members of the House, the official policy of Canada is not to disapprove of new plants near our border. On the contrary, it is one of approval, or at the very least one of non-opposition.

In conclusion, when the minister rises to respond I hope she will report that Canada has now reversed its policy and will advise President Carter when he visits on Friday of this new change of heart.

Mr. Speaker: Order, please. I think the hon. member explained the basis for his question of privilege. Now he is making a representation to the minister which goes a little beyond the bounds.

Hon. Flora MacDonald (Secretary of State for External Affairs): Mr. Speaker, I should like to suggest to the hon. member that in his opening comments, in response to Your Honour's admonition that one should raise a question of privilege as soon after statements have been made in the House as possible, he left the inference that the subject had not been raised because I was not in the House. This subject first came up on Wednesday, October 31. I was in the House for question period on both Thursday and Friday of last week. The only day I was absent was yesterday when I was in New York speaking at the General Assembly. I would like to have that on the record so that he does not infer that I was not present here during question period.

● (1510)

In the second place, Mr. Speaker, I would like to assure the hon. member that in no way did I mislead the House or try to mislead the House. The words I used when addressing his question in the House of Commons are, indeed, quite clear. He had asked about the Sedro Woolley proposed nuclear plant in Washington state. I had said in reply that nevertheless we had raised this subject with officials of the United States State Department. I went no further than that. I had said we had raised this subject.

However, he will know, having looked at the aide memoire to which he made reference—that is the aide memoire of August 29, and my letter to him of today following his letter to me of November 1—that we had told the United States government that we wanted to be fully informed about all aspects of this proposal which is very much in a preliminary state at the present time. We indicated that we want to be

fully informed on all aspects of this proposal that relate to safety, particularly safety in regard to transboundary implications. The aide memoire states—and I think, sir, perhaps the hon. member should have read right through to the end of the aide-mémoire:

—it is aimed at eliciting information which will enable the Canadian government to determine whether the Skagit Nuclear Plant, Units 1 and 2, would present a significant risk of injurious transboundary impacts. If so, the Canadian government may request consultations for the purpose of addressing unilaterally any problems that we may perceive.

In other words, if there are significant environmental and safety impacts on any part of Canada, we would want to discuss that matter directly with the United States government, and that is what was conveyed in the aide memoire of August 29.

Furthermore, as I stated in my letter to the hon. member today, he will recognize that the hearings in connection with this plant—and that is the hearings for the licensing of such a plant, not the hearings for zoning within Washington State which are taking place later this week and which involve a local matter—have been postponed indefinitely by the nuclear regulatory commission in the United States. Therefore, it is not a matter which is imminent and before the government at the present time.

Mr. Speaker: Order, please. The House will realize, of course, that we have an area of perhaps disagreement between the two parties. Therefore, this does not fall within the ambit of a question of privilege.

I think I must take this occasion to say to the House that up to this point in this session I think I have been lenient in allowing members the opportunity to rise on questions of privilege, even though they essentially have been raising areas of disagreement with a minister. The difficulty in my continuing to do so is clearly that whenever this takes place, the member having put one side of the question it is only appropriate, of course, that the minister have an opportunity to respond.

I do not single out this particular case today as there have been a number of them, but the end result is that the member who raises such a disagreement with a minister is in effect extending the question period and getting an additional go-around which every member would like to enjoy.

If I am to be generous in this regard, and then allow equal time for a minister to respond in each case, what I will in fact be doing out of this generosity is inviting members to do more than they can accomplish in question period by attempting to extend the question period through some procedural point after the question period is over. That would be patently unfair and would also take up a great deal of debating time as, for example, today when there is a motion which, of course, the House is anxious to debate.

I do not distinguish this case from any others that have taken place. I do not take a more severe view of this case than of any other case. I simply say to the House that I will have to take a little harder line in respect of these questions, and if members rise to their feet and indicate at the outset a matter not of significance immediately but rather one of disagreement, I will probably have to stop them before they develop the point for too long and, therefore, before it would be only fair to invite a minister to respond.

* * *

POINTS OF ORDER

MR. PAPROSKI—ALLEGED SLUR ON INTEGRITY OF MINISTER BY HON. MEMBER FOR YORK CENTRE

Hon. Steven E. Paproski (Minister of State for Fitness and Amateur Sport and Multiculturalism): Mr. Speaker, I rise on a point of order which relates to a question appearing at page 935 of *Hansard* put by the hon. member for York Centre (Mr. Kaplan). He has involved me in a gratuitous and unjustified manner in his question, and slurred my integrity as a minister.

Some hon. Members: Oh, oh!

Mr. Paproski: Perhaps he did it unwittingly, as he does so many things. I do not accept the premise of the question posed by the hon. member for York Centre. I would like him to be very careful of the way he distorts his questions. I want him to be aware that on page 33, and you will know this, sir, of the annual report tabled by the Minister of Employment and Immigration (Mr. Atkey), where it states, "the principle of family reunification" etc., etc., and I will not read it right now—

Some hon. Members: Order.

Mr. Paproski: Sir, you were on a trip to the U.S.S.R.—

Mr. Speaker: Order, please. I understand the desire of the hon. minister to make an intervention. However, he is seeking the floor on a point of order essentially to take issue with something that took place yesterday, and I think it would be an unwarranted extension of our rules to permit that to take place at this time.

MR. HARQUAIL—REQUEST MAJOR STATEMENTS BY MINISTERS BE MADE IN HOUSE

Mr. Maurice Harquail (Restigouche): Mr. Speaker, I rise by way of a point of order on what may very well be a question of the collective privilege of all members of this House. It has to do with the position of the government in making statements outside this House.

The Prime Minister (Mr. Clark) and members of the government have said repeatedly that they would show respect for this Parliament, yet we saw yesterday the Minister of Transport (Mr. Mazankowski) at the beginning of his speech in Toronto saying in fact he was making a major announcement. I feel that is totally unacceptable to members of this House. Mr. Speaker, through you to the minister, I would enjoin him to show more respect for members of Parliament. If he has major statements to make on air transportation policy or any other aspect of his department he should show respect to the

members who represent Canadians in this House and make such major statements in the House of Commons.

Some hon. Members: Hear, hear!

Hon. Don Mazankowski (Minister of Transport): Mr. Speaker, on the point of order or question of privilege, and I am not sure which, I welcome the opportunity to respond to the hon. member. The speech I delivered in Toronto was, indeed, a policy speech. It was about 30 minutes long and I know, Mr. Speaker, as I am sure you and other members are aware, that statements on motions are to be made in this House in a short, succinct fashion. I did not think, in view of the length of this speech, that it would be appropriate to deliver it in the House as a statement on motions.

If hon. members would want me to read the speech into the record I would certainly be prepared to do that right now. I would be very delighted to do that, Mr. Speaker. But I did not think it would be proper for me to take the time of the House when all members will be receiving a copy of the speech and will certainly have an opportunity to question me in the House and in the committee. The estimates are before the standing committee and I would be very glad to respond to any questions. Perhaps during the intervening period of time hon. members will be able to examine and review the statements I have made and, after reflecting on the speech, their questions will be a little more incisive and deliberate, rather than the kind of hodge-podge we get from members across the way.

Mr. Speaker: Order, please. The House will know, of course, that it is the prerogative of ministers to make such statements inside or outside the House, and their choice in either direction does not constitute a point of order or a question of privilege.

● (1520)

ROUTINE PROCEEDINGS

[*Translation*]

FINANCE, TRADE AND ECONOMIC AFFAIRS

Third report of Standing Committee on Finance, Trade and Economic Affairs—Mr. Clarke (Vancouver Quadra).

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

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[*English*]

GOVERNMENT AGENCIES

MEASURE RESPECTING RELOCATION

Hon. Erik Nielsen (Minister of Public Works) moved for leave to introduce Bill C-22, an act respecting the relocation of government agencies.

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

* * *

BUSINESS OF THE HOUSE

VISIT OF PRESIDENT CARTER

Hon. Walter Baker (President of the Privy Council and Minister of National Revenue): Mr. Speaker, there have been consultations through the usual channels with respect to this matter, and I hope that this motion will receive unanimous consent. It concerns the visit of President Carter to Ottawa on November 9 and 10. I move:

That the House adjourn at one o'clock p.m. on Friday, November 9, 1979; that the address of the President of the United States, Mr. Jimmy Carter, to be delivered in the House chamber on Friday, November 9, 1979, before members of the Senate and of the House of Commons, together with all introductory and related speeches, be printed as an appendix to the House of Commons *Debates* of that day and form part of the records of this House; and that the President's speech, attendant and related remarks be made available to the media for transmission in the usual way by the House of Commons broadcast system.

Motion agreed to.

* * *

[*Translation*]

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. David Kilgour (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, the following questions will be answered today: Nos. 156, 195, 196 and 216.

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

[*Text*]

DUTY FREE SHOPS—LAND FRONTIER POINTS

Question No. 156—**Mr. Herbert:**

Is the government considering the establishment of duty-free shops at Canadian land frontier points and, if so, what are the considered benefits and is an early decision likely?

Hon. Walter Baker (President of the Privy Council and Minister of National Revenue): As announced in the House on October 26, 1979, approval has been given to the principle of establishing duty-free shops at land frontier locations and criteria for applicants should be announced shortly. Potential benefits would be increased employment opportunities, greater sales of Canadian manufactured products, and the generation of new tax revenues for all levels of government.

ENVIRONMENT—NUMBER OF EMPLOYEES

Question No. 195—**Mr. Herbert:**

How many (a) permanent (b) term employees were on the Department of the Environment's payroll on March 31, 1979?

Severe Economic Hardship

Hon. John A. Fraser (Postmaster General and Minister of the Environment): (a) On March 31, 1979, there were 6348 permanent employees on payroll; (b) On March 31, 1979, there were 569 term employees on payroll.

FISHERIES AND OCEANS

Question No. 196—**Mr. Herbert:**

How many (a) permanent (b) term employees were on the Department of Fisheries and Oceans' payroll on March 31, 1979?

Hon. James A. McGrath (Minister of Fisheries and Oceans): The Department of Fisheries and Oceans did not exist on March 31, 1979, but came into existence on April 2, 1979.

On April 2, 1979,

(a) approximately 4706*

(b) approximately 1079*

* These numbers are close approximations only as the final split of Fisheries and Environment employees between the new Department of Environment and the new Department of Fisheries and Oceans had not yet been made.

NATIONAL REVENUE

Question No. 216—**Mr. Herbert:**

How many (a) permanent (b) term employees were on the Department of National Revenue's payroll on March 31, 1979?

Hon. Walter Baker (President of the Privy Council and Minister of National Revenue): (a) Taxation: 13,542; Customs and Excise: 9,233; (b) Taxation: 6,333; Customs and Excise: 595.

[*English*]

Mr. Speaker: The questions enumerated by the parliamentary secretary have been answered. Shall the remaining questions be allowed to stand?

Some hon. Members: Agreed.

GOVERNMENT ORDERS

[*Translation*]

BUSINESS OF SUPPLY

ALLOTTED DAY S.O. 58—NON-CONFIDENCE MOTION—SEVERE ECONOMIC HARDSHIP FOR CANADIANS

Right Hon. P. E. Trudeau (Leader of the Opposition) moved:

That this House has no confidence in the government because it will cause severe economic hardship for the Canadian people this winter: first, through its neglect of the grave possibility of shortages in heating fuel; second, through its failure to support existing intergovernmental agreements on oil pricing and supply; third, through its inability to conclude agreements preventing immoderate price increases in the future; and, fourth, through its acceptance of record high interest rates.

[*English*]

Mr. Speaker: Members will note that pursuant to Standing Order 58(9), and not later than 9.45 o'clock p.m. today, every question necessary to dispose of the proceedings on this motion shall be put forthwith.

[*Translation*]

Mr. Trudeau: Mr. Speaker, when we became the official opposition we were determined not to resort to filibustering in Parliament, but rather to propose alternatives to any bad decisions or policies made by this government. We were aware of the economic problems that prevailed in the industrial sector. We also knew what it was to govern, how important it was and, as I said, we wanted to help the government in the major areas.

Today, as we are dealing with energy policies, our task is made much easier because, as early as June 1973, the then minister of energy, mines and resources, Mr. Macdonald, had set forth for the country the main points of an energy policy that can still guide us today. I had myself developed those points some five months later in the House and finally, in the first six months of 1976, the then minister of energy, mines and resources, Mr. Gillespie, had proposed an energy strategy for Canada.

Today, our task is rather simple. It is only to suggest that the government re-examine those documents based on the principles we had then put forward and that it waste no time in making up for its mistakes of the past five months. Our energy policy covered many important aspects for Canada, but today I should like to dwell only on the two major ones: the question of energy supplies and that of energy pricing in our country.

Do I need to remind the House, Mr. Speaker, that as far as supplies are concerned, the government realized as early as 1973, during the OPEC crisis, how important it was for Canada to get involved in marketing so as to secure adequate energy supplies for Canadians? That is indeed why we set up PetroCan, whose various responsibilities I need not mention, but let me remind the House that because this Canadian company—which has become in four years the largest oil company in our country—felt that exploring and developing energy resources from non-conventional sources in frontier areas was important, it succeeded in increasing our gas reserves by a few trillion cubic feet. Also, this company acted as an agent for the government when we wanted to enter into bilateral negotiations in order to secure supplies for our country.

Last year for instance, following the first crisis in Iran, when we realized that Imperial Oil, the Canadian subsidiary of Exxon, had diverted to the United States oil shipments originally intended for Canada, the government through its minister and Petro-Canada immediately initiated discussions with

the government of Venezuela which assured us of its willingness from now on to deal directly with Canada, that is to say with Petro-Canada.

I urge the government to return to this policy and to assure us that it will follow the way the former government has shown. We did the same thing when the Mexican minister visited Canada and successfully secured an agreement which was signed as early as last May and which was to come into effect in September, that is two months ago, an agreement under which Mexico would provide Canada with some $2 billion worth of oil in exchange for Canadian products.

Again, Mr. Speaker, I merely urge the government to avail itself of this signed agreement and invite the President of Mexico to visit Canada as soon as possible so that this winter Canadians may benefit from this agreement, something we ourselves had looked forward to.

So, Mr. Speaker, on those two points I would simply remind the government that our proposals would be easy to implement, and they would bring even now some measure of comfort and security to the Canadian people. The government could admit that it erred when it proposed the dismantling of Petro-Canada and neglected to follow through on the agreements with Venezuela and Mexico, it could say that it is quite willing to implement them now without delay.

There is another problem, Mr. Speaker, which the House has already looked into, namely that of the security of supplies. My government, once again as a result of the Iranian crisis, made the House of Commons understand the necessity of passing an emergency supplies energy bill. That bill was passed in July of 1978. The hon. member for Outremont (Mr. Lalonde) has urged this government to act and set up the board provided for in that act to ensure equitable supplies to Canadians, should we have energy problems this winter. Even today, the House leader of the opposition (Mr. MacEachen) got the government to admit that it had not set up that board, when in fact the National Energy Board warned us last Friday that, this winter, heating oil supplies for Canadians will only be secure if there is no crisis or disruption of services. Now we have just learned that Iran is in a state of crisis and that we can foresee, or at least chances are, that we will have a hard time guaranteeing supplies this winter. Here again, I take it upon myself to urge the government to go back to the Liberal policies and set up that board as soon as possible to ensure equitable energy supplies to Canadians.

[*English*]

● (1530)

The second important policy that our government had to establish in the matter of petroleum was that of pricing, Mr. Speaker. As early as December, 1973, within a few months of the start of the OPEC prices, we had established a firm policy which essentially said that we would have one price for all Canadians, and we have kept that price below the world price. That was the policy put into effect by our government.

Severe Economic Hardship

It is a policy which has ensured immense advantage, not only to the industrial sector of our economy by ensuring that jobs would be created by industries which were getting energy in Canada at prices below world prices, but also, even at the level of the householder, for instance, just last winter ensured that the homeowner in Alberta would be paying some $280 less than he would if he had been paying world prices for petroleum. In Newfoundland it was closer to $240 per year, and I believe in the central provinces where heating problems were more grave than in Alberta, and Newfoundland, it meant a saving of some $200 because of this one-price policy for all Canadians and a pricing below world prices.

I plead with this government, which has managed to change its mind on so many issues, to come back to Liberal policies in this regard.

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

Mr. Trudeau: I plead with it once more to govern by "U" turn and to come back to what was a good, sound policy for Canadians, a policy which ensured security of supply and prices below world prices.

What does the government see as its policy? Apparently it is scrapping the existing price agreement and is telling us that it is going to move toward international prices. What will this mean, Mr. Speaker? If international prices were to come very soon, they would mean about $400 per year more for home heating oil and $250 per year more for the average automobile driver. They would mean loss of jobs to industry. They would mean, Mr. Speaker, that the economy, which has already been subjected to the shock of record high interest rates, would be subjected to the double shock of heating oil and petroleum prices which cannot be accepted and assimilated by the economy at this time.

I just want to disagree with the government when it seems to accept the thesis that we have to go to world prices in order to ensure supply and conservation. First of all, I want to remind the House that our policy was set out quite clearly in the "Energy Strategy for Canada" published in the early months of 1976. I should like to read from page 127 on which the following passage appears:

> We must continue the process that began in April of 1974, of phasing the price of domestic oil towards international levels. Canada does not necessarily have to go to international prices. Because we have domestic resources to develop, we have a degree of independence from the oil-exporting cartel that many countries do not enjoy and that is to our advantage.

Our policy was to have prices at a level where resources could be found, where they could be developed and delivered. That does not mean any price which could be established by a cartel acting on international markets in a way which would be deemed illegal if it so acted in Canada. There is no reason why we would have to follow world prices, no matter what level they went to.

Severe Economic Hardship

● (1540)

We agreed when we reached various understandings with the government of Alberta, the government of Saskatchewan and with other provinces that prices could not remain at the levels that had prevailed before 1972. We agreed that there had to be some increase if exploration and development were to continue in Canada. But we never did agree, we do not agree now and the country does not agree, with a policy that says that no matter what this cartel decides Canadians who have energy resources of their own will have to go to those cartel prices. We do not agree to that on oil and we did not agree on other natural resources.

I just remind this House of a policy announced in April 1969 by the hon. member for Ottawa-Carleton (Mr. Pepin), who was then minister of industry trade and commerce, that copper prices would be sold in Canada at prices below the London copper exchange prices, because those London prices were established in a way which was not guided by the free law of supply and demand but by action on that market which was not fair, free and unfettered. We did that on copper, we did that on oil, and what is more, Mr. Speaker, we did it with the agreement of the Premier of Alberta. We did it at a time when many provinces wanted to see no increase at all.

We stated then and we state now that our policy is not to increase prices indefinitely. We hear from Syncrude that the price of extracting a barrel of oil from the tar sands is now estimated at between $15 and $20. Our experts think that it is closer to $14 or $15 a barrel. Never mind, even taking Syncrude's figures, surely there is no need to go to $25, $35 or $50 a barrel.

Some hon. Members: Hear, hear!

Mr. Trudeau: If that should be the decision of some international cartel, of which we are not a member, surely what Canadians want is a firm statement by this government that it will ensure a price which permits further exploration and development but no more. There is no need to have prices which will permit the multinationals to increase their profits even more which they then use either to buy other sectors of the Canadian economy or to increase foreign ownership even of our energy industries.

Some hon. Members: Hear, hear!

Mr. Trudeau: Under our government, in the last two years foreign ownership of the domestic oil industry has been reduced from 90 per cent to 75 per cent. If the non-governing by the present government continues, this trend will not be continued, it will be reversed. What justification do we have from this government to set aside or to create uncertainty regarding the agreement that we have put in place and which lasts until July 1 next—an agreement incidentally which was then denounced by most of the Tory premiers in the provinces, including Premier Davis of Ontario who now wishes he had supported it. What reason could the Prime Minister (Mr. Clark) have to set aside these agreements and let the confrontation develop which we see now, particularly between Ontario and Alberta?

In the Speech from the Throne the Prime Minister promised us a new era of federalism, one where there would be harmony, one where all the provinces would get together with the federal government and solve their difficulties and one which would be in contrast to our government, which allegedly caused confrontation everywhere. Let me just say that within two weeks of the Speech from the Throne the Premier of Alberta, speaking to 900 Progressive Conservatives at a fund-raising dinner in Alberta, said that they were in confrontation, that price increases and negotiations in 1973, 1974 and 1975—when we were putting together those negotiations—will be like a kindergarten compared to talks in 1979 and 1980. The Premier of Alberta said that Alberta was being asked to keep both oil prices down and give up part of its heritage savings trust fund. He said that was the position being presented.

We do not know from the Prime Minister or from the minister of energy what position is being presented. In the name of open government they have not yet told us, Mr. Speaker. But we do know that the Premier of Alberta is complaining about having to give up part of his heritage savings trust fund, something that even in the darkest days was not an accusation levelled against our party when we formed the government.

Sure we did not elect many members in that part of Canada, Mr. Speaker.

An hon. Member: Not many?

An hon. Member: And less next time.

Mr. Trudeau: Hardly less, Mr. Speaker, but perhaps the same. Because I read in the report of October 25 that the premier was grimfaced throughout and said that he expected the 21 federal MPs from Alberta to support his argument for raising the price of oil.

Some hon. Members: Shame.

Some hon. Members: Oh, oh!

An hon. Member: Stand up.

Mr. Trudeau: I see the Prime Minister smiling, as one of those 21 MPs from Alberta.

Some hon. Members: Hear, hear!

Mr. Trudeau: And perhaps we have there an explanation of the policy that this government seems to be bringing us toward, a policy that is absolutely unacceptable to this country and on which we express violent disagreement. This new era of federalism, what is it now replaced with? Provincial ultimatum, declaration of economic sovereignty, war by press release, uncertainty reigning over all Canada.

From 1973 to next July we were able to establish agreements every year with the province of Alberta.

Some hon. Members: Hear, hear!

Mr. Trudeau: Mr. Speaker, I think that our enjoinder to the government to return to these Liberal policies to re-establish that pricing policy—

Some hon. Members: Oh, oh!

Mr. Trudeau: I see NDP members are anxious to get into the fray.

Mr. Lefebvre: The seagulls again.

Mr. Trudeau: They will want to tell us about their disagreement with the Premier of Saskatchewan. I am sure we will hear about that when they get up.

Some hon. Members: Hear, hear!

Mr. Trudeau: I just want to conclude on this very important subject.

[*Translation*]

Canada is now up against tremendous problems. We may be on the brink of a recession the like of which Canadians have not seen in several decades. We know what threat that represents not only to industry, and the resulting loss of jobs, but especially what danger there is that oil prices be fixed by an international cartel on the backs of the people, which would make heating their houses more costly and would also make the cost of driving their cars go up.

We know indeed that it is not easy to run a country these days. We know that there is inflation in the world, that there is unemployment, but we say to the government, Mr. Speaker, that it is precisely in such circumstances that governments have a crucial and fundamental role to play. We cannot afford to have a government which remains in the background and watches the provinces fighting together. We cannot afford to have a government which thinks that top performance for a government is to let things go. What have we witnessed over the last six months? We have seen a government which is trying to apply a maxim whose author and main proponent is Jim Gillies, always the same, the senior adviser to the Prime Minister, who said:

• (1550)

[*English*]

"The best government is no government". That indeed is what we have, Mr. Speaker.

Some hon. Members: Hear, hear!

Mr. Trudeau: On the supply of essential petroleum supplies, we have a government which dismantles Petro-Canada and lets the multinationals decide on supply to Canada. On emergency situations, we have a government which does not even bother to set up the energy supply allocation board. On prices, we have a government which stands aside and says that we will let OPEC and the province of Alberta decide. On interest rates, it says we will let the United States decide and we will follow their policy, no matter how high it goes.

We have a government which has abdicated the role of government. We have a government which again yesterday was giving us as the greatest examples of being able to bring harmony to federal-provincial relations and to put a new face on federalism, a government that had managed to rid itself of Loto Canada and a government which had managed to rid itself of its jurisdiction over the offshore resources. This is a government which decides that no government is the best government.

Some hon. Members: Hear, hear!

[*Translation*]

Mr. Trudeau: Again yesterday the right hon. Prime Minister (Mr. Clark), in reply to questions on the Quebec referendum, refused to say whether his ministers and supporters would campaign for the "No" option. I understand that the Prime Minister corrected himself by saying that the Progressive Conservatives would participate in the umbrella committee, I believe—

An hon. Member: The lightning rod committee.

Mr. Trudeau: —or the lightning rod committee, the umbrella committee under Mr. Ryan. I do not know if I am interpreting the Prime Minister's statements correctly, but I think that in essence was the correction he made. Yet last Friday, the hon. member for Outremont (Mr. Lalonde) and myself tried four times to get the Prime Minister to say that his ministers from Quebec would campaign for the "No" option. He repeatedly refused to answer this question, and we still do not know what position his ministers are going to take.

Mr. Speaker, I would like to conclude by saying that if the Prime Minister honestly believes that he is going to win Quebeckers by offering them Loto Canada and telling them that his government is prepared to change the status quo, without specifying how he is going to do that, then this government and its Prime Minister do not know Quebeckers very well because they want a government that stands on its own two feet. Quebeckers are going through what is certainly the biggest crisis in their history, a crisis which affects the entire country and challenges its very existence, and which most probably leaves them undecided.

There are some who want sovereignty or independence or separation. There are many more, we believe, who want Canada to survive but they do not want it to be—

Some hon. Members: Hear, hear!

Mr. Trudeau: But they will respect neither a Canada nor a government without leadership; they will not respect Canada if it does not play a role in which Canadians of all origins and especially Quebeckers can recognize themselves. That is why I say to this Prime Minister: the first role, the first duty of a

government is to govern and, in the energy field, we urge them to do so.

[*English*]

Mr. Edward Broadbent (Oshawa): Mr. Speaker, we have just heard why the phrase which was used by my colleague, the hon. member for Mission-Port Moody (Mr. Rose), was so accurate. The Liberal party is clearly a party not in opposition but in exile. It lost its *raison d'être* when it was in government and it has not found its purpose for itself now that it is in opposition.

I rise to support the motion—

Some hon. Members: Oh, oh!

Mr. Broadbent: Our friends in exile laugh. I will see if they are laughing in a minute. We support the motion. We support the words but not necessarily the motives behind them. I can tell the House that.

In campaigning for the May 22 election, the present Prime Minister (Mr. Clark) campaigned on the economy. Before May 22 he said he was concerned about the devastating effects that interest rates were having on the people of Canada. He said they were causing an increase in the cost of living, producing more unemployment and contributing to a lower rate of economic growth.

The Prime Minister was right before May 22; high interest rates do all of those things. My party says that what they did before May 22 they have continued to do since. We have not been able to understand the scintillating logic behind the present government's position. Before the election the Prime Minister was saying that if you have a high interest rate policy, it will produce those bad things. He turned out to be right, but what is his conclusion? His answer was to reproduce the policy which caused all the bad things.

We know that high interest rates are bad for Canadians. We further know that they are unnecessary. I spent the last two days in western Canada. For the benefit of the Prime Minister and his government I want to give some concrete examples from western Canada of the results of his high interest rate policy. First in terms of the cost of living—and this should interest the Prime Minister, coming as he does from Alberta—the cost of living has its effect on every aspect of the economy, whether we are talking about bicycles, food, cars, or any commodity. High interest rates are devastating because they are all passed on to the consumer.

● (1600)

I was watching the news in Saskatchewan two days ago and there was an item coming from Calgary. It said that as a result of the increase in interest rates, not before May 22, not even in the first two months of the summer, but simply as a result of the increases in interest rates which have occurred in the last two months, the monthly carrying charge of a typical home in Calgary had gone up by $146 a month, which means that the average person in that city can no longer buy a home. The average Canadian living in Calgary who is reasonably prosperous can no longer buy a home as a direct result of this government's high interest rate policy. Another statistic which came out during the same program was that housing sales had dropped 22 per cent this year in the city of Calgary because of the escalation of prices, principally due to rising interest rates.

On the same visit to the west I spoke to farmers in Saskatchewan, I spoke to them in Prince Albert, I had a meeting in a small community by the name of Weldon and the farmers there are typical. A typical loan for a farmer, even if he is prosperous, can be up to $15,000 a year when the farmer has to borrow to purchase fertilizer and chemicals to run his operation on a continuing basis. Interest rate increases on $15,000 a year of the kind that have been taking place are devastating for the farmers of western Canada and elsewhere.

I had one moving experience with a man I would guess to be in his mid-sixties who has a farm in Saskatchewan. This man told me that up until last week his son had intended to buy a farm; he had planned to follow the family tradition of farming but with the last interest rate increase that young man concluded he could not afford to carry on the family tradition of farming. He could not afford to buy a farm. That is the fault of the Conservative government and no one else. There are literally in every part of this country examples of this kind that could be passed on, concrete, living examples of the effects of a high interest rate policy in terms of cost. But also they count very seriously and directly in terms of the impact on jobs, in terms of opportunities for Canadian men and women who want to work.

Today in the question period one of our members from British Columbia drew attention in the House to a decision of the largest manufacturer of plywood in that province, Weldwood of Canada Limited, to lay off a minimum of 600 employees. Why? Because of the decline in the housing market. If I had time I could quote a number of statements coming from both management and union in that company in the last 24 hours saying there is one reason and one reason only that housing is running down in British Columbia and across this land. Again it is because of the high interest rate policy of this government. The point I am making is that it is jobs that are affected in this case, not just the cost of living.

I particularly want to draw attention to small businessmen. Large companies in the main generate their own capital but small firms throughout the land do have to go to the banks or the credit unions or the caisses populaires. The problem facing small business is that in today's circumstances not only are they unable to obtain at reasonable rates the capital needed for expansion, but in some cases they are obliged to shut down completely and lay off Canadian workers. The point I am making, and it has been made by many members in my party not only since the election but before, is that a high interest rate policy, whether it comes from the Liberals or from the Tories, is equally bad for the country in its effect upon job creation and the cost of living.

I want in particular to pay tribute to the argument that was put by my hon. friend from Broadview-Greenwood (Mr. Rae) to the Standing Committee on Finance, Trade and Economic

Affairs—and it was not in any way answered—that not only are high interest rates damaging to the people of Canada, but they are unnecessary. I do not have the time to repeat the argument but I ask the Prime Minister, if he does not accept the argument coming from the New Democratic Party, to read the columns by Mr. Don. McGillivray, an independent economist, a fair-minded man who had reached the same conclusion. Will he read a report which was published, I understand, in the last 24 hours by two Toronto economists, Roger Donna and Doug Peters, who have done a critique of the Bank of Canada's policies over the past five years and, related to that, a critique, therefore, of the Liberal party and the Conservative party who have been responsible for the Bank of Canada policy. They drew the conclusion that not only are the effects of high interest rates harmful to our people in the short run; they are economically unnecessary and are very bad indeed for the long-range growth of this country. I say on behalf of my colleagues, the Prime Minister was right when he criticized high interest rates before May 22. The same arguments hold today and it is about time he lived up to his promise to bring them down.

Some hon. Members: Hear, hear!

Mr. Broadbent: I want to turn now to oil pricing. The position of my party has been again consistent on this issue. We have said that at this time it is wrong, given the state of the Canadian economy, to move upward to world prices. We think that is a serious mistake both because of its effects on the inflationary side of the ledger and on the job creation side. It is very negative at this time to move in that direction. We have pointed out that other countries which are oil producers—Venezuela, Mexico, Saudi Arabia—manage to produce oil and gas for their own people at prices lower than they charge to the world community because they sensibly understand that with lower prices you help your domestic industry, you help your consumers. We believe our resources should be used for that kind of benefit here.

In this context we urged the government as recently as last week to establish what we have called a commission on oil prices and profits, not one which would arbitrarily roll back every proposed increase but one which would operate with some intellectual and economic sophistication, which would look at price increases and, where they are unjustified, as in the case of multinational corporations which have taken, as even President Carter in the United States recognizes, rip-off profits, would have the authority to order rollbacks.

Yes, we have said that and we believe it. We have also said such a commission should come before the government and make serious recommendations for price increases, if and when necessary, to produce investment, to get new sources of energy at terms we think reasonable and compatible with the Canadian national interest and not compatible simply with the interests of the multinational corporations. We stand by this argument today.

I say to the Prime Minister in this context that if ever there was a time for the relevance of Petro-Canada, it surely is when we are talking about oil prices. I say this in terms of the need for more competition at the retail outlets in Atlantic Canada where Irving and Imperial Oil own 60 per cent of the retail outlets, but more particularly I say it, Mr. Speaker, with reference to the negotiations taking place for the development of our tar sands, the oil sands project which is now being discussed, as well as others. Shell wants up to 20 per cent guaranteed profit for that development.

• (1610)

My party says that we have PetroCan which has acquired expertise in the Syncrude project and which has the technical know-how. PetroCan can get the equipment and it should be doing the job for the people of Canada without earning a profit in that project.

Some hon. Members: Hear, hear!

Mr. Broadbent: So we are saying that all the oil price increases which the Minister of Energy, Mines and Resources (Mr. Hnatyshyn) and the Prime Minister like to use to justify funds for resource development in the north are simply unjustified, because we have a Crown corporation that can do that job for the people of Canada at cost.

Some hon. Members: Hear, hear!

Mr. Broadbent: Next I come to the very important matter of heating oil shortages. This is a real problem which cannot be ignored, and it is not something that is in the future. The National Energy Board said on the weekend that it would be rash to predict with certainty that Canadians will be free of oil supply problems this winter. That is a warning and it is not new now. We have been arguing a workable solution to this for a couple of years. On the one hand we have said that the National Energy Board should never be signing carte blanche authorizations for the export of home heating gas or oil months in advance. In every kind of export contract that is negotiated there should be a qualifying clause which says that if a shortage should emerge in Canada, oil and gas will have to stay to meet Canadian needs.

Some hon. Members: Hear, hear!

Mr. Broadbent: The second point I make in that regard is that here again we have a clear argument for Petro-Canada. Just a couple of weeks ago we had an amendment to the Liberal motion which said that Petro-Canada should become the exclusive importer of offshore oil, and one of the reasons we made that argument—again, I repeat, not just currently but for some time—is that we saw what happened last winter in the province of Quebec when the Exxon Corporation and its subsidiary here in Canada, Imperial Oil, was detouring supplies headed for this country. We have seen the multinationals cut off the independent dealers when it suited their purposes, and we have said that Petro-Canada should become the exclusive importer of oil so we will not be held up to blackmail by the multinational corporations. On this particular point I underscore the reality that when we had that motion before us,

not only did the government vote against it and the Social Credit party vote against it, but the Leader of the Official Opposition (Mr. Trudeau) and his party voted against it; and now they are expressing concern here.

For all these reasons, we will certainly support the motion that is before us today. The government has not come through at all in terms of its pledges to deal with the Canadian economy. Today I have emphasized in particular the question of interest rates. Second, the government has produced no energy policy at all except that dictated by Peter Lougheed on the one hand, and the multinationals on the other.

Having said that about the government, I now want to turn briefly to the Liberal party. We have seen a presentation today coming from what has become the most cynical political party in Canadian history without doubt.

Some hon. Members: Hear, hear!

Mr. Broadbent: They are utterly shameless about the way they have reversed themselves overnight, not only on matters in general but, as I shall indicate, on virtually every aspect of the motion they presented to the House today, and they do it shamelessly. The reality of the Liberal party at this point in its history is that it is functioning without either intellectual substance or a moral core. Its sole concern has become the pursuit of power. That is the *raison d'être* of the Liberal party as it exists today.

Mr. Axworthy: It takes one to know one.

Mr. Broadbent: The present Leader of the Opposition—and I use the words with some care because that is the title—has said that the Liberals in Canada have become a party of the radical centre.

An hon. Member: Right on.

Mr. Broadbent: A Liberal says "right on". I would suggest that a more accurate description is that they have become the party of the cynical centre or, more precisely, the party of the dead centre.

Some hon. Members: Hear, hear!

Mr. Broadbent: In every aspect of this motion we can see cynicism at work in the Liberal party. It was the Liberals who began, in the summer of 1978, the current economic philosophy that has been implemented by their friends who now constitute the Government of Canada. It was the Liberals who introduced UIC changes which brought in the cutbacks in the summer of 1978. It was the Liberals who first promised to privatize a number of Crown corporations and who produced, not one, not two, not three but seven increases in interest rates between January 1 of 1978 and the time when the new government was elected. Seven increases in interest rates! Now they have the nerve to get up hypocritically and attack the government for carrying on their good Liberal tradition. I ask you, Mr. Speaker.

[Mr. Broadbent.]

Similarly, the Leader of the Opposition has spoken with care about the problem of heating oil shortages. When shortages appeared last winter, the Liberals, who were then in government, responded in their typically direct, forthright and forceful way: they had an investigation. That was it. Then on the weekend—this weekend—when the NEB drew the attention of the people of Canada to the fact that we may have some shortages, they said the shortages were not due just to the present government permitting exports to take place of this important commodity but it was the previous Liberal government which last winter went on permitting NEB to negotiate export contracts for home heating oil that are now putting our people in jeopardy this winter. The Liberals were doing it themselves.

An hon. Member: Morals of an alley cat.

Mr. Broadbent: As to the question of oil pricing—Mr. Speaker, I see my time is just about up. I wonder if I could extend my comments for a few moments, if the House would courteously grant me that time to wind up my remarks quickly.

On the question of oil pricing about which the Liberals are so concerned today, I should like to quote the former minister of energy, mines and resources who, not five or six years ago but on November 30, said:

> Our policy has been and still is, to move crude oil prices at the well head toward world levels.

The motion calls our attention to changes which took place in terms of interprovincial agreements; that is of the then Liberal government and the provinces. I would remind the Leader of the Opposition that it was the present official opposition which, when they were in government last winter, changed the existing agreement. There was supposed to be a unilateral price increase of $1 a barrel last January 1, but the Liberals in government thought an election was coming for some reason so what they did unilaterally was to postpone—unilaterally, I stress for the Leader of the Opposition—the increase on January 1.

Mr. Trudeau: That is not true.

Mr. Broadbent: They initiated the change. The Leader of the Opposition can correct this later if he wants, but we all know that a change was to come into effect of $1 a barrel and it was postponed until July, July, of course, coming after the election. Now that they are in opposition they have changed their tune completely.

● (1620)

I should like to quote the Liberal energy critic who said the following in the House:

> Let us not slavishly follow a price set up by the international cartel which is called the OPEC countries.

That statement was made by one of the classic hypocrites to my right.

Some hon. Members: Hear, hear!

Mr. Broadbent: In conclusion, the people of our country want a sensible economic policy, particularly as it pertains to interest rates, and a sensible energy policy, particularly as it relates to the questions of supply and price of oil and gas. They should look neither to the Liberals nor to the Tories because they are interchangeable. We support the wording of this motion, but we categorically reject all the cynical motives which lie behind it.

Some hon. Members: Hear, hear!

Right Hon. Joe Clark (Prime Minister): Mr. Speaker, I was very interested in listening to the attack of the hon. leader of the New Democratic Party on the Liberal party. I will not try to create the suspense the leader of the NDP did, and I will announce at the outset that I intend to oppose this motion.

Regarding the speech of the hon. Leader of the Official Opposition (Mr. Trudeau) who introduced the motion before us today, I suppose the part which struck me most, and that I found frankly saddest about his remarks, was that frequently he urged this government to come back to the policies of his government, to return to the policies of his government, to look backwards. Fundamentally that is the reason why there was a change in government on May 22: Canadians had had enough of a government looking back. They wanted a government that was looking forward, that was prepared to come to grips with the challenges and the problems of the Canadian people. That is why we were elected. That is true.

Some hon. Members: Hear, hear!

Mr. Clark: I want to deal directly with the questions laid out in the motion, even though they were not all addressed by the Leader of the Official Opposition.

[*Translation*]

I would like, first, to deal with the question of oil supplies to Eastern Canada, namely Quebec and the Maritime provinces. I believe the best way to describe the situation at this time is to say that it is tight but under control. The Minister of Energy, Mines and Resources (Mr. Hnatyshyn) as well as the chairman of the National Energy Board have been constantly monitoring the situation for weeks and months.

We did not wait until we had a crisis this winter to act, and concrete steps have been taken to deal with any major problem that could occur in coming months. That is why the volume of our exports of crude oil abroad have been reduced considerably, in fact nearly eliminated so as to fully meet the demand by Canadian refiners. With the approval of the government, the National Energy Board is allowed to swap Canadian western crude for additional supplies of foreign oil to eastern Canada. The National Energy Board recently approved swaps totalling 2.5 million barrels that will practically all go to Quebec refineries.

In addition, the National Energy Board asked Interprovincial Pipe Line to amend its regulations so as not to penalize corporations that have not done business with it in the past. That will have a direct effect on a group of heating oil distributors in Quebec who are thus given access to 450,000 barrels of crude oil from western Canada. Other steps that would take too long to enumerate here today have also been taken to ensure as much as possible the security of oil supplies to Quebec and the maritime provinces.

However, I would like to add that if we were to face major interruptions in coming months we will not hesitate to use the powers we have under the Energy Supply Emergency Act. I do not believe this will be necessary but if the situation ever called for it, my government will not hesitate to act so the citizens of Quebec and the maritimes will not have to face an oil shortage this winter.

[*English*]

I think there was probably no stranger part of the motion than the condemnation of the government for "its failure to support existing intergovernmental agreements on oil pricing and supply". All members of the House and the Canadian public should be very clear as to exactly what that means. It suggests that this government and this Parliament should be content to rest with the status quo, that we should ignore the need to face the facts of the Canadian future, that we should be content to rest in the past and to put up with policies which have failed in the past. That is the recipe, the prescription, of the former government opposite, that backward-looking group which earned its way out of office and now is forgoing any possibility of getting back into office because it refuses to look to the future and continues to be preoccupied with the past.

Some hon. Members: Hear, hear!

Mr. Clark: Let me spell out for the House and the country exactly what the oil policies of the old government have achieved and would achieve for our country if we were prepared simply to put up with the status quo. The policies of the old government have reversed dramatically Canada's traditional strength in international oil trade. In 1974 we had an oil trade surplus of $1 billion. Last year we had an oil trade deficit of $1 billion. If existing policies are left in place, we could have an oil trade deficit of $6 billion by the mid-1980s. That is the prescription of the Liberal party. That is not the future this government will accept for Canada.

Some hon. Members: Hear, hear!

Mr. Clark: Because of those policies and because of what they have done to our dependency on imported oil, the cost of oil has become a major contributor to the federal deficit. This year alone it is costing the Government of Canada $1.8 billion to offset our dependence on imported oil. Under the policies we inherited, that cost would double to $3.6 billion by 1985. The policies of which those opposite are so proud produced last year a shortfall of 345,000 barrels a day between Canadian oil production and Canadian oil needs. If we followed the advice of the former government simply to look to the past and ignore the needs of the future, those policies would widen that shortfall to 640,000 barrels a day within five years.

Severe Economic Hardship

The old policy has resulted in a widening gap between Canadian oil consumption and the discovery of new Canadian reserves. Since 1974, when OPEC alerted any government which had its eyes open to the need for strong national action, we have been consuming in this nation an average of 648 million barrels of oil each year and adding barely 100 million barrels to our known reserves.

Those same policies of the old government have done little to restrain energy demand in Canada or to encourage Canadians to eliminate waste and inefficiency in their consumption of energy. We remain the largest per capita consumers of energy in the western world. During the first nine months of this year, our consumption of gasoline was up more than 4 per cent. Not only does that represent virtually no progress in energy conservation, it threatens the commitments Canada made to its world allies through the International Energy Agency and at the Tokyo Summit.

Those are the principal results of the policies of members of the old government who want to turn back the clock and say that we should leave them untouched. They are a prescription for energy failure in a country which has a rare opportunity for energy success. They may be acceptable to the Liberals and the New Democrats, but I say to the House of Commons that they are not acceptable to this government and the people of Canada.

Some hon. Members: Hear, hear!

• (1630)

Mr. Clark: Because they are not acceptable is precisely the reason we have been conducting extensive negotiations with the provinces, to try to come forward with a new energy package that will not only deal with price but will deal with other instruments and other aspects of a policy and a package which can make this nation self-sufficient in energy by 1990, which can make energy a building block for the future of Canada rather than an obstacle to our growth, as has been the case with the policies followed and still pursued by the old government.

I want to deal with the accusation of an inability to conclude an agreement on energy pricing. My government is working towards agreement with the provinces in ways that were perhaps contemplated by the last government but were rarely pursued by them. We are making progress and we are confident of reaching agreement on an energy package soon. Obviously, with our discussions continuing, it is not appropriate for me to get into the content of an energy package today. But it is probably worth while, and even instructive to members opposite, to examine the process that we have followed.

We are not, and we do not pretend to be, miracle workers in getting agreement in a complex federation. It takes time to reach agreement in an atmosphere of reasonableness and in an atmosphere of co-operation. On the rare occasions when the last government talked to the provinces that must have been evident to them. I remember a day in 1976—

An hon. Member: Have you talked to Saskatchewan?

[Mr. Clark.]

Mr. Clark: The leader of the New Democratic Party asks if I have talked to Saskatchewan. Yes, I have, and I wonder if he has.

Some hon. Members: Oh, oh!

Mr. Clark: I remember a day in 1976 when the then minister of energy, mines and resources reported that more than six months of talks and meetings had preceded decisions on new oil and natural gas prices. His statement to this House in May of that year made reference to meetings as long before that as December, 1975. Far more often, unfortunately, the government of that day, the old government, could not be bothered with that kind of consultation, although it occasionally paid lip service to it.

The prime minister of the day talked from time to time about not wanting to act unilaterally, about bringing the provinces into discussion, but what happened? What happened, as demonstrated clearly by the events of 1977, was that he would set a price agreement and then his government unilaterally broke that agreement, and consequently poisoned relations on energy questions between the federal and provincial governments.

Some hon. Members: Oh, oh!

Mr. Clark: Sir, we do not operate that way. We are working with the provinces towards building a stronger Canada. We are planning and we are building together, and the current discussions on energy are part of that process. We are not raising in this chamber the spectre of unilateral action. We are not running around suggesting that we have an emergency power or a declaratory power with which we can threaten the provinces. That is what we are advised to do by the old government opposite, and that is exactly why, because they followed that approach, the old government opposite was so unsuccessful and failed so dramatically in getting agreement among the provinces of this country and the national government on how we can make use of our unique and virtually limitless, in all of its aspects, energy potential.

Let me be quite clear that we are prepared to accept our responsibility as a federal government to move by ourselves if we have to, but we do not use that as a club or as a threat or as a weapon. I believe that we must try, and must try 110 per cent, to get agreement by agreement before resorting to other alternatives of menace or of threat.

We have not yet reached that limit. Indeed, we are making positive advances towards agreement. Indeed, I can report to the House that we have now reached a point in the discussions with the provinces where I think it would be useful to bring together the first ministers of Canada to discuss energy matters; a broad package of energy matters. I will be convening a meeting on Monday next, November 12, here in Ottawa of the first ministers.

Some hon. Members: Hear, hear!

Mr. Clark: Sir, our principal objective in working towards a new energy package with the provinces is first and foremost to achieve energy self-sufficiency for Canada by 1990, so that by then no Canadian will have to depend on insecure or unreliable foreign sources to heat his home or to drive his car.

In moving toward that fundamental goal we also want to reinforce the commitment of this nation to a new era of co-operation with the provinces, to demonstrate our belief that, given clear and stable direction, the private sector can meet Canada's energy needs, and to use the opportunity that self-sufficiency provides significantly to increase Canadian participation in the development of our nation's energy resources.

Some hon. Members: Hear, hear!

Mr. Clark: Sir, no one in this House is satisfied with the degree to which our energy development in Canada is dominated by firms controlled outside Canada. But it is important as we lament and oppose that situation that we understand how it happened. That situation arose because of past government policies, going some distance back, that made it more attractive for foreigners than for Canadians to develop our resources. It was reinforced by existing fiscal policies which, without any offsetting initiatives, tended simply to reinforce the status quo. Sir, we in this government are determined to change the status quo in terms of Canadian participation in Canadian energy development.

The additional investment resources that will be available through changes in pricing policy will provide us with an opportunity to do that, and we intend to seize that opportunity to help more Canadians control more of the Canadian energy industry.

Some hon. Members: Hear, hear!

Mr. Clark: Among the elements of a new energy policy under discussion with the provinces we are proposing the creation of a national instrument to provide a significant source of capital investment in major new energy projects across Canada. That concept appears to have general approval among the governments involved and we are hopeful that such an institution would have broadly-based support from those governments.

The creation of an institution like that will provide a specific source of funding, separate from other claims on the fiscal resources of government, to support projects ranging from coal development in Nova Scotia through a gas pipeline in Quebec and the development of additional hydro resources in Manitoba and Newfoundland.

By placing a strong public financial commitment at the front end of those projects, their development will be more certain, their development will be quicker, and they will come on stream to serve the interests of Canadians much more quickly than they would without that instrument.

In supporting those policies, in supporting those projects and in investing those new financial resources, it will be a basic principle of this government to encourage the maximum possible Canadian participation. We all know, those of us who are prepared to look at the facts of what is happening in the energy industry, how the use of special incentives by the government of Alberta in regard to increased exploration and development of natural gas led to a considerable increase in the role of Canadian-controlled companies in that area.

Some hon. Members: Oh, oh!

Mr. Clark: The leader of the New Democratic Party scoffs. I ask him to check the record because the record is there. It was a method that was brought in and it has resulted in Canadian control to an increasing degree of an industry that has too long been controlled by foreigners.

I sympathize with the leader of the New Democratic Party. It is often difficult when reality collides with ideology, but this government is determined to govern on the basis of the real situation and the real potential of this country. We differ from the New Democrats in that we are not caught up in ideology. We differ from the Liberals in that we are not preoccupied with the past. We are determined to build a Canadian future in this country.

I had referred to the experience in Alberta, and I say to the House that I am convinced that an ability to back up the entrepreneurial skills and technical expertise of Canadians with major financial support can be equally productive in strengthening Canadian participation in other important energy developments.

Some hon. Members: Hear, hear!

• (1640)

Mr. Clark: The last item in the Leader of the Opposition's motion concerns interest rates. No one in this House, and I am sure no Canadian, likes high interest rates. We all want them lowered and this government is determined that they be lowered, not by instant magic, because there is no magic, but by taking the tough decisions now that are essential if we are going to restore the Canadian economy to the kind of strength that will allow more moderate rates of interest in the future. That, sir, is our medium-term goal and we are dedicated to it.

However, the issue in this motion is the short term—whether the government had any immediate alternative but to accept the advice of the governor of the Bank of Canada and, indeed, what the consequences following an alternative course might have been. The hard reality is that the economic circumstances we inherited from the old government left us with no short-term alternative. In fact, on becoming the government it became apparent to us that the mess was even worse than we suspected and that our immediate options were even more limited than we thought they were. We knew that we were inheriting a budgetary deficit of $11 billion, the largest in Canadian history. We knew that we were stuck with a balance of payments deficit of some $7 billion, the worst per capita deficit in international dealings of any western nation.

But let me tell the House a few of the facts we found out only after we became the Government of Canada. First,

because of the previous government's commitment to secrecy, we did not know that the trend in government finances was exactly opposite to what Canadians had been told by the old government. We found that long-range forecasts, which we made public for the first time, showed the federal deficit increasing to $14 billion by 1983 and the public debt actually growing dramatically again with the next five years.

Secondly, we had been told by the former minister of finance, as recently as his last budget, that the Canadian economy was entering into a period of, to use his words, "sustained expansion". What we found in fact was an economy here and in the United States sliding toward a recession, not moving toward sustained expansion.

The third thing we found was that the accounts of Canada, as presented by the old government, simply did not represent the true financial position of the country. In the Accounts of Canada Adjustments Act, the previous government proposed to write off some $3.5 billion in dubious assets, an action which might not affect cash requirements but which certainly had an impact on the country's net debt and debt servicing costs. Similarly, we found Crown corporation borrowings of as much as $1.5 billion which were not entered in the accounts, even though they were a contingent liability of the government. We found a number of capital projects with costs virtually out of control, from the Prince Rupert grain dryer, where costs had multiplied five times, to the Mirabel Airport losing $1 million a week and requiring expenditures of hundreds of millions of dollars before it could even achieve solvency.

[*Translation*]

Mr. Speaker, faced with this legacy, no responsible government had any other alternative but to accept rising interest rates. Our government made a difficult but responsible choice. Let me also tell you the other solution we could have adopted. The Liberals as well as the New Democrats have hinted to the Canadian public, without ever making their position clear, that there was an obvious way out, which as Canadians should know, which had the full support of the opposition, namely, to reject the advice of the governor of the Bank of Canada.

Such a decision would have had dire consequences. The governor might have felt he had to resign, as the government's decision would amount to a lack of confidence. Given the present economic situation, such a resignation might have provoked a wind of panic on the Canadian stock exchange and dealt a hard blow to Canadian currency. Even without the Governor's resignation, our dollar would have been affected by our $7 billion trade deficit, followed by a drastic depreciation of our dollar and serious inflationary consequences for our country.

Such was, Mr. Speaker, the short-term choice the government had to make. I hope the representatives of the two parties opposite will have the courage to rise before this debate is over and tell this House and the Canadian people that it was the option they supported.

[*English*]

We are faced here with a ritual motion of non-confidence from a government that is so preoccupied with its past that it will—

Mr. Munro (Hamilton East): Government?

Some hon. Members: Oh, oh!

Mr. Clark: —by a group who consider themselves a government and who are so preoccupied with the mistakes that they made in the policies to which they were committed in the old days that they refuse to face the future of Canada. We on this side of the House are not afraid of the future of Canada. We will not accept the advice of those opposite, that we either succumb to ideology suggested by the New Democratic Party, or we lock ourselves in the past and shut our eyes to the future that can be gained in this country.

We have in the energy resources of this nation a tremendous potential upon which to build as a nation. It is a potential which was there under the old government, but which it refused and failed to take advantage of. We do not intend to perpetuate that failure or to continue in the path of shutting our eyes to the great energy potential which exists in this country. We are a nation which need not depend on foreign sources. We are a nation which need not subject the people of Quebec and Atlantic Canada to an increasing dependence upon unstable foreign sources. We are a nation unique among the nations of the world which has the possibility to build upon our own energy strength. That is what this government intends to do.

If those opposite want to risk a general election on a question of the past versus the future, then we will go with confidence into that election, speaking to the future and certain that the people of Canada, given a choice or forced to make a choice between a government that wants to govern and a party opposite that wants to politic, will share with us the confidence that my ministers and I have in the future of this country.

Some hon. Members: Hear, hear!

Mr. Speaker: Order. I see three members seeking the floor and, of course, it is my responsibility to choose. Since the first day of this session, I have attempted to reconcile in my own mind events that have taken place and which, I am sure, have not escaped the attention of the members of this House. They relate to the position of the members of the Social Credit party in the House.

We ought to be clear at the outset that it is not a transgression of propriety to mention the name of the political party or the members who are involved; it is the Social Credit Party of Canada. Its members are members of this House of Commons and their leader is the hon. member for Beauce (Mr. Roy). Those are the realities.

What the House dealt with on opening day, as is its long-standing practice, was a motion which related to membership on a striking committee. I indicated at that time that the result

of that vote carried much more significance than simply that, that each participant in the debate indicated that it related to the opinion of the House on the rights of the members of the Social Credit party vis-à-vis that particular committee.

There was no doubt in anyone's mind that this House was addressing itself to that rather larger question of the entitlement of the Social Credit party at that time, even though, naturally, the members of that party have raised, by way of a point of order, the question whether or not it was a proper thing to do or whether a proper significance could be drawn from that vote.

• (1650)

I want to go back to that and stress again to the House that that vote, even indicating, as it did, that the House was reacting or expressing itself on the position in which a member or members of a party holding five seats finds itself in the House of Commons, I think we ought to be clear that that is the status: we have a political party with a leader and with five members in the House of Commons. The vote under no circumstances, may I say, can be taken to pass out of existence a political party, nor can it be taken to render as independent members the group which has been recognized as a party and which has, in fact, been seated together as a political party. The Social Credit Party of Canada exists as a political party and the five members exist as members of that party under their leader.

Faced with the decision by the House on the one hand, which was, in my opinion, an expression of what the entitlement of that group then becomes, the House decided at that time that that group, as a political party in the House, was not entitled to membership automatically on the striking committee. The House is entitled to make those expressions because the House has to decide whether a party of five members is entitled to the same things as a party of 26 members or a party of 112 members. Those are decisions that the House has to make. The House, in my opinion, made a declaration to that effect on that day, and I have said so several times. I have no intention of retreating from that position.

On the other hand, it seems to me that the responsibility of the Chair and the responsibility of the House of Commons is to protect whatever rights minorities do enjoy and, therefore, it seems to me that I must conclude what it is that the members of the Social Credit party are entitled to. For example, as I have said, participation in the question period is their right, the same as any other group of five members. It is not difficult to calculate mathematically what five members are entitled to as a proportion of the 26 members and a proportion in terms of the 112 members that sit opposite them. Therefore, I come to the conclusion that the members of that party are entitled to a certain participation.

The House will recognize in what I have tried to do, I think both representing the spirit of the protection of minorities in the House and also, I think, the generosity of the House, that what those members are entitled to can be given to them with a generosity and a recognition that respects the fact that they are members of a political party, so long as it does not give them an advantage that they would not otherwise enjoy as five members and, secondly, so long as it does not deprive other members of their right to participate in some way.

Let me extend that thinking so that there can be no doubt about it. For example, if this were a Wednesday and we were concluding debate at six o'clock, it would seem to me that to recognize a member of the Social Credit party at this time would be to give them a right which they would not otherwise enjoy because the debate would stop at six. It would give them a participation in the debate which is disproportionate to the presence of five members in the House.

On the other hand, this debate is not going to stop at six o'clock; it is going to stop at 9.45 p.m. I therefore take this view, as I have done in question period, that members of the Social Credit party are not entitled to put a questioner up every day. They are entitled to two out of three or perhaps three out of five in a week. It seems to me, however, that the sensible and proper thing for the Chair to want to do, giving them only what they are entitled to, is to try to give the opportunity to them in such a way as to recognize the existence of a political party. It is not something that the House can simply wipe out of existence.

Similarly, today when I see on the list that in rotation the hon. member for Beauce is going to address the House in this debate, it is therefore to no cost of other hon. members in terms of participation for the House to take the generous attitude that he ought to be treated as a party leader, which he is.

Some hon. Members: Hear, hear!

Mr. Speaker: Therefore, guarding always the position that I must examine and that no privileges can be given to that party which might unfairly cost the participation of other hon. members, always when I can I ought to try to give them their fair participation and fair share in that way. Again I say that in the question period not every day shall it follow right after the participation of a New Democratic Party member, but some days it will. Other days, as it did today, it will come later in the question period. Where possible I think the House ought to extend at least the generosity to give members of that party what they are justly entitled to, but to give it to them wherever possible in such a way as to recognize their position as, in fact, a political party in Canada.

For that reason I therefore now give the floor—

[*Translation*]

—to the hon. member for Beauce (Mr. Roy).

Mr. Fabien Roy (Beauce): Thank you very much—

[*English*]

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please. I can be spoken to and consulted about this at another time. It is always at the absolute

discretion of the Chair which member shall be recognized. The hon. member for Beauce.

Mr. Pinard: A point of order, Mr. Speaker. I rise on a point of order.

Some hon. Members: Oh, oh!

An hon. Member: That is not fair.

Mr. Speaker: Order, please. Order, please. The hon. member for Beauce has the floor.

[*Translation*]

Mr. Roy (Beauce): Thank you, Mr. Speaker.

Mr. Pinard: Mr. Speaker, I rise on a point of order. I move, seconded by the hon. member for Longueuil (Mr. Olivier), that the hon. member for Winnipeg-Fort Garry (Mr. Axworthy) be now recognized.

[*English*]

Mr. Speaker: Order, please. The hon. member will realize that he must have the floor to put that kind of motion. The hon. member for Beauce has the floor.

Mr. Ouellet: He did have the floor. You recognized him.

[*Translation*]

Mr. Roy (Beauce): Thank you, Mr. Speaker. We have just realized a number of things.

Mr. Gauthier (Roberval): There are still honest people!

Mr. Roy (Beauce): Mr. Speaker, we have before us this afternoon a non-confidence motion put forward by the Leader of the Opposition (Mr. Trudeau). The motion reads as follows, and I quote:

> That this House has no confidence in the government because it will cause severe economic hardship for the Canadian people this winter: first, through its neglect of the grave possibility of shortages in heating fuel; second, through its failure to support existing intergovernmental agreements on oil pricing and supply; third, through its inability to conclude agreements preventing immoderate price increases in the future; and, fourth, through its acceptance of record high interest rates.

Mr. Speaker, I would like to point out that making up one's mind on such a motion is a very difficult and delicate task. Canadians who are now listening to us must also be in this same predicament for if such a motion were to be accepted, this non-confidence motion against the new government would be tantamount to a confidence motion for the previous government.

Since coming to this House, I have heard hon. members from the opposition question the government. They ask the same questions the new government members were asking when they were the opposition. And I have heard government members, the new Prime Minister (Mr. Clark) for instance, give the same answers as the previous government did when they were in power. I see the Prime Minister shaking his head. If he would read his statements and compare them with those made by the former prime minister, he would have to agree on this.

I paid close attention today to the speech delivered by the mover of the motion, and to the answer given by the Prime Minister, after listening of course to the remarks made by my colleague, the Leader of the New Democratic party (Mr. Broadbent).

The former prime minister said the new prime minister was an irresponsible leader, that he was incapable of finding solutions to our economic and energy problems. On the other hand, the new prime minister suggested that the former prime minister, when in government, was totally incapable of solving the economic problems and bringing true solutions to any of the areas of concern to Canadians. In other words, they accused each other and Mr. Speaker, I am reluctant to use these terms, because they are hardly parliamentary, they accused each other of being incompetent, so to speak. Seriously, Mr. Speaker, I am wondering whether both were not right to some extent. The Canadian people chose to elect a new government on May 22, and why? Because things were not working any more, and the previous government's deficits had become unacceptable. I heard the former Prime Minister suggest earlier before the House that the high cost of energy will amount to about $300 per capita, and this seems inevitable.

● (1700)

But he did not mention that in the last three years, budgetary deficits have put a yearly $500 debt on the back of every Canadian. The former prime minister did not mention that. And yet, it is a fact, because every year Parliament has to vote huge amounts in order to pay the interest on such a fantastic debt that long-term borrowings are now needed to make up the yearly budgetary deficits.

Mr. Speaker, how can we believe that the former prime minister, the sponsor of this motion, is sincere when he or his group does not seem any more able today than they were six months ago to settle our problems? That is why I would like to come back to the motion which is in four parts. First, it mentions the grave possibility of shortages in heating fuel. I feel this first part of the motion is extremely important. The second part deals with agreements to prevent price increases. I must say that to prevent an agreement on price increases in this inflationary period shows a very partisan attitude, because the present system, that no one on either side of the House seems willing to change, should be really improved so as to bring about the same results on both sides. So I really wonder if the second part of the motion can be called anything but partisan.

As concerns the third part according to which the government does not support intergovernmental agreements and

which refers to future negotiations, I think that only a prophet could predict the future. That is why I find somewhat ridiculous the third part of the motion. The fourth refers to interest rates, and I contend, Mr. Speaker, that it is completely irrational.

I had the opportunity, like my colleagues from various political parties, to question the governor of the Bank of Canada when he appeared before the parliamentary Standing Committee on Finance, Trade and Economic Affairs, and I asked him personally if he always had to follow the lead of the Federal Reserve Board in increasing interest rates and if he had to pursue the policy of the previous government because, as loyal knaves, they faithfully repeated, as if they had been tape-recorded, the decisions of the Federal Reserve Board. They have followed exactly the same policies. Neither government has proposed any short, medium or long-term solutions. So, when the former government speaks about Quebec when it has absolutely nothing to propose, I say it is wasting the time of the House.

As reported in *Hansard*, the governor of the Bank of Canada said that he had practically no room to manoeuvre and no authority, when he implied that the huge budgetary deficits of the government, the huge deficits of the balance of payments do not leave him any room to manoeuvre, and in order to save the dollar or maintain its value, he has to follow the instructions of the Federal Reserve Board.

When such an important man, a man who holds the high office of governor of the Bank of Canada, is reduced to saying such things, there is something wrong. If he could, he would say that had we had governments able to govern, able to make decisions in the interest of all Canadians, he would not find himself in such a ridiculous situation.

Obviously, a motion of non-confidence like the one before us today is exactly the kind of motion designed to make people believe that after four months of reflection and frustration in the opposition, some already have answers to our problems. This is an attempt to fool the people of Canada and to mislead them by throwing a red herring across the path so as to divert everybody's attention from 15 years of negligence and administrative irresponsibility.

Mr. Speaker, when we consider that the sum total of these deficits represents almost 6 per cent of the gross national product and consequently erodes—

An hon. Member: The hon. member is afraid of losing his job!

Mr. Roy (Beauce): Some hon. members are annoyed. It always hurts to be told the facts. However, since my arrival in this House, I have always had the courtesy to listen without ever interrupting, and I ask to be treated with the same courtesy.

Severe Economic Hardship

When one considers that the total of these two deficits represents close to 6 per cent of the GNP and consequently erodes nearly 25 per cent of the present and future savings of Canadians, it is time to start asking ourselves some serious questions. To blame this government when you are the ones mainly responsible is somewhat ridiculous, but still not surprising coming from those who brought about the present situation.

The infringement of civil liberties—we shall have some other chance of bringing this up. The encroachment upon provincial rights—we shall have the chance of discussing this much further during the forthcoming few weeks or months, also the basic violation of the right to economic progress of the Canadian people throughout the country. The third point is absolute nonsense: blaming the government for failing to bring about agreements preventing price increases is pure fantasy. Indeed, Mr. Speaker, the situation inherited from the previous government amounts to a complete surrender to foreign capitals. We have become a sort of subsidiary for foreign financial interests and the Canadian monetary policy no longer originates in Canada. We have no such policy. It is based solely on the decisions of others, and both the present and the previous governments have admitted to what extent the situation has deteriorated and the new government seems to realize the facts.

Mr. Speaker, this abdication before foreign capitals is reflected by the constant increases in our exports of raw materials. We export our raw materials and import finished products. We have only to look at our trade balance to realize this. This complete abdication is reflected by the naïve will to believe that pious wishes can replace political leadership. When I say "pious wishes" I am referring to both the new government and the former government because they are no longer responsible for the management of the nation's business.

This surrender is reflected in the fact that the financial situation which the present government is facing is such that they must borrow to pay the interest on the debt, to improve our balance of payments and to attract international capital, which makes us even more dependent on foreign finance and in the long term only increases the deficit of the balance of payments.

Because of the legacy of the previous government whose basic misunderstanding of business structures becomes more obvious every day, the Leader of the Opposition is stating in his motion:

—its inability to conclude agreements preventing immoderate price increases in the future;

In the first place, agreements on price increases, as far as I know, are prohibited; I venture to say that the Leader of the Opposition has made a mistake. Second, future prices—there again is the height of ridicule. Through what, where, when and

how was the future revealed to the Leader of the Opposition? After all, these people should be more serious.

Mr. Speaker, I could dwell at length on our economic situation, on the way the country has been managed during the 15 or 16 years of Liberal rule, on the way this wavering government seems unable to make decisions and depends on foreign powers and decisions made outside Canada.

Mr. Speaker, I should like to come back to an important matter, a fundamental one, energy. That is why when we learned about the motion to be introduced by the Liberal party, we wanted to make a positive effort. Instead of criticizing the government, we wanted to ask them to assume their responsibilities. I therefore took upon myself to write a letter to the Prime Minister in which I stressed two points, letting him know that it was extremely important that his government should announce immediately to the Canadian people the measures he had taken or intended to take and the guarantees he could give to prevent any risk of shortages, and avoid the panic that could result in unreasonable price increases.

● (1710)

Second, we said to the government, through the Prime Minister, that it was also extremely important that every step be taken to protect quotas and make sure they were available to independent distributors. Just today the Prime Minister sent us a very lengthy letter of four pages in which he provides particulars following our request which we considered to be constructive. We asked for some explanations and since *verba volant, scripta manent*, the Prime Minister is bound by the comments he made in his letter. The Prime Minister answered that the short-term situation—unfortunately I will not have enough time, because the Standing Orders will not allow me to read the entire letter.

Mr. Deputy Speaker: Order. The hon. member on a point of order.

Mr. Prud'homme: Mr. Speaker, I think the House would be very interested to let the hon. member read out this very important answer and even to table it. I am sure he would have unanimous consent from the House.

An hon. Member: Hon. members on the government side seem to be very interested.

Mr. Deputy Speaker: Order, please. To answer the point of order raised by the hon. member, I would like to remind him that the rule requiring a minister to table a document does not apply to an ordinary member even if the letter was sent to him by a minister or by the Prime Minister.

Mr. Roy (Beauce): I shall do whatever they want because these people need to learn. I shall do whatever they wish and send them a copy of my letter because by reading you do indeed learn something in the long run.

[Mr. Roy (Beauce).]

An hon. Member: No, read it, it is important.

Mr. Roy (Beauce): Mr. Speaker, of course I do not have to take orders from them but I will read only the most important parts of it. I quote:

> The short-term situation as we found it last June was also far from satisfactory. Inventories had been seriously depleted and there was considerable uncertainty about the adequacy of gasoline supply for the summer and heating oil for the winter.
>
> The government acted promptly to improve the situation and to secure equitable treatment for the independent sector of the business. Thus:
>
> 1. With the co-operation of the government of Alberta and its agencies, production of crude oil in western Canada has been brought to maximum levels in recent months.
>
> 2. Exports of our valuable light crude oil were reduced from 55,000 barrels a day in September to 14,000 barrels a day in October and virtually eliminated in November in order to make this oil available to Canadian refiners.
>
> 3. With the government's approval, the National Energy Board has continued to allow the exchange of western Canadian oil for additional supplies of overseas oil to eastern Canada. The Energy Board recently approved exchanges totalling some 2.5 million barrels, virtually all of which are for the account of refiners in the province of Quebec.
>
> 4. The Minister of Energy, Mines and Resources has authorized the payment of special import compensation in the amount of $745,000 to enable a Quebec refiner to import a badly-needed cargo of crude oil despite an unexpected increase in its price.
>
> 5. On July 13 the Minister of Energy, Mines and Resources released a report of an inquiry into problems which distributors, particularly in Quebec had faced last winter. The recommendations of the inquiry are being vigorously pursued.

An hon. Member: Which one?

Mr. Roy (Beauce): Be patient, please. Don't be so nervous.

> 6. On August 15 the Minister of Energy, Mines and Resources telexed the refiners regarding the question of supply for the independent sector of the business. He referred to exchanges being used as a means to assure supply to the independents.

Mr. Speaker, surely I cannot read the whole letter, but I can say that our information on the first point, namely the assurance of adequate supplies to Quebec and the maritime provinces, gives us cause for a certain amount of satisfaction, because more has been said today than ever before.

An hon. Member: In 15 years!

Mr. Roy (Beauce): My colleagues tell me that they have heard more than they ever had, over the last 15 years. Yet, Mr. Speaker, they—

An hon. Member: You believed that, ha, ha!

An hon. Member: Go and tell Mr. René Lévesque.

Mr. Roy (Beauce): Mr. Speaker, they will not let me speak. I did not think my speech was that interesting. Since the Prime Minister mentions it in his letter, he tells me very seriously that concrete measures followed the recommendations of this

study group, I would like first, and I am telling very seriously the Prime Minister and asking him to take note of this—

Mr. Deputy Speaker: Order. I suggest hon. members should let the hon. member for Beauce complete his remarks without interrupting. His time has expired, but I will allow him another four minutes in order for him to complete his remarks. The hon. member for Beauce.

Mr. Roy (Beauce): Thank you, Mr. Speaker.

Mr. Deputy Speaker: The hon. member for Longueuil (Mr. Olivier) on a point of order.

Mr. Olivier: Mr. Speaker, I certainly want my hon. colleague from Beauce to have the floor, and I would also like to know by virtue of which special privilege he can have four additional minutes since the Chair mentioned earlier no previous agreement was made to allow him to go on. The Chair did say it was exceptional. Is it for that purpose, again because it is exceptional—

Mr. Deputy Speaker: Order. There is no privilege involved here, it is just a matter of fairness because of the interruptions the hon. member has had to bear during his speech.

Mr. Roy (Beauce): Thank you very much, Mr. Speaker. I appreciate your great wisdom.

I would like to ask the right hon. Prime Minister to give us more information regarding independent distributors. The words procedure and recommendations have been mentioned. We are not aware of these recommendations. We would like to get more detailed and precise information. When the Prime Minister talks about procedure, we would like to know which ones have been followed to ensure that all necessary measures have been taken so that people will not suffer any hardships arising from this situation. The Prime Minister also informed us that a telex had been sent to the refineries. I would ask him to provide us with a copy of this message, to table it so that we know where we stand. We would also like to know whether the refineries and other companies have to submit regular reports to the National Energy Board in order to enable the latter to monitor the situation closely and regularly and also to prevent the development of a crisis situation, such as the one we now risk facing. Everyone knows of course that energy is at present an extremely important issue.

I would therefore ask the Prime Minister to give us this information before six o'clock if possible because we want to do a serious job. We are not in this House to play games. We want to go beyond words because even if we are bound by the rules to take a colleague's words, we still want to check the mechanisms, we want to be sure, at some point, of everything the government has done in that area. We want to be informed, and I would ask the Prime Minister to address his letter correctly, and I think he knows what I mean.

Mr. Deputy Speaker: Order, please. The hon. member for Lévis on a point of order.

Mr. Guay: Mr. Speaker, you said a moment ago that since he is not a minister, the hon. member for Beauce (Mr. Roy) is not entitled to table a document that I consider highly important, namely a letter addressed only to him and his party, relating to commitments made to a party which was afforded partial recognition this afternoon and to the hon. member for Beauce. I seek the unanimous consent of the House to ask that the Prime Minister release the correspondence exchanged with the Social Credit Party of Canada.

● (1720)

Mr. Lambert (Bellechasse): Mr. Speaker, I rise on a point of order.

Mr. Deputy Speaker: The hon. member for Bellechasse (Mr. Lambert) on a point of order.

Mr. Lambert (Bellechasse): The hon. member for Lévis (Mr. Guay) is quite serious in his remarks, he knows quite well that when an hon. member writes either to the right hon. Prime Minister or a cabinet minister, he is under no obligation to disclose that correspondence to the House itself. I think the hon. member for Beauce has been quite generous in giving the main features of that letter, and more confidence ought to be forthcoming.

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

Mr. Deputy Speaker: The hon. member for Lévis on a question of privilege. Is this on the same question he put earlier?

Mr. Guay: Mr. Speaker, it is a question of privilege. In answer to the hon. member for Bellechasse, I would like to indicate to him that I am quite familiar with the rules on the question of correspondence between members of this House. But what is involved here is not a more exchange of correspondence, it is a policy statement from the Prime Minister to a member of this House. Was it a commitment in order to secure his vote this evening?

Mr. Deputy Speaker: Order, please. I appreciate hon. members may rise on points of order, but I must attempt to meet a schedule which will bring us to a decision before the day is over, without depriving other members who would like to contribute. And in order to meet the point raised by the hon. member from Lévis, I must point out to him citation 327 from Beauchesne, fifth edition, which reads:

(2) It has been admitted that a document which has been cited ought to be laid upon the Table of the House, if it can be done without injury to the public interest.

(3) A public document referred to not be tabled.

A careful reading of that citation will remind the hon. member that the document must be quoted by a minister of the Crown. The hon. member who receives a letter from a minister of the Crown has no such responsibility. So actually, an hon. member referred to a document he had received from the right hon. Prime Minister, and on the basis of citation 327 from Beauchesne, it is his absolute right not to wish to—and indeed he may not even table the document. I recognize the right hon. Prime Minister.

Mr. Clark: Thank you, Mr. Speaker. I feel of course that your decision is right.

[*English*]

I must say this is the first time I have ever seen an opposition party filibustering its own motion. But that is their privilege.

[*Translation*]

If the hon. member for Beauce (Mr. Roy) agrees, I am quite happy to table this part of the letter.

Mr. Roy (Beauce): Mr. Speaker—

Mr. Deputy Speaker: The hon. member for Beauce.

Mr. Roy (Beauce): About the point that was raised, I have no objection whatsoever to the tabling of the letter by the Prime Minister so that all members can read it because it is a matter of public interest, we do not have any secrets, we do not have anything to hide.

Mr. Deputy Speaker: Order, please. As the right hon. Prime Minister does not have the floor, the only way I could allow him to table the document at the request of hon. members is to have it done through unanimous consent. Does the House give its unanimous consent to permit the right hon. Prime Minister to table the letter addressed to the hon. member for Beauce and which he quoted in his speech?

Some hon. Members: Agreed.

[*Editor's Note: For letter above referred to, see appendix.*]

Mr. Clark: Mr. Speaker, I do not have the English version of the letter from the hon. member for Beauce but I have here two copies of my answer in both official languages and I suppose we will manage to obtain a translation of the letter from the hon. member for Beauce.

Mr. Lefebvre: I rise on a point of order, Mr. Speaker.

Mr. Deputy Speaker: The right hon. member for Pontiac-Gatineau-Labelle (Mr. Lefebvre) on a point of order.

Mr. Lefebvre: Thank you for the promotion, Mr. Speaker. I wish to know if you could give me some explanation on a very important point. The right hon. Prime Minister (Mr. Clark) asked for leave to table the correspondence he exchanged with the hon. member for Beauce (Mr. Roy). Will those two letters be an appendix to *Hansard* for today to avoid the problem we had about three days ago?

Mr. Deputy Speaker: I must say that here again we need unanimous consent to have the letter appended to *Hansard*.

[*English*]

Mr. Baker (Nepean-Carleton): Mr. Speaker, we are very anxious to avoid a number of things, one of them being to avoid a filibuster of this debate by a party which brought a motion of censure. Of course we shall give consent, and if the hon. member would like his picture appended to *Hansard* we would give consent to that as well.

Some hon. Members: Hear, hear!

[*Translation*]

Mr. Olivier: I rise on a point of order, Mr. Speaker.

Mr. Deputy Speaker: Is it on the same point of order? I must deal with them one by one.

Mr. Olivier: Yes, Mr. Speaker.

Mr. Deputy Speaker: The hon. member for Longueuil (Mr. Olivier) on the same point of order.

Mr. Olivier: Mr. Speaker, I only wish to say that we agreed to the right hon. Prime Minister (Mr. Clark) tabling letters, notices and correspondence between the hon. member for Beauce and the right hon. Prime Minister not for the purpose—he said that he was seeing for the first time a filibuster by the party proposing the motion. I think it is much more serious than that. We want to see if indeed a party paid the price to get the support of another party.

Mr. Deputy Speaker: Order, please. I am not sure that the Chair can allow such an allegation from the hon. member. I believe that this really constitutes a reflection on the integrity of an hon. member, and if the hon. member for Longueuil did so with jocularity and without any malice, he could perhaps clarify his comments. However, as I interpret his comments, I cannot allow him to let this go.

Mr. Olivier: Mr. Speaker, to clarify what I said, I believe that the Canadian population is entitled to know whether there were any such rumours. I am not saying that there were. The Canadian population is entitled to know if these rumours are founded, if there was a price to pay. Mr. Speaker, I did not say that the right hon. Prime Minister had paid a price, but I stated that there were rumours to this effect. I want to know whether the rumours that the party in power paid a price to have the co-operation of a party are true or not. I am not saying that this is so, I simply want to know if it is. There is a difference.

Mr. Deputy Speaker: The hon. member for Bellechasse (Mr. Lambert).

Mr. Lambert (Bellechasse): Mr. Speaker, I am sorry to hear the hon. member for Longueuil say such things in the House. He does not state anything, but he is starting rumours himself. I have seen no such reports anywhere. He is very wily. He would be able to kill a cat without drowning it. This is certain. Mr. Speaker, I respectfully ask the Chair that the hon. member for Longueuil withdraw his comments because they are unparliamentary. I do not accept that such a rumour be started in the Canadian Parliament and that it be implied that others have started it. I therefore ask the Chair to request the hon. member to simply withdraw his comments, especially the first that he made.

Mr. Pinard: I rise on a point of order, Mr. Speaker. As I understood the intervention of the hon. member for Longueuil, he simply asked a question. Now the member who has just spoken and the members of his party act like offended virgins. We were not the ones who held a press conference yesterday, Mr. Speaker, to say that we would ask the right hon. Prime Minister to make certain concessions if he wanted our support during the vote this evening concerning energy supplies—

Mr. Deputy Speaker: Order, please. As concerns the point raised by the hon. member for Drummond (Mr. Pinard), I cannot enter the debate and discuss what was said outside the House or in the newspapers.

● (1730)

The point on which I cannot accept the remarks by the hon. member for Longueuil (Mr. Olivier) is quite simply his insinuation that a member, whether the Prime Minister or not, sought by way of a letter to buy or obtain the favour of another hon. member, which might reflect on the integrity of the two hon. members concerned.

In brief, I think at certain times the House may allow some light improprieties but the way the hon. member for Drummond made his remarks is more acceptable, I think, than the direct insinuation that was made by the hon. member for Longueuil who, I think, can easily moderate his innuendo.

Mr. Pinard: If I may complete the remarks I was making, I am convinced that what the hon. member for Longueuil meant when he put his question, which was interpreted by some as imputing motives, is quite simply that the effect of that letter was to seek an understanding between two political parties to come to an agreement on a vote. I do not believe the hon. member for Longueuil meant that a party had bought out another member or anything of the kind. But the fact is, Mr. Speaker, that the remarks of the hon. member for Longueuil must be interpreted in their context. What the hon. member for Longueuil made reference to is precisely those specific facts I explained, that yesterday a press conference was held outside the House, and you must take those facts into account to understand the remarks by the hon. member for Longueuil. I do not believe there is a need to withdraw anything at all.

Mr. Deputy Speaker: I fail to see how the hon. member for Drummond is helping the Chair to deal with the problem. I do not see why he feels responsible for the comments made by the hon. member for Longueuil. It would be far easier if the latter would repeat almost word for word what the hon. member for Drummond just said and what I have just heard.

The hon. member for Longueuil.

Mr. Olivier: I also rise on the same point of order, Mr. Speaker. I entirely agree with the comments of the hon. member for Drummond and, moreover, I am trying to protect our dearest possession, democracy, and the office of Prime Minister of Canada. I think that a Prime Minister should be unassailable and this is extremely important. That was just my point. I would like those foolish rumours to stop. I think that the office of Prime Minister is tarnished when such rumours are going around. And it is passing strange that no member from his party would want to stand up for him.

Mr. Deputy Speaker: I must say that the last remarks by the hon. member are quite acceptable to the Chair, and to all other hon. members.

Mr. Roy (Beauce): I rise on a question of privilege, Mr. Speaker. I think I have been dragged enough into this to have the right to voice my views.

Mr. Deputy Speaker: Order, please. As for the remarks of the hon. member for Longueuil, I have accepted his explanations. As far as the supplementary reasons he gave us as a justification for what he might have said or for what I understood him to suggest, I accept them entirely. Now I recognize the hon. member for Winnipeg-Fort Garry (Mr. Axworthy).

Mr. Roy (Beauce): Mr. Speaker, I rise on a question of privilege. I have the right to rise at the first opportunity. That is why I ask you to allow me to speak now.

Mr. Deputy Speaker: The hon. member for Beauce (Mr. Roy) on a question of privilege.

Mr. Roy (Beauce): Thank you, Mr. Speaker. Certain things have been said which still leave room for all kinds of doubt. It is not the first time I sit in a parliament, and this kind of situation is altogether unacceptable from people who have respect for their colleagues. I ask that the hon. members for Drummond (Mr. Pinard) and for Longueuil (Mr. Olivier) not only withdraw what they said but also apologize.

Mr. Olivier: Never!

Mr. Roy (Beauce): So, Mr. Speaker, I must come to the conclusion that they lack courage, that they do not have enough courage to spell out their accusations when they have something to say.

Mr. Deputy Speaker: While I can understand the reaction of the hon. member for Beauce, I must say that the Chair has already made its decision on this point of order and has already accepted the explanations of the hon. member for Longueuil (Mr. Olivier) to the satisfaction, I believe, of the majority of members. The hon. member for Winnipeg-Fort Garry.

[*English*]

Mr. Lloyd Axworthy (Winnipeg-Fort Garry): Mr. Speaker, I thought this moment would never come. I should say to hon. members opposite that while some of my colleagues have some concern, I have another prurient interest in this first instalment of the love letters between Fabien and Joe. The reason why we would like to have them tabled and appended to *Hansard*, I suspect, is that they will become a great best seller, particularly when we see the second instalment as we have heard the disclaimer of the hon. member for Beauce (Mr. Roy) of unrequited satisfaction, and we hope to see the second letter from the Prime Minister (Mr. Clark) by about 9.30 p.m., so that we know exactly what the love letters in the second instalment really have to say.

Mr. Deputy Speaker: Order, please. I am very sorry to interrupt the hon. member, but there is a technicality regarding the point of order which has been raised which I forgot to pursue. I am referring to unanimous consent to permit the House to have the two letters of the correspondence attached to *Hansard*. I am not sure that I heard whether there was consent. Is there unanimous consent?

Some hon. Members: Agreed.

Mr. Lefebvre: Mr. Speaker, I rise on the same point of order. I am happy that this has been agreed to, and may I point out that it does not necessarily mean that my picture has to be in *Hansard*.

Mr. Clark: Thank God for that.

Mr. Axworthy: If you want my picture, Mr. Speaker, you are welcome to it. I do not care.

I want to say a few words on this motion of non-confidence. First, I should like to start by speaking about the purpose of the non-confidence motion. We have heard certain allusions to the motives for this non-confidence motion today. The Prime Minister simply said it was a ritual. If that was a ritual, then he has gone to an awful lot of effort to make a deal on that ritual.

Some hon. Members: Oh, oh!

Mr. Axworthy: I think, Mr. Speaker, it is far more than a ritual. I would also say that the kind of vitriolic and poisonous words which we heard from the Leader of the NDP (Mr. Broadbent), again challenging the reasons for our motion, only shows a man who is so frustrated by his own unrequited desire for power that he really should be challenged as to whose ethics are worse, and whether he is prepared to support a motion from members whose motives he does not accept. If the hon. member for Winnipeg-Birds Hill (Mr. Blaikie), who is a theologian of great standing, according to his own description, were here, he would find that the ethic as to whether the NDP can so willingly support a motion put forward by a party which they find so reprehensible is questionable. Perhaps it is because they are so used to looking at their own image.

The real point at issue is the purpose of a non-confidence motion. This is a serious motion—no one is treating it lightly or treating it with the kind of frivolity that hon. members opposite seem to have shown. We take the position that there is one basic fact that perhaps hon. members opposite tend to forget, that is, that they are a minority government. They neither command a majority of members in this House nor do they command a majority of votes in the country. As a minority government, they have the direct obligation and responsibility to listen to the majority. They have not been listening to the majority since this Parliament opened.

Today, we heard the Prime Minister express to the member of Parliament for Burnaby (Mr. Robinson), I think, that he does not even want to listen to members of Parliament any more—he can rule by divine democracy, he can do it directly himself. But the point about minority government is that it must rest upon the confidence of the House, and the confidence of the House is held by the majority of members who are not sitting on that side. They are not Progressive Conservatives. We on this side represent far more of the population of Canada than members of the government.

● (1740)

Some hon. Members: Oh, oh!

Mr. Axworthy: With all the brave protestation about speaking for the people of Canada and listening to Parliament, it is about time the government started to listen. If the government were listening, it would hear the people saying that they are tired of interest rates over 15 per cent or 16 per cent and their businesses going broke. They are tired of not being able to buy houses, even though the promises are there. They are tired of having a national government being pushed around by provincial premiers. They are tired of living in the jeopardy of accelerating energy prices with no commitment to any form of support or cushion for those prices. A lot of people are tired of the government acting in a fashion which indicates that it is not prepared to listen to the majority of Canadians.

Some hon. Members: Hear, hear!

Mr. Axworthy: The point of bringing in this non-confidence motion is very much like the old story which is told in western Canada. A farmer was seen hitting a donkey over the head with a two-by-four; he was asked why and he said, "To get its attention". We have brought in this motion to get the attention

of the government, so that it will start listening to what Canadians have to say. That is the purpose of the motion, not the cynical motives contributed by the hon. Leader of the New Democratic Party nor the rituals described by the Prime Minister. We are talking about a very serious initiative. It is one instrument available to an opposition party to provide a message to the government, a message which is particularly significant for a government in a minority position. It is about time the government began remembering that fact every day; we will keep reminding it.

The reasons are clear. Since Parliament has opened we have had direct denial and contradictions of the commitments, promises, and proposals put forward by members of the Progressive Conservative Party in the election campaign. They have not been prepared to live up, by their actions, to the words they expressed at that time. It is about time their actions began to lie closer to the truth, to what they believe.

We talk about interest rates. We recognize that this is not an easy problem. We do not have a simplistic, socialistic solution like the sparrows in the corner who twitter away. There is no magic answer to the problem. There is an economic time bomb on the international monetary scene. We recognize that the Bank of Canada and the Minister of Finance (Mr. Crosbie) must be careful and cautious about the rates charged. Also we realize full well that they must protect the dollar. But they have an obligation to protect Canadians as well, and to ensure that the small businessman who spoke to me in my riding on Saturday has protection. That gentleman had a line of credit of $250,000. He said, "I can last two months and then I go under because I have no protection; I have no satisfaction and no way of getting any assistance." The government should be listening to that kind of person.

We have been trying to say, during question period and meetings of the Standing Committee on Finance, Trade and Economic Affairs, that if there is a requirement to raise interest rates, there is an equal requirement to help those people who are hurt by those interest rate increases. There is an equal requirement to ask a question which I do not think has been asked: do the rates have to go as high as they have? An hon. member from Thunder Bay, gave the Minister of Finance clear documentation showing that the spread between the nominal rate and the real rate has been growing larger over the last three months, not smaller, and therefore can justify a somewhat lower interest rate. But the Minister of Finance is so busy being a down-east version of Johnny Carson that he cannot concentrate long enough to decide what economic and fiscal policies he is prepared to introduce.

We listened with great interest to the declarations of the Minister of National Health and Welfare (Mr. Crombie). In a provocative and sentimental statement the minister said, "I am concerned about the people in need." I believe that minister is concerned about the people in need, but the Minister of Finance is not because he is prepared to put $575 million into the budget this year to pay for a mortgage credit plan which has no economic use and is not going to the people in need. Is that good economics? Also I listened to the minister of housing who I think is a sincere, honest, forthright minister. On Thursday in committee he said, "Yes, there are real problems in the housing market". He indicated that people are defaulting on their mortgages, housing starts are going down, and the housing market will be in chaos.

An hon. Member: They are up this month.

Mr. Axworthy: The hon. member opposite does not know much about housing. By the first month in 1980 housing starts in the country will be down 30 per cent. That information comes from every industrial spokesman. The minister of housing said that he knew there was a problem, but he had no fiscal room; he had no money to spend. Why is the Minister of Finance laying $575 million on the table for a program which will not provide additional home ownership opportunities? In fact the HUDAC group indicated that 875,000 families have been eliminated from the housing market. Not only has the government failed to add new opportunities, it has taken opportunities away from close to 900,000 Canadian families. How can the government be treated seriously? How can Canadians accept the government at its face value? How can Canadians accept the government's word when it engages in contradictory policies which have no sense or substance?

One cannot justify the lack of action, protection and cushioning in a period of intense interest rates when one knows that the Minister of Finance is sitting on his bundle of money which he is prepared to spend foolishly.

I sat here in absolute amazement when the Prime Minister said, "I have got secret information". This is the man who believes in openness. He has secret information indicating that because of the awful job the Liberals have done, he can project the deficit going up to $14 billion.

It is no secret why the deficit is going up to $14 billion. It is the Conservative government which decided to spend $2.3 billion on its mortgage deductibility plan. It is the Conservative government which talked about spending $2.7 billion on the national deficit to buy back Petro-Canada. We know what is causing the deficit; it is their initiatives. It is time the government stopped trying to pawn it off on the previous government. We are asking the government to become concerned about the present and not the past, rather than engaging in frivolous leaps into the fuzzy future about which the Prime Minister likes to talk. He said that we will have oil by 1990, but the people are concerned about what they will pay for oil in 1980. They are concerned about the fact that if the $4 increase goes into effect, they will be paying an additional $300 a month for fuel oil. That is what they are concerned about.

When we asked the Minister of Energy, Mines and Resources (Mr. Hnatyshyn), the living example of altruism and obtuseness, what exactly he will do, he said, "I think I have something in the way of a taxation policy". That comes as big news. The minister is providing no assurances. He is providing no security for the people who must face the prospect of substantial heating bill and gas consumption increases because of that $4 increase. In my own province the $4

increase will pull close to $200 million out of the provincial economy. That is $200 million which we can ill afford.

What answer do we receive from the first minister and the Minister of Energy, Mines and Resources? They say, "Don't worry, we will make a deal with Mr. Lougheed". I know what kind of deal will be made. Mr. Lougheed has said what the deal will be. The only deal Mr. Lougheed will accept is: when he gets all the money he will lend it back to Manitobans at a 12 per cent interest rate. That is the deal Mr. Lougheed wants. It is an interesting example of Tory economics. They take the windfall rents off those resources, transfer them to one province, and lend the money back to other provinces at exorbitant interest rates. How can that so-called energy package be justified? It is a package which has become unstrung and untied very quickly.

The question of pricing is really the key issue at the heart of our non-confidence motion. There is no credibility or acceptance on the part of Canadians concerning the government's energy package, because they know the facts. They know the facts when it comes to those interesting allocations that we will give oil companies.

During question period today, the Minister of Energy, Mines and Resources and the Prime Minister said that we must rely upon the multinationals to supply us with energy. I have an interesting column which indicates that multinationals are spending their profits, not on exploring for new energy, but for tomato greenhouses in southern Ontario. I have nothing against tomato greenhouses in southern Ontario, but why are they spending the excess profits from natural resources to build subdivisions in Alberta, tomato farms in Ontario, and fast food restaurants along the 401?

● (1750)

How can the Minister of Energy, Mines and Resources gain any kind of acceptance on the part of the Canadian public when they know that the excess profits now being earned are not being turned back into exploration and development but are being diversified for takeovers, acquisitions, mergers, and new commercial ventures which have nothing to do with energy problems? They call that an energy package; they call that an energy policy? Of course the minister is now prepared to accept that because he has his deals in, he has his arrangements made, yet we know that kind of transfer of wealth, with all the tomato farms in southern Ontario, is only going to the treasuries in New York, Chicago, Geneva and wherever else.

When we are talking about the deficit problem in this country, what is a greater addition to the deficit than additional excess profits to multinational oil corporations which are immediately transferred out of Canada? How do we justify those kinds of profits when this minister gives us no assurance that he is prepared to step in to ensure that the profits will not be used for these extraneous, superfluous purposes, but will in fact be used to gain self-sufficiency? There is no assurance of that kind forthcoming, and again the actions speak much louder than the words.

[Mr. Axworthy.]

We note the same kind of arrangement when we consider the pricing arrangement as far as energy is concerned, particularly in terms of development itself and public accountability. I listened again with frank amazement to the first minister today who said we can be sure that the government will set up an institution to take public moneys and reinvest it in energy development. That sounded to me like a pretty good description of Petro-Canada. Why are we going through the silly exercise of ripping Petro-Canada apart, selling off bits and pieces and adding to the public deficit $2.3 billion, in order to set up another institution which is going to do the same thing? Surely members opposite, even those from Alberta, must be able to figure out that this can cause serious duplication and wasted effort.

Let us take the first minister at his own words. Let us have a reversal of his Petro-Canada stand and let us have a windfall profit tax. Let us take the money from that tax and put it into PetroCan so it can invest in new oil developments, tar sands, offshore developments, and renewable resources. That is a great, sensational idea. But, let us do it with the instrument we have and let us not waste time, the taxpayers' money, the efforts of this government and the time of this House wrecking apart a vehicle and a mechanism which is already in place.

Again, how can the government ask people to take it seriously? That is why the two-by-four has to come over the head so we can bring them back to their senses and make them realize what they are really doing. If the first minister is honest and forthright in what he is saying, and I accept that he is, then we say go ahead and do this and we will support him. If the government puts the money into PetroCan, the money it gets from the windfall profit tax, there will be no argument from this side of the House.

We also think there has to be substantial concern about the recycling of those additional, excess profits. There should be a very clear statement about this rather than the fuzzy vagueness we have heard so far about the need for consumer credit. We should recycle this right across the country to ensure that the consumers do not have to bear the full brunt of those increased prices.

It is only a national government with a full range of instruments at its disposal that can undertake that kind of activity. Perhaps the fact that frightens us the most on this side of the House is the same fact that was noted in the report of the Economic Council of Canada, that increasingly the ability of the federal government to manage the economy and to make decisions work in the interest of a number of regions in Canada is being evaporated and eroded by the giveaways and the erosions of the federal structure. That particular process has proceeded faster and further in the last six months than in the last 16 years in this country.

This Prime Minister and this government have given away more power, more jurisdiction, more authority and more instruments, and are talking about doing so even more, than any other government in the history of this country. Yet they turn around and say they want to manage, they want to be tough and they want to be strong. One needs something in his

hands in order to do that. One needs some tools to do the job. We cannot get by on empty rhetoric and words. If the first minister of this country thinks he can get by with his acts of friendly persuasion, without having any leverage, anything to call to account and anything to take to the bargaining table, then he is in for a sorry surprise.

I was in the provincial legislature for six years.

An hon. Member: It shows.

Mr. Axworthy: Of course it shows. I think it is worth while that members opposite hear of some of my experiences. The fact of the matter is that provincial jurisdictions are not large enough and do not have the capacity to make decisions that serve the entire country. I have no bone to pick with Alberta as a province. I think the premier of that province is doing what his mandate tells him to do, which is to defend the interests of Alberta. However, when we are here to defend the interests of all Canadians we must recognize that we cannot allow one province to make economic decisions for the other nine. That is just not right, and the fact of the matter is that one province containing only 8 per cent of the population, and a small part of the land mass, does not have the scope or the ability, or in fact the mandate, to speak for the entire country. Yet we constantly throw back to that province the right to make those decisions.

An hon. Member: How many Liberals are there there?

Mr. Axworthy: I would suggest to the hon. member opposite that he should look to the next election because I think there will be a very interesting change taking place in that area.

Some hon. Members: Oh, oh!

Mr. Axworthy: The member laughs now. I find that interesting, but he should talk to some of his colleagues in that area because they are finding that they are part of a national government which at least presumes to have to take decisions in the national interest, and that is going to start working against those regional parochialisms. People are going to recognize that that sort of favoured Tory straw man that was kicked around western Canada for the last 20 years, called the federal government, is now going to be their government and not ours, and that is going to make a very interesting political change in that province. I suggest to the hon. member that he should really start looking to his own constituency rather than laughing.

The point of the matter is that they cannot govern this country if they are giving it away. They simply cannot govern this country if they are giving its instruments away. Whether they call it the theology of privatization, or the orthodoxy of neo-conservatism, what is really running at cross currents is the philosophical position of a right wing Conservative party with the essential responsibility of governing. I would try to provide hon. members with this suggestion. It is about time they stopped fighting their philosophical battles and started worrying more about where this country is going to go.

The Prime Minister talks about the future of Canada, but there will not be much future if there is not a national government to protect and enhance it. There will not be much future if all we have left is the right of the Prime Minister to be invited to meetings of a confederation of provincial barons when they decide to make decisions, and he comes and opens the door. There will not be much future left in this country after we have dismantled and taken apart the taxation and resources of a national reservoir and simply passed this on to the provinces. The government simply cannot make decisions when it does not have the wherewithal and the means to do so.

I suggest there are interesting opportunities in this country. There are richnesses that we can develop and use. The point of this non-confidence motion is that we have seen nothing from this government to give us confidence that they understand that we need a strong national government in order to provide opportunities.

There is nothing in what this government has shown so far to indicate that they recognize that the future of this country depends upon a national government that speaks for all Canadians and not just for one or two regions. There is nothing that this government has shown to indicate that they understand the concerns of Canadians—

Mr. Deputy Speaker: Order, please.

Mr. Hnatyshyn: After all the foolishness that has gone on, sir, let me call it six o'clock.

Mr. Deputy Speaker: It being six o'clock, I do now leave the chair until eight o'clock tonight.

At six o'clock the House took recess.

● (2000)

AFTER RECESS

The House resumed at 8 p.m.

Mr. Deputy Speaker: When the House rose at six o'clock p.m. the motion of the right hon. the Leader of the Opposition (Mr. Trudeau) was under consideration.

Hon. Ray Hnatyshyn (Minister of Energy, Mines and Resources): Mr. Speaker, if I appear to be slightly out of breath it is because I was trying to conserve energy and I ran over here. I want to express my appreciation to the opposition for giving me a chance to get involved in this particular debate. On the basis of what transpired this afternoon, I thought that we might have points of order and points of privilege extending right up until the time of the vote. I was concerned that these points of discussion might intrude on my time. I know that there are hon. members who want to make a full contribution to the issues involved in this particular motion. I know that my colleagues on this side of the House are interested in participating, so I will try not to take any more time than is necessary.

Severe Economic Hardship

Today in the course of the question period and in enquiries made by my colleagues in the Social Credit party, there were some questions raised with regard to the supply situation in eastern Canada. These are questions to which I have addressed myself during the five months I have occupied this portfolio. I would like to spend some time this evening reporting to this House with respect to the actual situation. I am concerned about the approach taken by the official opposition with regard to this particular topic, because it seems to be trying to sow fear and apprehension in the minds of Canadians.

I want Canadians to know that I too am concerned about our supply situation. This is not a new concern for me because I was concerned during the time I was in opposition. Upon taking over this portfolio, I took steps with respect to this very serious problem. It does little good for the members who made up the previous government, and who bear a responsibility for the circumstances in which we find ourselves today, to raise phantom concerns in the minds of the Canadian people. I want to bring to the attention of this House some of the facts that I have gone into in my assessment of the current situation and the outlines of some of the objectives, as I see them, for our national energy policy, some of which were articulated so well by the Prime Minister (Mr. Clark) this afternoon.

Despite strenuous efforts to limit Canada's need for oil imports in recent months, it is projected that in the fourth quarter in 1979, one quarter of our national oil requirements will be imported. These projections suggest that the provinces from Ontario eastward will rely on foreign oil for over one third of their requirements. Canadian demand for oil products has continued to grow. In the January to September, 1979, period demand for oil products was 3.4 per cent higher than in the same period in 1978. Gasoline use was 4.3 per cent higher.

The petroleum products supply outlook reflects the rapid rate of consumption in the January to September period. Refineries in Canada produced 6 per cent more gasoline in that period than in the same period in 1978. Even so, gasoline stocks this September remained lower than in September, 1978. Production of heating oil in preparation for the coming winter is almost 11 per cent above January to September, 1978, production. Yet stocks this September remain below the September, 1978, level. The level of heating oil inventory is important to assure adequate supplies for unusually long cold periods. However, the current situation is not a crisis. It is tight but manageable.

Canada should have access to sufficient supplies from imported and domestic crude oil and petroleum products to satisfy demands as currently projected. On the basis of the steps which have been taken by myself and the government, and the steps we intend to take with respect to our objective of energy self-sufficiency and restraining demand and, in fact, with respect to increasing supply in Canada, we hope to lead Canada to a new possibility and a new potential for the 1980s.

Unlike the previous government and its seat of the pants approach to energy management, this government has taken concrete and specific actions to ensure that Canadians do indeed get through this winter with adequate supplies of heating oil. Some of these actions were referred to in the House today. They include increased production of domestic crude, and a reduction in exports of oil exports of crude to the United States. The reduction will go down in November from 55,000 barrels a day to virtually nil or nominal exports. The purpose of this is to provide Canadian refineries with a maximum quantity of Canadian crude supplies.

They include a change in the allocation system of the Interprovincial Pipe Line to allow independents access to this Canadian crude supply. In November of this year independents will have access to upwards of 5,000 barrels of oil a day each to supply the people of Quebec and eastern Canada under the new approach which is being taken with respect to Interprovincial Pipe Line allocations from western Canada. I have referred on a number of occasions to a telex which I sent out on August 15 this year. In that message I made quite clear to refiners and terminal operators in this country that I expected fair and equitable treatment for the independents of our country, to ensure that there would be no attempt to grab a larger share of the market. I continue to monitor the situation.

A very important element in refining with respect to the initiative we are taking is that my department consults, and will continue to do so fully and frequently, with the provincial governments, the refiners, and the independents so as to maximize the flexibility of our supplies and transportation systems. It should not be necessary for me to take these actions. Unfortunately, however, they were required because of the ineptitude of the previous government and its inability to provide energy leadership and energy management.

● (2010)

I want to deal also with the question of the emergency allocation legislation, Mr. Speaker. I have indicated that there is no crisis and no emergency in our country today. We know the terms of that legislation, Mr. Speaker. It requires that if there is such a situation, then there must be a declaration which will be referred to Parliament for consideration.

Should we be faced with a disruption in supply or an emergency situation in Canada, I can assure this House that the government is prepared to use the powers available to it, in order to conserve supplies and provide for their equitable distribution. In this regard I have indicated, in answer to questions in the House, that I intend as a matter of course and without any indication that there is a particular emergency in Canada at the time of introducing administrative amendments to the Energy Supplies Emergency Act 1979, to announce appointments to the Energy Supplies Allocation Board. Part of the responsibilities of this board will be to co-ordinate activities with respect to supply matters and to plan for a possible emergency. It is not intended, by making appointments to this board, to indicate that there is an emergency. I am taking this action only out of an abundance of caution, and will likely make the appointments at the time of the introduction of the amendments.

It should be underlined again that a support structure has been put in place, in case of an emergency. My department has

been consulting fully with the provinces and with the industry, as well as with those people who are involved in transportation. A support basis is available to them so that they can move quickly and firmly in the event of an emergency.

I think we should examine the realities of Canadian oil prices and assess our position in the context of a national energy policy. Canadian oil prices are more than $10 per barrel below the cost of imports, and about $8.50 per barrel below the average cost of crude in Chicago. Canadian oil is now further below the international price than at any time since 1973.

These low prices for crude, combined with an exceptionally light level of taxation of petroleum products compared to other western countries, provide Canadian consumers with the lowest petroleum product prices of any major industrialized country. For example, at the end of September, 1979, the average price of gasoline sold in Canada was approximately $1.05 per gallon, significantly below the $1.37 which the average U.S. consumer paid for a comparable gallon of gasoline. Compared to other European countries, the low comparative price Canadians pay for gasoline is even more evident. For example, in the United Kingdom the average price of gasoline at the end of September of this year was $2.59 per gallon, in West Germany $3.17 per gallon, in France $3.62 per gallon, and in Italy $3.75 per gallon. Canadian prices do not compare with prices in other countries and, in fact, are much lower. Canadians now pay less for gasoline in real terms that they did in the 1950s.

Canadians intuitively realize the bargain that oil products are in this country and, as a result, have not reduced their demand because there has been no incentive to do so. The signals that the marketplace and the former government were providing to the Canadian consumer, were the wrong signals. Instead of saying, "Slow down, it is expensive and needs to be saved", the past government's policy implicitly said, "Go ahead, use more, it is really a bargain."

The pricing policy of the previous government was a $1 per barrel increase every six months in the wellhead price of crude. A continuation of this policy would see Canadian prices continue to fall further behind international levels. While it is difficult to forecast international prices accurately, it is expected that the present policy would lead to a price gap between domestic and international prices of about $13.00 per barrel in 1985.

Mr. Benjamin: What is wrong with that?

Mr. Hnatyshyn: I would ask the hon. member to go back to Regina and ask the premier of his province what is wrong with it. He would be told very clearly what is wrong.

On imported oil, this gap would have to be covered by federal government subsidies under the oil import compensation program. On the basis of the former government's policies, by 1985 the federal government would have to pay almost $4 billion in oil import compensation because of the difference between the international and the domestic prices. The needless payment of Canadian funds of this magnitude into foreign hands is something that the Canadian government cannot condone, and the Canadian economy certainly cannot bear this burden. Canadians in this situation would, in effect, be paying $4 billion in one year for foreign oil and, most important, would be forgoing the opportunity of developing domestic resources and moving Canada towards oil self-sufficiency.

The goal of this government, as has been stated many times in the House and outside it, is to achieve energy self-sufficiency by 1990. For a country with the energy potential such as Canada has, any lesser goal would not be acceptable to the Canadian people. It is the intention of this government to get us to energy self-sufficiency and, in the course of that, to increase Canadian ownership and participation in resource development.

During the last two months I have had intensive negotiations and consultations with the provinces regarding the development of a comprehensive energy package and its crucial pricing component. There are important elements with respect to our energy package that I want to bring to the attention of the House tonight.

First, the domestic price of Canadian crude oil must increase faster than it has in the past. Second, petroleum products sold in Canada must be priced more realistically than they are today. Third, Canada's abundant supplies of natural gas must be substituted for oil as much as possible. Fourth, the petroleum industry in Canada must be encouraged to develop Canadian petroleum resources as quickly as possible. Fifth, more Canadians must be encouraged to participate in the resource development of their country. Sixth, the federal government and the provinces must actively encourage an acceleration of energy projects in Canada. Seventh, new initiatives to promote and encourage conservation by Canadians must be developed. Eighth, offset measures must be introduced to counteract as much as possible the economic effects that higher prices will cause to those least able to absorb them.

That is the basis of the energy policy that this government is bringing forward; that is the basis of the policy to which we are committed in this House.

I think it would be appropriate to review, in the context of the motion placed before us today, a statement with respect to the policies of the former government, the party moving this particular resolution. Its terms are vague and they are rather equivocal. I suggest we should examine the position of the former government with respect to energy policy and oil pricing in Canada over the years.

Last week the Leader of the Opposition (Mr. Trudeau) told hon. members that the current pricing agreement with Alberta was sufficient and that no new agreement was necessary. I think that was the essence of the representation he made and the position he put forward in the course of his remarks. I have already outlined some of the consequences of that policy: increased oil demand, more reliance on foreign oil, higher oil compensation payments, and no chance for oil self-sufficiency. The former government referred to this policy as "energy self-reliance". Whatever it is, it is certainly not oil self-suffic-

iency. Times have really changed as far as the former government is concerned.

Let us examine the Liberal record, Mr. Speaker. On December 6, 1973, in a debate in this House on petroleum policy, the then prime minister, now Leader of the Opposition, outlined his government's national oil policy objective as follows:

The object is Canadian self-sufficiency in oil and oil products before the end of this decade.

Times have really changed, Mr. Speaker, as far as the position of the Liberals is concerned. In March, 1974, the then minister of energy, mines and resources, making a statement on oil and gas policy, said:

• (2020)

The most fundamental principle which the federal government would like to advance is to sustain the capacity for continuing self-sufficiency.

We would propose that western well-head prices rise . . . to equivalent international prices now prevailing in Montreal.

And again in April, 1975, at the federal-provincial first ministers' conference, the Leader of the Opposition said:

We cannot expect those who search for oil—whether they be Canadian or other—to look for it and develop it in Canada if our prices are far below those in other countries . . . We cannot expect Alberta and Saskatchewan to go on year after year selling their oil to Canadians at a price which is far below what they could get by exporting it. So my colleagues in the government and I have come reluctantly to believe that the price of oil in Canada must go up—toward the world price.

The Acting Speaker (Mr. Scott, Victoria-Haliburton): Order, please. I regret to interrupt the hon. minister but I have to inform him that his time has expired. He can continue with unanimous consent. Is there unanimous consent?

Some hon. Members: Agreed.

Mr. Hnatyshyn: Mr. Speaker, I conclude my remarks by simply pointing out that in terms of Canada's energy policy we have a great potential in this country. Frankly, I take a rather different attitude from that taken by the opposition in the context of its motion. They have taken a negative, defeatist approach with respect to oil policy and have not presented any clear alternative, or any alternative at all. Instead, their attitude is one that merely criticizes situations that have not yet occurred and are not taking place at the present time.

In Canada we can achieve energy self-sufficiency. It is a possibility for us. It is not an arduous or an onerous obligation. It is a possibility that will result in a decade of progress, and a decade in which we in Canada can and should develop our energy resources. We should take advantage of this in a non-partisan way as much as possible. Members from all sides of the House should participate and give suggestions, not in a negative or in a partisan way for the purpose of political one-upmanship, but one in which we as Canadians can join in achieving together that which we wish to achieve, namely, energy self-sufficiency. This means a departure from reliance on offshore imports. I simply ask members in this House to consider the implications of a vote today which would indicate a negative attitude toward our objective of energy self-sufficiency.

[Mr. Hnatyshyn.]

[*Translation*]

Mr. Donald J. Johnston (Saint-Henri-Westmount): Mr. Speaker, I want to say at the outset that my speech will be very brief. I share the feelings just expressed by the minister, that we are here in a non-partisan way and that we have proposals to make to the government to help it improve the energy policy. I am very happy to have this opportunity to participate in the debate because it deals with a matter which is of the utmost importance to Canada.

The whole question of energy, its availability and its price all affect the life of every individual and every company in every sector of our society and economy. Therefore, the importance of this debate cannot be overestimated.

The other aspect of this debate that strikes me tonight is the profound difference that lies between my party, the Liberal party, and the Conservative government on the issue of energy as well as on other subjects. Mr. Speaker, how often have we heard remarks and comments by our friends on my left, on the far left, to the effect that both the Progressive Conservative Party and the Liberal party carry the same message. They like to say we are one and the same. But I reject this and indeed the difference between our two parties appears clearly in this debate tonight. It appears in the approach we have towards society, toward responsibility of the government.

As I said, the difference between our two parties is obvious and so is the concept we have of society and of our role. At the same time, one must admit that to a certain extent we do share the same philosophy. I can give you an example. The Progressive Conservative Party merely carries on with the economic policy without presenting a new budget, it is quite satisfied with ours.

Besides, just like the Progessive Conservatives we believe that the private sector is the main driving force within our society. We must give impetus to the economy of our private sector and stimulate the open market, but we are not so radical about it as some of our hon. friends opposite. And when we see that some people are unfairly treated, that there are no equal opportunities for everyone across the country, that some people cannot defend themselves, then we do not hesitate to intervene to protect them and ensure the safety of each and every Canadian. That is the fundamental difference between the two parties. And I hope our hon. friends to our left will realize this difference because, as I said earlier in my remarks, it is quite evident in the case of the energy crisis in Canada.

The Progressive Conservative Party has always been the party which fought to defend special interests in Canada, having neither the capability nor perhaps the will to offer us—and when I say us, I mean the Canadian people—programs likely to benefit all Canadians. As an example of this, Mr. Speaker, I shall mention the nearly complete absence of a social program on the platform of the Progressive Conservative Party when it held power before and even after the war, as well as when it was in the opposition. I cannot say the same

thing about our hon. friends to our left, but from the Progressive Conservative Party, nothing.

Now, the Prime Minister (Mr. Clark) would like to create the impression that his party has abandoned its traditional position in order to move more to the centre, but during this debate on energy tonight in the House. Mr. Speaker, we have come to realize that nothing has changed and that his party still represents special interests just as before.

[*English*]

What are these special interests that this government represents in this debate? Of course three immediately come to mind. First, obviously, are those who are interested in an accelerated rise to world prices, as opposed to the Liberal policy of organized slow rise toward prices on the international level. Obviously the oil companies are interested in that, the companies and persons associated with oil companies. Who can blame them?

• (2030)

Second, there is of course a certain provincial government that is particularly interested in a rapid increase in oil prices to world levels. Then there is the federal government itself. They are interested in finding ways to finance, for example, the mortgage tax credit scheme to which my friend from Winnipeg made reference earlier in his remarks.

Beyond that, what about Canadians at large? What about the small businessman? What about individuals? What about the poor? Those in the poor areas of my riding are concerned—

Some hon. Members: Oh, oh!

[*Translation*]

Mr. Johnston: He laughs because he knows nothing about my riding, Saint-Henri-Westmount, but I can assure you, Mr. Speaker, that we have much poverty in some areas.

[*English*]

What of those people? Is this policy of a rapid rise to world levels really in their interest? Is it really in the interest of all Canadians, or is it a classic Tory position of being interested in special interest groups? In this case there are the three that I cited, the companies and the governments of Canada at the provincial and federal levels.

What of other Canadians? Do they not have reason to be outraged at the fact that here is a Canadian natural resource they can buy as easily from an international cartel as they can at the same price from their own country? Are they not going to question the advantages of being Canadian? What are these resources for that we have in Canada, if they are not to stimulate and provide some kind of competitive advantage for Canadians?

What do they tell us? They say, "It is good for you," that it is "a long-term remedy," that "you may freeze, you may go bankrupt and you may not be able to travel, but the optimistic side is that in the long term it is good for you." I suppose this is not unlike the message that was delivered to the Christian heretics as they stood at the stake, the optimistic message was that in the long term it was good for them. That is the kind of situation we are facing in this energy issue.

Let me carry this one step further. Referring back to the comments of the Leader of the Opposition (Mr. Trudeau) this afternoon, he made reference to the cartel, and a cartel it is, the OPEC cartel. I am not criticizing the legality of that cartel. Under our Combines Investigation Act, as I recall it, we do accept a cartel at the international level for our exports. However, domestically our law dealing with cartels, or what is known as price fixing, is perhaps the most serious crime in the Combines Investigation Act.

This government is telling us that we are to follow this cartel which would be illegal under our domestic law. If any companies in Canada engaged in such an outrageous cartel, the officers responsible would be put in jail. However, we are told that we are to follow the artificial prices set by this cartel.

Frankly, I find this shocking, even coming from a Conservative government. If we go back to the nineteenth century, to the unfettered free enterprise system, monopolies and cartels were the order of the day. It may be that our Conservative friends are seeking their historical roots.

We are dealing with a cartel. As far as I am concerned, we have no business tying Canadian domestic prices to cartel prices in any way, shape or form.

We heard about conservation from the Minister of Energy, Mines and Resources (Mr. Hnatyshyn). He said the Liberal government had encouraged Canadians to "go ahead," and I wrote down the words, "and use more, it's really a bargain." Those are the words he used. That is not my impression of what the Liberal government was telling the people of Canada. In fact conservation measures had been foremost in the minds of the Liberal government and in the message they conveyed to the Canadian people.

I suggest there is no evidence, but perhaps the government has some to offer, that increased prices will create conservation. When I was a student in France in the late fifties, gas cost $1 a gallon. I do not know how many here have driven around Place de la Concorde or anywhere else in Paris or Europe. There is no evidence that people have conserved. There is evidence that they have sorted out their priorities and they probably compromise in some other area of their lives rather than sacrifice their automobiles which, of course, are fundamental to the infrastructure of society in this country. Therefore, to talk conservation in these terms is absolute rubbish.

We are told that the rising price of oil will make us look for more resources. We are told that if we follow the shock treatment and increase prices, people will be conscious of the fact we have to find other sources of energy, that that is the message we have to get across.

[*Translation*]

Let us be serious, Mr. Speaker. I am convinced that Canadians today are well aware of the fact that there is an energy crisis. They do not need an electric stimulus like mice to react. I find that it is an entirely stupid argument. The Canadian

people are very aware of their own priorities and the national priorities. I would like, Mr. Speaker, the Canadian government also to be aware of them.

[*English*]

What about exploration, new frontier exploration in particular? That is something I have not heard discussed in this debate. Of course I was absent from the House for part of the day. What are we doing about new frontier exploration? Rising prices are supposed to stimulate that. We have some very major fiscal policies in place to stimulate development in the new frontier. Canadian development expenses can be written off at 30 per cent on the declining balance. Canadian exploration expenses are deductible at 100 per cent.

We have in addition to that, depletion. We have depletion of $1 for every $3 earned, which is the normal depreciation. Beyond that we have super depletion which gives the additional $2. In fact there are circumstances where there is no money at risk in drilling for oil on the new frontier at the present time under our fiscal system. Now we are being asked to compound that by bringing the price to world levels. Surely there has to be a trade-off here somewhere. Canadian taxpayers are already paying an exceedingly heavy price for oil development in the new frontier. That seems to have been forgotten by those in the benches across the aisle. Perhaps it is the right program. Perhaps those fiscal programs have stimulated an enormous amount of drilling in those areas where obviously the risk is high.

However, there has to be a rationalization. If these gentlemen are prepared to let Canadian oil prices domestically rise to world prices, surely we have to reassess the fiscal implications of that on the other side of the balance sheet. To my knowledge that has not been done.

What bothers me about this whole debate is that I really did not hear gentlemen on the other side speaking for Canadians. Our leader has often said they do not believe someone should speak for Canadians, but surely in this House we have a responsibility to speak for Canadians.

● (2040)

Canadians do not understand why they should have to pay world prices for resources which are theirs, resources which companies are permitted to extract with enormous tax benefits. I do not regard it as any kind of rip-off to permit Canadians to have some kind of competitive advantages. They have enough disadvantages. They have distance. They have climate. They are caught up with all the other problems of this country, and here we have one advantage we can confer on them as we have done in certain cases with respect to hydro electricity. But no, we have to go to world prices in the name of conservation, in the name of looking for alternative sources of energy, all of which I agree with, particularly looking for alternate sources of energy, because, as we know, conservation is a short-term proposition at best. We have to find other sources of energy, and the situation I drew to your attention earlier, Mr. Speaker, means Canadians are conscious of that; they are prepared to make that investment, they know that problem, and they are going to move in that direction.

[Mr. Johnston.]

Let us for once, in this debate, talk about people. Speakers from this side of the House have, and I carry that over to my friends in the New Democratic Party. I do not think I am essentially considered a left-wing sympathizer, but I am realistic about what the opportunities are in this country and I think I am realistic about what we should be doing in terms of protecting Canadians against the disastrous effect of inflation in terms of our competitiveness, in terms of putting upward pressure on rate settlements and so on, if we follow the policy which this government is apparently following, namely, to force oil prices up to world levels as quickly as possible.

Mr. Cyril Symes (Sault Ste. Marie): Mr. Speaker, we have before us today a motion standing in the name of the Liberal party which says that this House has no confidence in the government because of their bungling of various aspects of the national energy policy, namely, the possibility of a home heating oil shortage this winter, a high energy price policy, and a high interest rate policy.

I should like to ask members of the Liberal party, who was in power for the last 11 years while this situation with regard to energy and high interest rate policy was allowed to deteriorate? It did not happen over night and these problems did not just begin with the Conservative government. They only continued with the Conservative party once it obtained office. Who was it who allowed the multinational oil companies over the past decade to control 90 per cent of the oil industry in this country, hence preventing the present government from getting a handle on national energy policy and the direction we should be taking in the development of our oil industry and prices fixed for its products?

Indeed, even with the establishment of Petro-Canada, 80 per cent of the oil industry still remains in foreign hands. That is an indictment of the energy policy or so-called energy policy of the Liberal party while it was in power. Indeed, it was that party in the late sixties which allowed these same oil companies to export half our total production of oil to the United States, thus contributing to the very shortages we are facing today. It is also the Liberal government, as stated in its energy policy in 1976, which said their policy was to move toward world prices. So the only difference between the Liberals and the Conservatives is that the Conservatives are going to do it in one big jump while the Liberals were going to do it gradually. So it is very hypocritical of them to argue, now they are in opposition, that we should not move toward the world price demanded by the OPEC cartel. That is the very policy the Liberal minister of energy was defending while his party was in power.

If we turn to the other aspect of the motion before us tonight, criticizing the government for its failure to deal with the potential shortage of home heating oil, who was it who allowed the National Energy Board last year to increase exports of oil products to the United States thereby contributing to shortages we may face this winter in home heating oil? It was the Liberal government.

If we think back to interest rate policy, it was the Liberal government which began the increases in interest rates seven

times in 1979 before the last May election, and the Conservatives are only continuing the interest rate policy begun by the Liberals. Yet here in this motion we find the Liberal opposition criticizing the Conservative government for following the same policy. I can only conclude that the motion we have before us is a desperate act by the Leader of the Opposition (Mr. Trudeau) in an attempt to give the impression somehow that this defeated party is the real opposition in the House. I believe the people of Canada in the past month have seen through that kind of hypocrisy and that kind of duplicity.

Some hon. Members: Oh!

An hon. Member: Why do you vote for it, then?

The Acting Speaker (Mr. Scott, Victoria-Haliburton): Order. I am sure it would be more pleasant for the House if they could hear the remarks of the hon. member for Sault St. Marie.

Mr. Symes: I know the truth hurts sometimes. You can tell by the squeals to my right. We have the spectacle of the Leader of the Opposition, this Ozymandias of the Liberal party, a party now discovering that his feet are of clay, desperately trying to rally his troops behind him to think that he is the real opposition though we know that he is leading a party that is disillusioned, bankrupt of any principle, and bankrupt of any policy for this country. This was evident in the last general election.

If the Leader of the Opposition has discovered he has feet of clay I think it has become evident that the people of Canada have discovered that the Prime Minister (Mr. Clark) has a head of clay when it comes to national energy policy.

I am reminded of the story of the three party leaders flying over one of those unstable South American countries. The plane crashed, but fortunately all three survived. In their attempt to escape from the jungle they were captured by a group of revolutionaries who saw them as interlopers and wanted to put them to death before a firing squad. Well, they took them out one at a time, and the first was the leader of the NDP. They lined him up against the wall and just as they were about to give the order to the firing squad to shoot, the NDP leader came up with an idea for a plan to escape and shouted "Earthquake! Earthquake!" The firing squad dropped their rifles and scattered for cover and the leader was able to escape.

Meanwhile, Mr. Trudeau and Mr. Clark were watching through the prison windows and decided they had better try something, too, because, of course, they were next before the firing squad. The Leader of the Opposition was taken out and he quickly decided he must think of a plan of escape and, just as they were about to fire, he shouted "Volcano! Volcano!". Again the firing squad dropped their rifles and ran, and he was able to escape.

Meanwhile, the Prime Minister was sweating behind the bars because he knew he was next. He was called out, the firing squad was lined up ready to shoot, and he came up with a brilliant plan of escape. He shouted "Fire! fire!".

Some hon. Members: Oh!

Mr. Symes: Mr. Speaker, I wish we could light a fire beneath this government in terms of an energy policy. We were promised last August that a national energy policy would be coming forward. We have not seen it to date. Instead, we have seen drift and incompetence, and indeed a kind of pricing policy which, I predict, will become public on Monday when the first ministers' conference is drawn and we as Canadians, as I said in the House the other day, will get a horrendous Christmas present from the Prime Minister in terms of energy pricing.

● (2050)

This government is determined to move to world prices as soon as possible, and in reports that I have received, I find their plans are to move to the world price, or close to it, by 1983. The price facing Canadians in that year will be $29.75 a barrel for oil, an increase of some 120 per cent over the current price of $13.75 a barrel. That kind of dramatic escalation in oil prices in Canada will not achieve the goal that this government has argued it will, namely, self-sufficiency, but instead will cause the most severe recession and economic dislocation that this country has seen in modern times. That is why we argue that it is folly to pay a price escalation on an artificial cartel price, namely, OPEC's. Instead, we will argue, and have been arguing, that we should base it on the real cost of bringing on new supplies in Canada, and phase in a price increase in a way that the economy and the consumer can absorb it.

If we proceed with this government's plan to escalate to the world price, or to 90 per cent of it as soon as possible, that means that by 1983 Canadian consumers will be paying an extra $700 a year just to heat their homes and drive their cars. I think that this is a burden for people faced with already high inflation; it is unjustifiable, illogical, and should not be proceeded with by this government.

We also know that this government is bent on destroying one of the most successful options we have in the oil industry, namely, Petro-Canada. The government wants to dismantle it, to privatize it, to let go an effective tool that the federal government has in national energy planning and development. The government is arguing that the private sector can do it better than a Crown corporation, and the private sector, and others have argued as well as I have, for reasons to keep Petro-Canada.

Let me quote a good summary of why we should keep Petro-Canada. It reads:

> Petro-Canada supplements the job being done by the private sector and takes appropriate risks where the private sector is reluctant. Petro-Canada provides Canadians with a better insight into the complexity of finding and developing new oil and gas reserves.
>
> Petro-Canada can and should, along with the private petroleum industry, play a leadership role in achieving crude oil self-sufficiency for Canada by 1995.
>
> . . . urges the federal government not to "reprivatize" Petro-Canada but to retain essential functions within a national petroleum company.

Mr. Woolliams: Who wrote that?

Mr. Symes: The hon. member opposite asks me who wrote that. The author is none other than the deputy premier of Ontario, and minister of energy, the honourable Robert Welch. The Conservative government of Ontario presented this to its federal Conservative counterpart here in Ottawa.

The Conservatives are all over the place on the issue of Petro-Canada, and I wonder how the Ontario members of Parliament in this House are going to vote on that issue, and indeed on the pricing issue, when obviously their own colleagues in Queen's Park object strongly to the course of action that they are taking.

Some hon. Members: Hear, hear!

Mr. Symes: This reliance on the private sector which I have described really means reliance on the multinational oil companies which have a stranglehold on the oil industry in Canada. Both the Liberals and the Conservatives accept the kind of tax policies that have been put in place over the past decade, tax policies which benefit these companies, and both have accepted the high profits over the years that these companies have been making at the expense of Canadian consumers. Only recently, in the past few days, do I get some inkling from the Liberal party that there may be something wrong with these extraordinarily high profits. I wish I had heard that a couple of years ago when the profits were increasing at almost the same rate.

Indeed, it was the Liberal government that implemented a tax regime that is still being followed by the present Conservative government, which means that for every $1 the oil companies spend on exploration in Canada, we, the taxpayers, put up 65 cents in terms of tax concessions given to these multinational oil companies operating in Canada. What do we get in return? We certainly do not get any kind of ownership or control in the way they exploit this resource which belongs to the people of Canada. Contrast that with the role of Petro-Canada which we, as Canadians, own, and the ability we have, through Petro-Canada, to take some real action in the interests of Canadians without the kind of blackmail tactics which the multinationals have adopted in the past.

Indeed, we have seen the Liberal government, again supported by the Conservatives when they were in opposition, allowing these oil companies to accumulate up to the end of 1978 a total of $1.5 billion in deferred taxes, taxes which have not been paid to the federal treasury. If the Minister of Finance (Mr. Crosbie) wants to look for a source of funds to reduce the deficit, I will tell him it is right there before his very eyes.

Some hon. Members: Hear, hear!

Mr. Symes: It is the former Liberal government which allowed—a policy continued by the present Conservative government—the effective tax rate of the multinational companies, with their record profits, to decline from 35 per cent in 1974 to 21 per cent in 1978. Indeed, Shell Canada, which in 1978 made a profit of $151 million, paid not one cent of federal income tax. That was the kind of tax policies that these two old line parties adopted in the past, and I find it utterly hypocritical for the Liberal party in its motion today to criticize the Conservatives for doing the very same thing they did.

Some hon. Members: Hear, hear!

Mr. Symes: Indeed we have in the private sector, which this Prime Minister wants to develop, Imperial, Shell, Texaco and Gulf which were allowed to increase their profits by $880 million, an increase of 55 per cent. We will get only more of the same from the two old line parties in terms of their attitude toward the private sector.

The motion before us criticizes the government on the issue of home heating supplies for the winter. On October 15 I raised this very issue with the Minister of Energy, Mines and Resources (Mr. Hnatyshyn), and I pointed out to him that in my province of Ontario home heating oil reserves are down 20 per cent over the same period last year, and we have, in the most recent report from the National Energy Board, a situation where all oil products have declined some 8.3 per cent as of October 1. What are the reasons for this decline?

We hear of refinery breakdowns, we hear that the pipelines are at maximum capacity, and that there is a scarcity of foreign supply at short notice. We do not hear very much about an investigation that has been taking place for the past six years, carried out by the Department of Consumer and Corporate Affairs, of collusion and price fixing in the oil industry in Canada. I should like to see that study come to light so that we may judge for ourselves whether or not there is, by way of collusion, a manipulation of supply that is contributing to a potential shortage over the winter, and yet we have no report forthcoming from this government.

We also find that the reason to which I alluded earlier for this potential shortage is that the National Energy Board has allowed exports of oil products to increase some 21 per cent between January and mid-summer of this year, and again that kind of increase took place under the regime of the former Liberal government which is now criticizing the new government for failing to have enough oil on hand.

When the Minister of Energy, Mines and Resources says the situation is fragile, it is an indication that he has no contingency plans in place, or at least has not made them public to the House and the people of Canada. We can only conclude that he is giving us a bland assurance, rather than some concrete evidence that the mechanisms are now in place to move fuel oil quickly from one region of the country to another in order to face eventual shortages.

● (2100)

I fear for the consumers of eastern Canada, especially those in Quebec and the maritimes, this winter in the event of a possible disruption of supply. I learned tonight that the Iranian government has stopped loading American tankers with oil. I hope we do not face another Exxon situation, as we did last spring when the multinational oil companies began to reduce

Canadian allotments from their supply pools in order to meet shortages in other markets.

The government must implement a policy which makes some sense. We agree with the motion, that the government has not met the criteria which we advocated in terms of what an energy policy should be. In light of the state of the economy, there should be a current freeze on energy prices. When we move the price up, any increase beyond the present price should go into a national energy development fund so that we will be assured these moneys will be spent on energy development in Canada to meet Canadian interests.

We would have a commission to investigate oil company prices and profits to ensure that consumers were not ripped off.

We would preserve Petro-Canada, promote alternative energy, and a massive conservation program. We have not seen this forthcoming from the government, and for these reasons we will vote against it tonight.

Some hon. Members: Hear, hear!

Mr. J. M. Forrestall (Dartmouth-Halifax East): Mr. Speaker, for a moment or two I should like to reminisce a little bit about the history around here. I recall December, 1973, when the hon. Leader of the Official Opposition (Mr. Trudeau) told us and Canadians about the importance he attached to constitutional reform. He said that it was much more important than doing anything about Alberta. He said, "Don't worry about Alberta oil in Quebec and Atlantic Canada; we have more important things to do".

The energy spokesman of the New Democratic Party should be reminded that it was his party which kept the present opposition members in government in 1972, 1973 and 1974. During that period all of the oil drilling rigs in this country left and went south, because the then government drove them out of the country by its policies and attitude. They were not seized then and they are not seized today of the urgency of the oil situation in the country. I remind hon. members of that. There were many more important matters in this country than getting oil to Quebec and eastern Canada, according to the leader of the then government. Certainly the urgency of the oil situation was not among the reasons cited by the then government.

Of course it is not clear what the direct impact or effect of increased prices will be on demand. We know from world experience and limited Canadian experience that in fact for every 10 per cent increase in the price of oil, demand will be constrained by some 3 per cent to 4 per cent over a period of three years to six years. Those who have followed our problems will recognize the shallowness and superficiality of that as an argument with respect to the need on the part of this country to move toward world prices.

We do not need the damnable nonsense about rapid and swift increases in world prices. The economy could not stand it. They know it and we know it. There is some responsibility on this side of the chamber for the first time in 16 years. Canadians should thank God that we are responsible.

An hon. Member: Show it.

Mr. Forrestall: It is interesting to note that we saw no frontbenchers up speaking. I saw some pretenders to the throne of the opposition. As a matter of fact my 3½ year old son, Mike, wondered at suppertime what the hon. member for Winnipeg-Fort Garry (Mr. Axworthy) was talking about. He said, "Dad, I thought it was an energy debate. What was he doing; going after another job?"

In a post-embargo and a post-Iranian world, which is what we are in and have been since 1973—

An hon. Member: It is a post-Tory world.

Mr. Forrestall: I did not see the frontbenchers, the leftovers, or the remnants of the former government up on their feet contributing to this question. Where were they? They went to the second and third rows, some pretenders to the throne. It is too bad they did not talk about oil. Perhaps it was because they did not know anything about it.

Some hon. Members: Oh, oh!

Mr. Forrestall: If hon. members opposite wonder why we must move toward world energy prices, they should remember that we can no longer live in the artificial world created by the Liberal government over the last 16 years. In the 18 months prior to the election, when the whole country hiccupped at the will of the former prime minister, because the election was on one day and off the next, not once did we see them confront a serious problem in the country. What did they do? They hid, they ran away, they avoided. They avoided coming to conclusions and making decisions respecting important matters such as the security of energy supply in this country.

They should go to Europe and talk to any trader. We are a trading nation. They should ask any trader what feedback he is getting from his colleagues in Europe and talk to any trader. We are a trading nation. They should ask any trader what feedback he is getting from his colleagues in Europe and from other trading nations or trading partners. They are saying to Canadian traders that if they do not move, they will stop buying from them because they are practising unfair competition in the marketplace.

As recently as two weeks ago, 15 member countries of NATO approved a motion here in Ottawa which directed Canada to get out from under the artificiality of the world in which we are living and to move toward world prices. They indicated that we would feel the consequences in our international trade if we did not. We cannot live in an artificial world any longer. I am saying nothing more than the Liberal government were seized of five years or six years ago. We are in the post-Iranian crisis. The price of oil in the world today is not a political price, it is a market one. The former government knew it and chose to do nothing about it. What will we do

about it? For the first time a government on this side of the chamber has moved; the Prime Minister has moved—

Some hon. Members: Oh, oh!

Mr. Forrestall: Were hon. members opposite present to listen to their leader when he was over here and not moving? If they had listened, they would appreciate what I am saying tonight. Thank God Canada has a Prime Minister and a Minister of Energy, Mines and Resources (Mr. Hnatyshyn) who are living up to the obligations of running this country in the way it should be run.

Some hon. Members: Hear, hear!

Mr. Forrestall: The manner in which the Liberal party sees the intelligence of the people of this country is something to behold. Not one member opposite gives anyone in the country the benefit of having a bit of brains or intelligence. They do not have the time of day to consider the impact of not moving seriously.

Oil is a finite product. We may be the most fortunate of all western nations. We may have enough energy in the form of oil, coal, gas, hydro, solar power, and bio-mass energy to last us well into the next century, and probably well beyond that, but oil is finite. The former minister of energy, mines and resources, Mr. Gillespie, failed to recognize that in each of his major pronouncements with regard to oil supplies in this country. He failed to recognize that throughout the years that he served in that portfolio, and the consequence of that failure is that this country will face oil shortages in the 1980s. There is no question about that. Whose fault is that? Who has to take the ultimate blame and responsibility? I suggest there is no question but that it is the responsibility of that minister and his government.

● (2110)

What they failed to do in six years we cannot do in five months, but we will do it in eight or ten months. We will turn around the thinking in this country. We will turn it around so as to encourage true conservation through the substitution of other energy forms for oil, through effective home insulation programs and all of the other things that tend to provide protection and balance. We will turn this around so that this country, not by the turn of the century as the Leader of the Opposition and the former minister of energy, mines and resources would have it, is self-sufficient some time after the turn of the century—we will have self-sufficiency in this country by 1990 and we will accomplish that through conservation of our oil, through the development of additional conventional oil, through tertiary improvement and recovery of those oil resources, through the development of frontier oil both in the north and off the coast of eastern Canada, and we will do that by whatever means are necessary. We will not do it on the backs of those people who cannot afford it, as some hon. members over there would have us believe.

The Prime Minister of this country has said on a hundred occasions that he is aware of the situation and that his government intends to move to protect those people who would be most directly affected by increases in the direction of world oil prices. No one in this chamber knows the situation better than I, and I am glad to note in the gallery the presence of the minister of finance and the minister of development for the province of Nova Scotia. They will tell you, if you want to ask them, that maritimers are already paying twice the national average for domestic electricity. The Prime Minister of this country has said this is not acceptable, that it should be lower. He has indicated that the minimum that is acceptable to this government is domestic electricity rates for the maritimes that do not increase any more than the national average.

Where is the great impact? The cost will not increase. Where was the minister when he was needed? Where was the former minister of regional economic expansion when we needed money for coal? Where were you when Devco wanted resources? Where were you, and what were you doing? What was your leader doing?

What happened in respect of Donkin, Lingan and Devco? What did the former government do about the use of coal to back out oil? Where were you at that time, and what did you do? Where are the new coal mines? Are they in place? Where are the additional plants for the generation of electricity, using coal? You did not do anything about these things because you did not care; you didn't give a damn. Our minister of energy cares and our Prime Minister cares.

Some hon. Members: Hear, hear!

Mr. Forrestall: It has been said, and it is true, that there is no energy crisis in Canada today.

Some hon. Members: Oh, oh!

Mr. Forrestall: What there is in Canada today is a potential shortage of oil and a potential major crisis at any moment. We noted today that Iran has stopped loading oil, some of which presumably is destined for eastern Canada.

Let me talk for a minute or two about the critical situation that faces eastern Canada. For six or seven years, since 1973, the former government ignored the situation. That government was seized of the absolute knowledge that it must store strategic oil five years ago, in 1974. What did that government do? Where is the development at Port Hawkesbury? Where is the development of the mines at Belle Isle, Newfoundland? Where is the storage in Atlantic Canada as a result of pre-planning? It takes three to four years to put in place good, positive, strategic storage capacity. That government knew in 1974 and 1975 that this had to be done. That government had the opportunity to piggyback on U.S. strategic reserve planning, but that government procrastinated.

Who is suffering today? Where is the potential for suffering and for harm? I suggest it is in Atlantic Canada. It exists in the eastern part of the former minister's own province. What good are all his words this afternoon when there is no oil to put in storage in those parts of Atlantic Canada that require storage this fall before freeze-up, in order to have supplies

throughout the winter? What happens if the oil is not in place? Whose fault will that be? I suggest it will be the former government's fault because they did not move with storage. They did not move in respect of strategic storage.

Mr. Gillespie, the former minister of energy, told me in response to a question back at the time of the Iranian crisis; "Don't worry about it, son; we will look after it." He did not do much of a job. That minister and his government did not do much of a job. That is all I have to say. They did not put much storage in place. They did not move in respect of coal liquefaction. They did not move with regard to fluidized beds. They did not move with regard to Fundy tidal power. They did not move in respect of a demonstration project on the Annapolis River.

For years there has been $9.5 million in banks in Nova Scotia for the purpose of getting into low head electrical generation. Did that government use the money for that purpose? Where is that money now? It is sitting in the Bank of Nova Scotia in Nova Scotia, instead of being out invested in the production of electricity. Where do we get our electricity? We get it from oil powered generating plants. Where do we get that oil? Every drop of it comes from offshore.

For the first time in ten years there is a government in this country which is concerned about the situation and in fact is doing something about it.

Some hon. Members: Hear, hear!

Mr. Forrestall: We are the slaves of expensive oil supplies, Mr. Speaker, as a direct result of inaction, indifference, irresponsibility, and downright and damnable immorality in respect of—

Some hon. Members: Oh, oh!

Mr. Forrestall: Hon. members opposite did not do anything when they were warned. They did not co-operate with the United States when they had the opportunity. They did nothing about opening new coal seams in Cape Breton. They did nothing about Prince Edward Island. They piddled and puddled around with the Maritime Energy Corporation to the point where it is almost impossible to resolve that situation. That former government did nothing about the power grid, and it set up Petro-Canada because it was forced to by those colleagues now to their left. It was seven years of panic, seven years of concern for anything except the security of oil supply in this country. The former administration did nothing to encourage offshore development or development in the north, and PetroCan did less. The Canadian Commercial Corporation was more effective in securing state to state contracts.

● (2120)

I would remind hon. members opposite that the International Energy Agreement to which Canada was a signatory comes into effect when there is a 7 per cent reduction, and this includes every member country. To Canada 7 per cent west of the Ottawa valley means absolutely nothing. Seven per cent of our supply represents 25 per cent of our imports most of which supplies Quebec and Atlantic Canada. I wonder if the Liberals knew about that.

What did the former government do about asking the OECD, the other signatories to the IEA, to open up negotiations and make a special case for Atlantic Canada because it has to rely, as do Japan and the European countries, on imported oil? Why did the former administration not go to this group and say that 7 per cent results in 25 per cent of supply to five of our provinces? If there is a serious shortage and the IEA is brought into force, we will have a reduction of 25 per cent in our oil supply in Atlantic Canada. That will be the responsibility of the Leader of the Opposition, and he will have to carry it on his head. His failure to act, coupled with his stand-pat, do-nothing attitude and the less than useful help of his socialist friends to the left, who as well have done nothing, contributed nothing to the well-being of Canada. His government had no intention of doing so. That party will follow to its grave the old principle of "look after the middle and the devil take the regions. The regions can look after themselves as long as we keep the centre strong, and to hell with Atlantic Canada, to hell with the north, to hell with Quebeckers." That is their economic policy.

Mr. Lessard: May I ask the hon. member a question?

Mr. Deputy Speaker: Is there unanimous consent to allow a question?

Some hon. Members: Agreed.

Some hon. Members: No.

Hon. Herb Gray (Windsor West): Mr. Speaker, this motion deals with both energy supplies and interest rates. I think that my colleagues who have spoken have dealt most effectively with the Conservative efforts to raise our energy prices in Canada rapidly to world levels, something that will be most harmful to Canadian consumers and Canadian businesses. In fact the hon. member who just spoke forgot to point out that Premier Davis of Ontario has also spoken most effectively against the ideas put forward by the government in this debate. If the government wants to get advice from someone of its own party, I suggest that it stop listening to Premier Lougheed and start listening to Premier Davis.

This evening I want to speak particularly about interest rates, because they are not, in fact, something that is remote from the daily lives of Canadians. Interest rates are costs, and costs are a part of prices. They affect everything done by Canadians and their families. The present record level of interest rates, which is supported by Conservative policy, cuts back the ability of Canadians to buy goods and services of all kinds—cars, homes, food and clothing, everything people need. These high interest rates cut back the ability of factories and businesses generally to expand, to create more production and jobs. These high interest rates limit the ability of business, especially small business, simply to operate at basic non-inflationary levels. Therefore these high interest rates mean losses

of production and jobs now and over the coming winter months.

The Conservative government has been saying that these high interest rates are needed to fight inflation, but they in themselves drive up costs and add to inflation. The Prime Minister (Mr. Clark) said when he was still leader of the opposition only last March 2, "record high interest rates virtually guarantee more inflation by bidding up the price of money itself". How soon they forget! All this has been demonstrated by the jump in the cost of living last month of one full point, obviously incorporating increases in costs due to increases in interest rates. The government has allowed these increases to go into effect in the period since it has been in office.

However, even if high interest rates do fight inflation, why should we have the same interest rates which the Americans say are required to fight inflation in their country? Our inflation is some five points lower than inflation in the United States. The government also says that high interest rates are needed to finance the deficit in the balance of payments and to maintain the exchange value of our dollar and that, therefore, we must keep in step with the United States. This deficit is there mainly because we have been sending out more interest and principal to repay previous borrowings for this purpose. It is a never ending treadmill, and the Conservatives want to keep us on it forever.

The deficit is also there because of the high level of foreign control of our economy, which means that we are sending out tremendous amounts of interest, dividends, management fees and the like, to foreign parent companies.

A week or so ago the Americans said they had made a mistake in applying their monetary policy. They thought that their money supply had grown by $3 billion and that therefore they had to raise their interest rates again. Then they found that their money supply had not gone up by $3 billion and that they did not need to raise their interest rates. Surely this American error helps to show the folly of the government continuing to raise our interest rates almost in lock-step with the United States. Upon learning of this error, Henry Reuss, the respected chairman of the banking committee of the U.S. House of Representatives, said that "it was a monumental goof and a monetary Three Mile Island". Surely we cannot let the Conservative government create an economic Three Mile Island for Canadians and their families this winter.

This government should be tackling the basic structural problems of our economy through an industrial strategy to make it more productive and efficient, including dealing with problems within it like the high level of foreign control. These structural problems should not simply be masked with high interest rates. The Conservatives should not be making it harder for Canadian business and agriculture not only to expand, but simply to operate, because of these high interest rates. The government's high interest rate policy is having an adverse effect on the entire economy.

This impact is especially severe for small businesses which are primarily Canadian-controlled and which rely mainly on borrowing from banks to operate. *The Globe and Mail* reported on October 15 that "more bankruptcies will be the end result of the Bank of Canada's recent epidemic interest rate increases". It quoted Paul Jerabec, vice-president of Dunwoody & Company, who said, "All sizes of business will be susceptible—small, medium and large".

Last December 13, 1978, the current President of the Treasury Board (Mr. Stevens), while speaking on behalf of the Conservative party, said "that for every one half point interest rates go up, it costs business $375 million". This means that the Conservative high interest rate policy has already cost Canadians over $2 billion. John Bullock, the President of the Canadian Federation of Independent Business, a leading spokesman for small business, has expressed fear that a downturn of consumer spending because of this high rate policy will leave small retailers with larger inventories of unsold goods, thereby increasing the number of business bankruptcies. Nothing has been done by this government about the hardships that will be created by these policies for Canadian small businesses and their employees.

• (2130)

The effects of the Conservatives' high interest rate policy are also damaging to farmers, especially beef producers. They also rely on bank financing in order to operate. High interest costs for them mean higher food costs. Peter Hannam, president of the Ontario Federation of Agriculture, is reported in an article which appeared in the *Toronto Star* on October 10 as saying that the mood of Ontario farmers "is turning to near outrage" at the high interest rates they must pay on loans for land, buildings and machinery. He is also reported as saying that the decision to fight inflation by raising interest rates "is ironic because in the food industry it is just feeding inflation."

These high interest rates are also bringing the housing and construction industry to a halt, with a potential loss of thousands of jobs in that sector alone.

I have in my hand the latest issue of *Focus*, the publication of the Housing and Urban Development Association of Canada. It quotes its president, Keith Paddick, as saying in a telegram to the Prime Minister:

> —we must also express our concern with the increases in prime lending rates and their effect on the residential construction industry and on the cost of doing business in general.

That publication goes on to state that he pointed out that "the high interest rates were discouraging initiation of new construction programs with the resultant loss of employment." Because of these high interest rates, Mr. Speaker, many people will not be able to afford new housing or to refinance existing housing. Any benefit that people might have expected from the new Conservative mortgage interest and property tax credit plan will be cancelled by this Conservative high interest rate policy.

The Conservatives did not promote the first version of this plan as a way of helping people to bear some of the burden of future high interest rates; instead, they said that people would be better off than they were before the plan and before the

election—that they would spend less money than they had been spending on mortgage interest and property tax payments. This will not be the case now. Instead, people will be back where they were before the Conservatives began raising interest rates. Many will obviously be worse off. It will cost many Canadians more for mortgages, even after the tax credit plan is in effect.

It is clear, Mr. Speaker, that the Conservatives' high interest rate policy has already adversely affected the economy. These effects will be even more clear as we move into the winter months. This is confirmed by the economic analysis done by the Department of Finance. I persuaded—perhaps forced—the Minister of Finance (Mr. Crosbie) to table this document before the finance committee when he appeared there a few days ago. In the document, the effects of this Conservative policy are laid out clearly for all to see. It was prepared by the minister's own advisers within the Department of Finance.

The Conservatives now say that they cannot keep their economic promises and that they cannot do anything because the economy is in such bad shape. I say this is not accurate, or at least it was not accurate when they took office five months ago.

Some hon. Members: Hear, hear!

Mr. Gray: Not only was the economy in better shape then, than it had been for a long time previously—of course there was still room for improvement—but both the cost of living was lower and the rate of unemployment was lower than they had been for some time. If the Conservatives thought the economy was in such bad shape, they certainly have not proven it by their actions since becoming the government. They have allowed the economic policies of the previous Liberal government to continue almost unchanged in the almost half a year since they took office. What an endorsement that is! What a contradiction of their election arguments and their present claims about what Liberal policies have done to the economy!

They could have called Parliament sooner and had a budget four months ago, but instead, all we have seen is the support and encouragement by the Conservatives of a policy of moving interest rates in Canada to record levels—above 14 per cent. Before the election the Conservatives pledged that if they formed the government they would bring interest rates down.

The New Democratic Party has been showing a great deal of worry about the Liberal party's position on interest rates. Perhaps it is because when the Liberals are, in fact, liberal in policy orientation and action, the NDP is condemned to remain forever what they are now—the party of the radical nowhere.

Some hon. Members: Hear, hear!

Mr. Gray: The public can see through the sanctimonious pose and the self-righteousness of the NDP, and realize they have no valid claim to any special concern for the problems of average Canadians and their families. These are the concerns of the Liberals, Mr. Speaker, and this is demonstrated by the position taken in this motion of non-confidence.

For some members on this side, Mr. Speaker, there may well have been an argument for allowing interest rates to rise a year ago when it still meant they were only one or two points above the level of inflation, but when the Conservatives allowed our interest rates to go above 14 per cent, five points higher than the rate of inflation, then I think it is a different matter. It means a frontier has been crossed into dangerous, uncharted territory for the Canadian economy. As a result, I believe it is right and necessary for Liberals to take a new approach and a new look at interest rate policy.

But most important, it was the Conservatives who said, before the election, that if they formed the government they would bring interest rates down. That is what the Prime Minister said when he was leader of the opposition. The Conservatives did not say they would do this only after allowing interest rates to rise more and more until they reached record levels. They did not say they would do it only after the economy was better, so how can they say now that they cannot act because, they claim, the economy is worse than they expected?

Last July the Minister of Finance admitted that the economy was better than ever the Liberals had said it was going to be. In any event, the Conservatives have not shown that they have found any significant new information that was not available to them before the election about the state of the economy.

They promised low interest rates and a lot of other things at a time when they were saying that the economy was a lot worse than, in fact, it has turned out to be. They are the government now, they have the power to act, and they are doing nothing except allowing interest rates to rise.

When they eventually bring down a budget, if there is anything useful in it, it will likely be too late to help the economy. It takes six months for measures designed to help create jobs and increase production to work their way through the economy and have a beneficial effect.

I will continue, therefore, Mr. Speaker, to speak out, and Liberals will be speaking out and calling for policies like the implementation of an industrial strategy, a program involving co-operation between business and labour, but requiring something that we have not had up till now, and that we will not get, and that is federal government leadership to make sure that our economy is more productive and efficient. This means a policy to deal with problems like our balance of payments situation and the high level of foreign control of our economy. It means a policy which makes it possible for Canadian industry to meet more of our needs in Canada and to sell more abroad in competitive world markets. I am talking about jobs, and progress for millions of Canadians and their families, Mr. Speaker. That is something that the Conservatives and the NDP are not capable of providing.

The case for this motion when it deals with interest rates was made even before it was tabled, by leading members of the

Conservatives such as the hon. member for Qu'Appelle-Moose Mountain (Mr. Hamilton), and the hon. member for Annapolis Valley-Hants (Mr. Nowlan). The case was made well before the Conservatives even took office and began the series of increases in interest rates which has brought them to their present record levels.

As I have already pointed out, on March 2, when the Prime Minister was speaking as leader of the Progressive Conservative Party, he said that "high interest rates block growth and there is no proof that they stabilize the dollar." He also said that "they put in question major construction projects, by adding significantly to their capital costs and hit particularly hard at small businessmen who do not have the market power to pass along high money costs." At that time the Prime Minister also said that "interest rates must come down if we are to get the Canadian economy growing at its full potential." He promised that "it would be the policy of a Progressive Conservative government to gradually bring those interest rates down."

So, Mr. Speaker, when the Conservatives ask for alternatives to their present high interest rate policy, I want to tell them that one alternative, which has not been rebutted, would be to implement their own original policy as stated by the Prime Minister—"bring those interest rates down." The Liberals and I generally want action taken now to prevent the hardship this Conservative high interest rate policy is creating for millions of Canadians and their families.

• (2140)

Some hon. Members: Hear, hear!

Mr. Gray: That is why we Liberals, speaking on behalf of Canadians generally, are urging this government to do something constructive in the interests of Canada, the Canadian people and the Canadian economy. That is why I am urging this House to vote in support of this motion of non-confidence.

Some hon. Members: Hear, hear!

Mr. Nowlan: Mr. Speaker, would the hon. member permit a question?

Mr. Gray: Yes.

Mr. Nowlan: My question to the hon. member who just finished speaking is this: after 16 years in government and a few months in his own office as critic, could he give this House and the Canadian people tonight one specific policy that would help lower interest rates?

An hon. Member: This is your job.

Mr. Gray: Yes, I would be delighted to do it, Mr. Speaker. As I said in my speech, we need an industrial strategy to deal with our balance of payments deficit.

Some hon. Members: Oh, oh!

[Mr. Gray.]

Mr. Gray: We need an abandonment of the Conservative intention to raise energy prices to record high levels—to world levels—something that will add to inflation and something that this economy cannot stand if at the same time we have Conservative high interest rates and Conservative high energy prices. It is not necessary. My hon. friend forgets that he and his colleagues campaigned around the country saying that they knew what to do, and now they are in office the hon. member gets up and asks whether we would mind telling them what to do. They do not know what to do. They have no ideas. He asks us what to do. My hon. friend has just shown the bankruptcy of his ideas. He has shown the bankruptcy of ideas of his party. No wonder we are asking for this motion to be passed. They do not deserve to govern.

[*Translation*]

Mr. Richard Janelle (Parliamentary Secretary to Minister of Regional Economic Expansion): Mr. Speaker,—

Some hon. Members: Hear, hear!

Mr. Speaker: The hon. member for Lotbinière (Mr. Janelle) has only one minute left.

Mr. Janelle: I suspect my former colleagues of the opposition do not even want to allow me what little time I have left. Still, I should like to say that the Liberal party has not changed much over the years. It has always dealt in scare tactics, and continues to do so. It is trying to scare people to death with regard to pan-Canadian supplies, when we know very well that the present government has promised all Canadians, and especially those of eastern Canada, that it will see to it that they have adequate supplies this winter.

[*English*]

Mr. Speaker: Order, please. It being 9.45 p.m. it is my duty to interrupt the debate and put forthwith every question necessary to dispose of the proceedings now before the House in accordance with section 9 of Standing Order 58. Is it the pleasure of the House to adopt the said motion?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: Those in favour of the motion will please say yea.

Some hon. Members: Yea.

Mr. Speaker: Those opposed to the motion will please say nay.

Some hon. Members: Nay.

Mr. Speaker: In my opinion the nays have it.

And more than five members having risen:

Mr. Speaker: Call in the members.

The House divided on the motion (Mr. Trudeau) which was negatived on the following division:

● (2150)

(Division No. 5)

YEAS

Messrs.

Allmand
Andras
(Thunder Bay-Nipigon)
Appolloni
(Mrs.)
Axworthy
Baker
(Gander-Twillingate)
Bégin (Miss)
Benjamin
Berger
Blackburn
Blaikie
Blais
Blaker
Bockstael
Breau
Broadbent
Buchanan
Bujold
Bussières
Caccia
Campbell
(LaSalle)
Chenier
Chrétien
Comtois
Corbin
Corriveau
Cousineau
Cyr
Daudlin
Dawson
De Bané
de Corneille
de Jong
Demers
Deniger
Desmarais
Dion
(Portneuf)
Dionne
(Chicoutimi)
Dionne
(Northumberland-Miramichi)
Duclos
Dupont
Dupras
Duquet
Ethier
Evans
Faour
Fleming
Flis
Foster
Fox
Fulton
Gauthier
(Ottawa-Vanier)
Gendron
Gourd
Gray
Guay
Guilbault
Harquail
Herbert
Hervieux-Payette (Mrs.)
Hogan
Hopkins
Isabelle
Ittinuar
Jewett (Miss)
Johnston
Joyal
Kaplan
Killens (Mrs.)
Knowles
Lachance
Lajoie
Lalonde
Lamontagne
Laniel
Lapierre
Lapointe
LeBlanc
Leduc
Lefebvre
Lessard
Loiselle
Lumley
MacEachen
MacGuigan
MacLaren
MacLellan
Malépart
Maltais
Marceau
Massé
McCauley
McRae
Miller
Mitchell (Mrs.)
Munro
(Hamilton East)
Murphy
Nicholson (Miss)
Nystrom
Ogle
Olivier
Orlikow
Ostiguy
Ouellet
Parent
Pelletier
Penner
Pepin
Peters
Phillips
Pinard
Portelance
Prud'homme
Rae
Reid
(Kenora-Rainy River)
Robinson
(Burnaby)
Robinson
(Etobicoke-Lakeshore)
Rodriguez
Rompkey
Rooney
Rose
Rossi
Roy
(Laval)
Sargeant
Sauvé (Mrs.)
Savard
Skelly
Stollery
Symes
Tardif
Tessier
Tousignant
Trudeau
Turner
Veillette
Waddell
Watson
Whelan
Yanakis—138.

NAYS

Messrs.

Alexander
Allard
Andre
(Calgary Centre)
Atkey
Baker
(Nepean-Carleton)
Baldwin
Beattie
(Hamilton Mountain)
Beatty
(Wellington-Dufferin-Simcoe)
Binks
Blenkarn
Bosley
Bradley
Brisco
Cameron
Campbell
(Sarnia)
Caouette
Clark
(Yellowhead)
Clarke
(Vancouver Quadra)
Coates
Cook
Cooper
Corbett
Cossitt
Crombie
Crosbie
(St. John's West)
Crosby
(Halifax West)
Crouse
Darling
Dick
Dinsdale
Domm
Elliott
Ellis
Elzinga
Epp
Fennell
Ferguson
Fish
Forrestall
Fraleigh
Fraser
Fretz
Friesen
Froese
Gamble
Gass
Gauthier
(Roberval)
Gilchrist
Grafftey
Graham
Greenaway
Gurbin
Gustafson
Haliburton
Halliday
Hamilton
(Qu'Appelle-Moose Mountain)
Hamilton
(Swift Current-Maple Creek)
Hargrave
Hawkes
Hees
Higson
Hnatyshyn
Holmes
Howie
Huntington
Janelle
Jarvis
(Willowdale)
Jarvis
(Perth)
Jelinek
Jupp
Kempling
Kilgour
King
Korchinski
Kushner
Lambert
(Bellechasse)
Lambert
(Edmonton West)
Lane
La Salle
Lawrence
Lewis
MacDonald
(Egmont)
MacDonald (Miss)
(Kingston and the Islands)
MacDonald
(Cardigan)
MacKay
Malone
Mayer
Mazankowski
McCain
McCrossan
McCuish
McDermid
McGrath
McKenzie
McKinley
McKinnon
McKnight
McLean
McMillan
Mitges
Munro
(Esquimalt-Saanich)
Murta
Neil
Nickerson
Nielsen
Nowlan
Nylander
Oberle
Paproski
Patterson
Reid
(St. Catharines)
Reimer
Richardson
(Humboldt-Lake Centre)
Richardson
(Beaches)
Ritchie
(Dauphin)
Ritchie
(York East)
Roche
Roy
(Beauce)
Schellenberger
Scott
(Hamilton-Wentworth)
Scott
(Victoria-Haliburton)
Siddon
Speyer
Stevens
Stewart
Stratas (Mrs.)
Taylor
(Cowichan-Malahat-The Islands)
Taylor
(Bow River)
Thacker
Thomson
Towers
Vankoughnet
Wakim
Wenman
Whittaker
Wightman
Wilson
Wise
Woolliams
Yurko—140.

● (2210)

Mr. Speaker: I declare the motion lost.

It being ten o'clock, this House stands adjourned until tomorrow at 2 p.m.

At 10.18 p.m. the House adjourned, without question put, pursuant to Standing Order.

APPENDIX

(*See p.1014*)

Ottawa, Ontario
K1A 0A2

November 6, 1979

Mr. Fabien Roy, M.P.
Room 358
Centre Block
House of Commons
Parliament Buildings
Ottawa, Ontario
K1A 0A6

Dear Mr. Roy:

This is in response to your letter to me of November 5, expressing concerns about oil supply for the coming winter, particularly in the eastern part of our country.

When the government came to power, we found that the situation regarding oil supply and pricing was out of control. Necessary long-term measures to assure an adequate and secure supply of oil for Canadian consumers had not been taken. The country is now paying for the previous government's lack of foresight and as a result faces a period of probably growing import dependence. As you know, we are now working vigorously to reverse this situation and to put in place policies which will achieve national oil self-sufficiency by 1990.

The short-term situation as we found it last June was also far from satisfactory. Inventories had been seriously depleted and there was considerable uncertainty about the adequacy of gasoline supply for the summer and heating oil for the winter.

The government acted promptly to improve the situation and to secure equitable treatment for the independent sector of the business. Thus:

1. With the co-operation of the government of Alberta and its agencies, production of crude oil in western Canada has been brought to maximum levels in recent months.

2. Exports of our valuable light crude oil were reduced from 55,000 barrels a day in September to 14,000 barrels a day in October and virtually eliminated in November in order to make this oil available to Canadian refiners.

3. With the government's approval, the National Energy Board has continued to allow the exchange of western Canadian oil for additional supplies of overseas oil to eastern Canada. The Energy Board recently approved exchanges totalling some 2.5 million barrels, virtually all of which are for the account of refiners in the province of Quebec.

4. The Minister of Energy, Mines and Resources has authorized the payment of special import compensation in the amount of $745,000 to enable a Quebec refiner to import a badly-needed cargo of crude oil despite an unexpected increase in its price.

5. On July 13 the Minister of Energy, Mines and Resources released a report of an inquiry into problems which distributors, particularly in Quebec had faced last winter. The recommendations of the inquiry are being vigorously pursued.

6. On August 15 the Minister of Energy, Mines and Resources telexed the refiners regarding the question of supply for the independent sector of the business. He referred to exchanges being used as a means to assure supply to the independents. You can assume that this was a consideration in the National Energy Board's decision to make exchange oil available to certain refiners under item 3 above.

7. Full use has been made of the capacity of the Interprovincial Pipe Line Limited, the carrier of crude oil from western Canada, to deliver oil to Quebec.

8. In response to a National Energy Board request, Interprovincial made certain changes to its regulations in October with a view to avoiding discrimination against companies which have no history of shipment through the pipeline. As a result of these changes, a group of Quebec heating oil distributors will receive about 450,000 barrels of crude oil directly from western Canada in the month of November for processing into the oil products they need.

9. Finally, my staff have kept continuously in touch with officials of provincial governments, the oil refiners and independent distributors regarding oil supply. These consultations have contributed to a better understanding all round. The number of resellers facing supply problems has sharply diminished.

Should we be faced with a disruption of oil supply sufficient to cause a national emergency, then I can assure you that the government is prepared to use the powers available to it under the Energy Supplies Emergency Act, 1979, to conserve supplies and to provide for their equitable distribution.

In this connection, you may have noted that the Minister of Energy, Mines and Resources has indicated his intention to seek some administrative changes to the Energy Supplies

Emergency Act and at the same time announce appointment of an Energy Supplies Allocation Board. Part of this board's duties under the act is to ensure that Canada is fully prepared to meet any petroleum supply emergency with well-prepared and timely plans for action. Emergency planning has been proceeding in the Department of Energy, Mines and Resources for some time and the level of this activity has been stepped up this year, with co-operation from private industry and the provinces.

While emergency planning is an essential and ongoing activity, I believe that the efforts of the private oil industry together with the government measures I have outlined will result in sufficient oil supplies being available for the coming winter. This assumes of course that there will be no major disruptions in oil imports or in the operations of our own oil industry. In this general connection, I would draw your attention to the National Energy Board's statement of November 2 regarding short-term oil supplies, a copy of which is attached.

In conclusion, I can assure you that the government attaches the highest priority to the development of policies and programs which will assure oil supplies for Canadian consumers now and in the longer term. We are determined to overcome the oil supply problems left with us and the Canadian people by the previous government.

Yours sincerely,
Joe Clark

HOUSE OF COMMONS

Wednesday, November 7, 1979

The House met at 2 p.m.

● (1405)

ROUTINE PROCEEDINGS

[*Translation*]

FISHERIES

REQUEST HOUSE COMMITTEE STUDY QUESTION OF GROUNDFISH—MOTION UNDER S.O. 43

Mr. Herb Breau (Gloucester): Mr. Speaker, pursuant to Standing Order 43, I ask the unanimous consent of the House to introduce a motion dealing with a matter of pressing and urgent necessity.

Considering the reactions prompted by the decision of the Minister of Fisheries and Oceans (Mr. McGrath) to admit trawlers of 100 feet or more in the 4T zone in the Gulf of St. Lawrence; considering that the estimates of the Department of Fisheries and Oceans have been referred to the House Standing Committee on Fisheries and Forestry and that the Standing Order provides that an automatic report on the consideration of those estimates should be tabled in the House on December 7, 1979, which will not allow all parties involved to state their views on that matter; and given the failure of the minister to consult before taking such an important decision which benefits only to two or three large companies, I move, seconded by the hon. member for Westmorland-Kent (Mr. LeBlanc):

That the Standing Committee on Fisheries and Forestry be authorized to study the plan suggested by the Atlantic Groundfish Advisory subcommittee for 1980 and that the committee report to the House after having heard the group of fishermen and plants involved.

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

Some hon. Members: Agreed.

Some hon. Members: No.

[*English*]

REQUEST HOUSE COMMITTEE STUDY LICENSING OF FREEZER-TRAWLERS—MOTION UNDER S.O. 43

Mr. William Rompkey (Grand Falls-White Bay-Labrador): Mr. Speaker, I rise under the provisions of Standing Order 43. In view of the statements by the Minister of Fisheries and Oceans (Mr. McGrath) as reported recently in the Halifax *Chronicle-Herald*, to the effect that he is about to issue licences to freezer-trawlers, and in view of this government's clearly-stated intention to be an open government and to consult, particularly with Parliament, I move, seconded by the hon. member for Westmorland-Kent (Mr. LeBlanc):

That the question of the licensing of freezer-trawlers be now referred to the Standing Committee on Fisheries and Forestry so that the fishermen of Canada, through their elected representatives, can debate this issue which could have a serious impact on their livelihood, particularly those who fish inshore.

Mr. Speaker: Such a motion can be introduced at this time only with unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

NUCLEAR POWER

LOCATION OF U.S. NUCLEAR PROJECTS NEAR CANADIAN BORDER—MOTION UNDER S.O. 43

Mr. Mark Rose (Mission-Port Moody): Mr. Speaker, I rise, under the provisions of Standing Order 43, on a matter of urgent and pressing necessity.

Noting that the United States Nuclear Regulatory Commission is changing its position almost daily over the question of nuclear plant safety, and that a freeze on new American nuclear power installations has now been imposed, I move, seconded by the hon. member for New Westminster-Coquitlam (Miss Jewett):

That this House urge our Prime Minister to convey to President Carter that Canada, too, is considering changing its position from non-opposition to nuclear power projects near its border to one of outright disapproval, at least until the people and environment of Canada are adequately protected.

Mr. Speaker: Is there unanimous consent for the introduction of this motion for debate at this time?

Some hon. Members: Agreed.

Some hon. Members: No.

S.O. 43

THE ADMINISTRATION

REQUEST NEW BRUNSWICK AND NOVA SCOTIA BE REPRESENTED IN INNER CABINET—MOTION UNDER S.O. 43

Mr. Maurice A. Dionne (Northumberland-Miramichi): Mr. Speaker, under the provisions of Standing Order 43, I rise on a matter of urgent and pressing necessity. In light of the awful and incredible reality that New Brunswick and Nova Scotia are not represented in the inner sanctum of cabinet, I move, seconded by the hon. member for Cape Breton-The Sydneys (Mr. MacLellan):

That this House instructs the Prime Minister to appoint forthwith the hon. Minister of Regional Economic Expansion and the hon. part-time Minister of State for Transport to the inner sanctum of cabinet.

Mr. Speaker: Is there unanimous consent for the introduction of such a motion?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

● (1410)

HOUSE OF COMMONS

RENAMING OF CERTAIN STANDING COMMITTEES—MOTION UNDER S.O. 43

Mr. Geoff Scott (Hamilton-Wentworth): Mr. Speaker, I rise on a matter of urgent and pressing necessity, inasmuch as the business of this House is being impeded by the archaic names of two of our standing committees.

I propose that the name of the Standing Committee on Broadcasting, Films and Assistance to the Arts be renamed the standing committee on culture and communications, and that the name of the Standing Committee on Transport and Communications be changed to the standing committee on transport. After consulting with the parties and the members of the committees involved and having received their approval, I move, seconded by the hon. member for Stormont-Dundas (Mr. Lumley):

That Standing Order 65(1)(b) be deleted and the following substituted therefor:

65(1)(b) "Culture and Communications, to consist of not more than 20 members;"

and that Standing Order 65(1)(l) be deleted and the following substituted therefor:

65(1)(l) "Transport, to consist of not more than 20 members;"

Hon. Allan J. MacEachen (Cape Breton Highlands-Canso): Mr. Speaker, on a point of order, I would like an opportunity to consider this proposal before it is put to the House. Perhaps it could be put later, when it may receive a more favourable result.

Mr. Speaker: Of course, my obligation is to put the question as to whether there is unanimous consent for the presentation of the motion at this time. I presume there is not, but that there may be unanimous consent at some other time.

[Mr. Speaker.]

NORTHERN PIPELINES

FINANCING OF ALASKA HIGHWAY GAS PIPELINE—MOTION UNDER S.O. 43

Mr. Cyril Symes (Sault Ste. Marie): Mr. Speaker, I wish to move the following motion under the provisions of Standing Order 43. In view of the statement by the commissioner of the Northern Pipeline Agency yesterday, that all that may be needed for proceeding with the whole of the Alaska Highway gas pipeline is an assurance about financing, rather than having the funds in hand before a prebuild of the southern portion could begin, and since this statement is contrary to the intent of the Northern Pipeline Act, I move, seconded by the hon. member for Skeena (Mr. Fulton):

That this House instruct the Prime Minister to obtain an ironclad guarantee from President Carter that the necessary financing for the whole project will be in place before Canada will consent to prebuild the southern portion of the gas pipeline.

Mr. Speaker: The unanimous consent of the House is required before such a motion can be introduced for debate. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

[*Translation*]

CAPITAL PUNISHMENT

REQUEST GOVERNMENT INTRODUCE LEGISLATION—MOTION UNDER S.O. 43

Mr. Raynald Guay (Lévis): Mr. Speaker, I rise under the provisions of Standing Order 43 and ask for the unanimous consent of the House to discuss a motion relating to a matter of urgent and pressing necessity.

Given the fact that five bills dealing with capital punishment are on the order paper, that the Prime Minister stated several times that he was not opposed to a debate on the issue nor to the taking of a free vote after the debate, and also given the fact that I heard news during the weekend to the effect that at least 15 backbenchers on the government side intend to introduce bills on capital punishment, I move, seconded by the hon. member for Quebec East (Mr. Duquet):

That the House urge the government House leader to give priority to those bills and that they be considered as a government measure.

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

Some hon. Members: Agreed.

Some hon. Members: No.

[*English*]

AIRPORTS

PUBLIC AIRING OF IMPLICATIONS BEHIND POSSIBLE EXPANSION OF TORONTO INTERNATIONAL—MOTION UNDER S.O. 43

Mr. Jim Fleming (York West): Mr. Speaker, I rise, under the provisions of Standing Order 43, on a matter of urgent and pressing necessity.

Considering that the Minister of Transport indicated in a major address in Toronto several days ago that, contrary to commitments by the previous government, he may well expand Toronto international airport, and considering that such an action will directly affect not only the environment but the actual physical and mental well-being of many thousands of people through added noise and air pollution, I move, seconded by the hon. member for Etobicoke North (Mr. MacLaren):

That this House urge the Minister of Transport to hold public hearings and release all studies on the implications of expanding Toronto international airport before proceeding with such an expansion, and that meanwhile the minister assure this House that flight curfews and landing and take-off rotations continue as agreed to by the previous government.

Mr. Speaker: This motion can be presented for discussion at this time only with the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

VETERANS AFFAIRS

FURTHER CALL FOR INTRODUCTION OF LEGISLATION BEFORE REMEMBRANCE DAY—MOTION UNDER S.O. 43

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, under the provision of Standing Order 43, and seconded by the hon. member for Timiskaming (Mr. Peters), I move:

That this House reminds the Minister of Veterans Affairs that Remembrance Day is only four days away, and expresses the hope that before that day arrives he will present his promised amendments to the various statutes affecting veterans, so that we can honour the dead by making things better for the veterans who are still with us, for their families and for their survivors.

Mr. Speaker: This motion can be presented for debate at this time only with the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

● (1415)

ORAL QUESTION PERIOD

[*English*]

EXTERNAL AFFAIRS

DISCUSSION OF HUMAN RIGHTS WITH U.S. PRESIDENT

Hon. Allan J. MacEachen (Cape Breton Highlands-Canso): Mr. Speaker, I have a question for the Prime Minister, who has already admitted to the House that he made a botch of his first foreign policy initiative in the Middle East.

There is a meeting coming up on Friday with the President of the United States, and we are quite fearful about the possibility of adding further to Canada's declining credibility in foreign affairs. For that reason, we wanted to focus the Prime Minister's mind today and to give him some background briefing that he will need for this encounter with the President.

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

Mr. MacEachen: In view of the well-known proclivity of the Secretary of State for External Affairs for high-profile foreign policy initiatives which usually end in disaster, including, especially, human rights—

Some hon. Members: Question.

Mr. MacEachen: —and in view of the embarrassing retreat made by Canada at the United Nations this week in withdrawing the proposal of the foreign minister to establish an undersecretary for human rights at the United Nations, does the Prime Minister intend to raise the question of human rights with the President, and does he intend to enlist the wisdom and guidance of the President in securing some acceptance for his proposals, which his own minister has not been able to achieve?

Some hon. Members: Hear, hear!

Right Hon. Joe Clark (Prime Minister): Yes, Mr. Speaker.

DISCUSSION OF OFFSHORE OIL DRILLING WITH U.S. PRESIDENT

Hon. Allan J. MacEachen (Cape Breton Highlands-Canso): Mr. Speaker, the Prime Minister will have to do better than that with Jimmy Carter if he intends to stay in the room for more than five minutes.

Some hon. Members: Hear, hear!

Mr. MacEachen: I will try the Prime Minister on a domestic question, now that he has failed on the UN test.

Some hon. Members: Hear, hear!

Mr. MacEachen: Is it the intention of the Prime Minister to protest to the President of the United States the intention of

the multinational oil companies in the United States to conduct extensive oil drilling on Georges Bank, which in the view of Nova Scotia fishermen poses a great threat to the rich fishery in that area of Nova Scotia?

Right Hon. Joe Clark (Prime Minister): Mr. Speaker, I can certainly understand the sensitivity of the hon. member opposite about how long one stays in rooms where foreign policy is discussed, because he had to leave the room well before his choosing, at the decision of the former prime minister.

I am aware of the concerns of the fishermen in relation to Georges Bank, and will be looking into that matter to see if it would be useful for us to raise the question in discussions with the President on Friday or Saturday.

Mr. MacEachen: Mr. Speaker, I hope the Prime Minister will focus his mind on that question, raise it, protest to the President and express the concerns of Nova Scotia fishermen. Will he also, with respect to the fisheries of Nova Scotia, express to the President the rising impatience of Canada at the failure of the American authorities to conclude satisfactorily the agreements on fishing boundaries and fish stocks on Georges Bank?

Some hon. Members: Hear, hear!

Mr. Clark: Mr. Speaker, that has been done by our government. We will, naturally, make the point again to the President. I am sure that the interest of the hon. House Leader of the Opposition in constituency questions must relate directly to the success of his strategy last night.

An hon. Member: Arrogant.

● (1420)

DISCUSSION OF INTEREST RATES WITH U.S. PRESIDENT—NATIONAL OIL COMPANIES

Mr. John Evans (Ottawa Centre): Mr. Speaker, in view of this government's slavish adherence to interest rate policies that are clearly made in the United States—

Some hon. Members: Oh, oh!

Mr. Evans: —would the Prime Minister tell us whether it is his intention to discuss the policy initiatives of the Federal Reserve Bank of the United States during the President's visit here, and whether he will do this with the hope that perhaps he could convince the President to give us a new interest rate policy from the United States?

Right Hon. Joe Clark (Prime Minister): No, Mr. Speaker.

Mr. Evans: Mr. Speaker, in light of that enlightened answer, I ask the Prime Minister this question: Given that Mr. Carter, the American President, has indicated a clear intention to establish a national oil company in the United states similar to Petro-Canada, will the Prime Minister take the opportunity to discuss national oil companies with the President, in the hope that the Prime Minister will derive some new insights into this issue which up to now have apparently escaped him?

[Mr. MacEachen.]

Mr. Clark: Mr. Speaker, the people who are unable to see new insights into national oil companies are members opposite who slavishly resist the idea of extending to the citizens of this country the possibility of participating directly in the ownership of a national oil company.

Some hon. Members: Hear, hear!

DISCUSSION OF URBAN TRANSIT EQUIPMENT WITH U.S. PRESIDENT

Mr. Edward Broadbent (Oshawa): Mr. Speaker, it is interesting to see how one can extend ownership to people who already own something.

Some hon. Members: Hear, hear!

Mr. Broadbent: My question to the Prime Minister also concerns President Carter's important visit to this country. In view of our $12 billion trade deficit in manufactured goods, most of which is with the United States, could the Prime Minister tell the House whether the government attempted, before President Carter comes, to get a change in U.S. regulations which effectively exclude hundreds of millions of dollars of potential Canadian exports of urban transit equipment to the United States? If so, what have been the results of these efforts?

Right Hon. Joe Clark (Prime Minister): Mr. Speaker, I am pleased to have a serious question, in relation to the visit of the President of the United States, from the Leader of the New Democratic Party. It is a matter we intend to discuss with the President when he is here. There have not been extensive representations to the President of the United States or to the United States Administration prior to his visit here. Instead, we have directed our energies toward preparing a presentation that can be brought to the attention of the President and his officials when they are in Canada.

Mr. Broadbent: Mr. Speaker, considering there is in the United States some $50 billion worth of potential business in the transit field, and these regulations have been known for some time and have already caused two Canadian companies—who are very competitive in this field—to lose contracts in the United States, could the Prime Minister tell the House why nothing was done in advance of the President's visit to obtain changes before more Canadian jobs are lost?

Mr. Clark: Mr. Speaker, there have been no contacts by myself with the President of the United States on the implications for Canada of the Buy America program beyond the indication on my part that it was a matter I wanted to discuss with the President when he is here. Naturally, there have been discussions, on an official basis, on the part of representatives of the Government of Canada with representatives of the Government of the United States to draw to the attention of that government the very serious concern our government feels over the impact in Canada of that program.

Mr. Broadbent: Mr. Speaker, I would like confirmation from the Prime Minister. Is he saying the Government of Canada realizes that one-half of the potential growth of this business for Canadian firms, who are very competitive in this field, actually lies in the United States, and unless the Canadian government obtains fairness from the American government and they recognize that trade in manufactured goods is a two-way street, the Government of Canada will be failing in its responsibility to maintain existing competitive jobs in this country?

Mr. Clark: Mr. Speaker, yes, we understand very well the importance to Canada of developing markets, not only in the United States but also in the Third World in this highly important and innovative industrial sector in Canada. That is one of the reasons we have put it on the agenda for discussion with the Americans.

DISCUSSION OF GARRISON DIVERSION PROJECT WITH U.S. PRESIDENT

Mr. Lloyd Axworthy (Winnipeg-Fort Garry): Mr. Speaker, I also have a question for the Prime Minister concerning his discussions with President Carter: it is on the topic of the Garrison diversion.

● (1425)

Has the Prime Minister received a communiqué from the National Indian Brotherhood which shows that the ongoing and continuing construction of the Garrison project in North Dakota will result in the biological distortion of the entire Lake Winnipeg waterway, and the livelihood of some 17,000 members of the Manitoba Indian bands will be eliminated at a cost of between $50 million and $100 million?

In light of that kind of evidence, is the Prime Minister prepared to ask the President, this weekend, to order total cessation of all construction on the Garrison until such time as those facts can be assayed, and construction will not continue until we assess the proper impact of the ongoing construction?

Right Hon. Joe Clark (Prime Minister): Mr. Speaker, the concern of Manitobans and other Canadians about the Garrison project has been brought to my attention by the hon. member for Winnipeg-Assiniboia, the hon. member for Brandon-Souris and a number of others. Although my office may have received it, I have not yet seen the communiqué to which the hon. member refers. I will certainly look at it.

I should say that it has been our plan since the arrangements were completed for a visit here by President Carter to place on the agenda the very serious implications to Canada of the proposed Garrison diversion plan.

Mr. Axworthy: Mr. Speaker, I am fully aware that the matter is on the agenda. What I am presenting to the first minister is that there is a clear and imminent danger to the entire environment and economy of the province of Manitoba which justifies a direct request that construction be stopped.

I would, further, ask the Prime Minister if he is prepared to take other action, such as supporting the legal action in the courts that the Action Coalition is presently instituting. Is he prepared to order additional technical studies? Is he prepared to ask for meetings between the congressional committees of the United States and elected members from the province of Manitoba, federal and provincial, so that we can make the case that if the Americans continue, it will seriously damage our province for the next 100 years?

Mr. Clark: Mr. Speaker, the action that I can most effectively take when I meet with President Carter, and when our Minister of the Environment meets with United States officials, will be to communicate with them directly, on a Prime Minister to President basis and on a minister to minister basis, the very real concern that we have about the various implications of the Garrison scheme.

I want to look at the telegram to which the hon. member referred in his first question and have an assessment made of the impact that the concerns expressed in that telegram should have upon the representations that we make to the American authorities.

DISCUSSION OF OIL TANKER TRAFFIC WITH U.S. PRESIDENT

Mr. Arthur Phillips (Vancouver Centre): Mr. Speaker, I also have a question for the Prime Minister concerning the visit of President Carter. It concerns a subject that matters a great deal to people on the west coast, namely, tanker traffic down the west coast, which I know is on the agenda.

The question really arises from recent reports that environmentalists—particularly two federal environmentalists—have come out favouring, on environmental grounds, the Trans Mountain proposal over the Foothills proposal. Does this indicate further uncertainty in the government's support of the Foothills proposal for transporting oil?

Right Hon. Joe Clark (Prime Minister): Mr. Speaker, I have not seen the reports to which the hon. member refers, but the direct answer to his question is no.

Mr. Phillips: Mr. Speaker, the reports were detailed just a couple of weeks ago in the Vancouver *Sun*. My further question to the Prime Minister concerns the fact that President Carter has also received advice from his officials to the effect that the northern tier, U.S. route would be the better one. If it comes to a choice between the northern tier route and the Trans Mountain route, does the government intend to back the Canadian Trans Mountain route?

Mr. Speaker: Order, please. I am sure the terms of the hon. member's question are hypothetical in their very language.

● (1430)

DISCUSSION OF RECOGNITION OF PLO WITH U.S. PRESIDENT

Mr. Marcel Prud'homme (Saint-Denis): Mr. Speaker, my question is addressed to the Prime Minister. According to the

Secretary of State for External Affairs, Canada has achieved a very high profile in its policy in the Middle East. Can the right hon. gentleman inform the House whether he intends to raise with the President the very important question of recognition of the PLO?

[*Translation*]

Right Hon. Joe Clark (Prime Minister): Mr. Speaker, I have no intention of bringing up that matter with the President of the United States, and I doubt that he should want to do so with me. With regard to the Middle East generally, we trust the work of the hon. Robert Stanfield will help all hon. members determine what options are open to Canada for improving our relations with all countries in that part of the world.

[*English*]

Mr. Prud'homme: A further question, Mr. Speaker. Will the Prime Minister discuss with the President what the difference is between Mr. Stanfield's mission with the PLO and the action of Mr. Andrew Young, who was fired because he met the PLO? Can he explain to us how these two cases differ?

Mr. Clark: I suppose to answer the hon. member fully I would have to refer to the precedent established by the former government, which the hon. member supported, in terms of approval given to meetings between representatives of the Canadian government and representatives of the PLO.

I do not have the full list of those meetings with me in the chamber today, but I would be pleased to prepare a letter which would enumerate them for the edification of the hon. member. We could then certainly publish that letter so it would be seen that the practice of having meetings among Canadian representatives and representatives of the PLO began under the former government and that, indeed, it was endorsed explicitly in a statement by the former secretary of state for external affairs, Mr. Jamieson.

Some hon. Members: Hear, hear!

DISCUSSION OF OIL TANKER TRAFFIC WITH U.S. PRESIDENT

Mr. Jim Fulton (Skeena): Mr. Speaker, I, too, have a question for the Prime Minister. Would the Prime Minister assure the House that, with the support now given to a permanent west coast tanker route and port development, he will—this week—make President Carter aware that Canada's interests in the environment and fisheries will be protected by this government, and that strict clean-up and routing legislation will be promptly introduced to protect the British Columbia coast?

Right Hon. Joe Clark (Prime Minister): It would be my intention to first announce legislative initiatives in Canada here in the House of Commons. I will certainly be making the President of the United States aware of our very real concern about the environmental implications of decisions his government might make, whether they relate to the east coast or the west coast.

Mr. Fulton: In light of the fact that there is an agreement about to be signed, I have a question to ask of the Secretary of State for External Affairs. Would the minister advise the House why a vessel traffic management agreement for only the Strait of Juan de Fuca is about to be signed, possibly this week, when, in fact, the entire British Columbia coast is suffering from dangerous tanker traffic and ongoing trickle oil spills? Would the minister assure the House, and British Columbia in particular, that this legislation will be expanded to cover the entire British Columbia coast?

Hon. Flora MacDonald (Secretary of State for External Affairs): Mr. Speaker, we are very pleased indeed that this initial step is to be completed this weekend and that we will have a guarantee that tanker traffic through the dangerous Strait of Juan de Fuca will be monitored and made more safe for the future. And that is just a beginning.

[*Translation*]

DISCUSSION OF CANADA'S JOINING OAS WITH U.S. PRESIDENT

Mr. Louis Duclos (Montmorency): Mr. Speaker, I should like to put a question to the right hon. Prime Minister. In view of the recent statement of the Secretary of State for External Affairs to the Inter-American Press Association in Toronto, to the effect that Canada is seriously looking into the possibility of becoming a member of the Organization of American States, can the Prime Minister tell the House whether or not he intends to discuss the matter when he meets the President of the United States with a view to obtaining the views of the President on the subject, so that this government, which caused considerable damage to the reputation of Canada on the international scene, might at long last make an enlightened decision on a matter of foreign policy?

Right Hon. Joe Clark (Prime Minister): Mr. Speaker, the Prime Minister of Canada and the President of the United States always discuss several matters. But we shall have only one full day, and half a day on Saturday. I doubt that it will be possible to discuss in depth all matters of concern pertaining to foreign affairs, and I certainly do not intend to bring up the question of the passive participation of Canada in the OAS. However, the Secretary of State for External Affairs may have occasion to take it up with her American counterpart.

CANADA'S JOINING OAS—GOVERNMENT POSITION

Mr. Louis Duclos (Montmorency): Mr. Speaker, I would like to put a supplementary question to the Secretary of State for External Affairs. Can the minister tell the House what specific factors are now under study with a view to reaching an enlightened decision on the participation of Canada in the

Organization of American States and when does she intend to announce the decision of the government on that matter?

Hon. Flora MacDonald (Secretary of State for External Affairs): Mr. Speaker, I suggested during my visit to Toronto two weeks ago that this be part of the review that the external affairs parliamentary committee is going to undertake this winter and next spring.

[*English*]

DISCUSSION OF NON-TARIFF BARRIERS WITH U.S. PRESIDENT

Mr. Roy MacLaren (Etobicoke North): Mr. Speaker, in replying to the question asked by the Leader of the New Democratic Party regarding the problems of entry into the United States market faced by Canadian manufacturers of urban transit equipment, the Prime Minister indicated that he would raise the matter with the President of the United States.

I should like to ask the right hon. gentleman whether he intends to place this important question in a yet broader spectrum of concern about the non-tariff barriers which so adversely affect our trade with the United States. Is it the Prime Minister's intention to raise this broader question in the course of his discussions with the President and, more specifically, does he intend to seek an early date on which these problems can be discussed with the U.S. government for the benefit of Canadian consumers and Canadian industry?

Right Hon. Joe Clark (Prime Minister): Given the limited time on the agenda, I do not intend to pursue that question at any length with the President but I shall certainly be raising the question with him. I will consider the suggestion of the hon. member that there might be some value in establishing a more formal mechanism by which there could be discussion between the representatives of the two countries.

DISCUSSION OF NEW FIGHTER AIRCRAFT WITH U.S. PRESIDENT

Hon. Judd Buchanan (London West): Mr. Speaker, my question is for the Prime Minister. Disturbing newspaper reports this morning indicate that the U.S. defence department has demanded that McDonnell Douglas not include the $545 million cruise-missile business in its new fighter aircraft package for Canada. Does the Prime Minister intend to pursue this matter with the President of the United States, to ensure that yet another half billion dollar deal does not "go aglimmering" the way of the oil pipeline, the Candu reactors, or our Middle East trade?

Right Hon. Joe Clark (Prime Minister): Mr. Speaker, I will review the newspaper article to which the hon. member refers, and if there is any need for me to raise the matter with the President I will, of course, do so.

Mr. Buchanan: Mr. Speaker, Calvin Coolidge said, "The business of America is business." The Prime Minister seems to be saying that the business of this government is losing business. Will the right hon. gentleman guarantee that he will pursue this matter with President Carter to ensure that this half-billion dollar business is maintained and kept for Canada?

Mr. Speaker: Order.

* * *

THE ADMINISTRATION

COMBINING OF DEPARTMENTAL PORTFOLIOS

Hon. Robert K. Andras (Thunder Bay-Nipigon): Mr. Speaker, my question is directed to the Prime Minister. Yesterday, the hon. minister from Wellington-Dufferin-Simcoe in a little, staged "pas de deux" with the hon. member for Vancouver Quadra, stated that his main ministerial duty is to be in charge of SIN—social insurance numbers. He said his job is to roll back SIN. That has a nice ring to it—"the minister of state for SIN"—and it may well take all that minister's capabilities.

But how can the Prime Minister reconcile such a whimsical cabinet assignment when he continues to combine other very onerous double-departmental portfolios under single ministers, such as the Department of the Solicitor General and the Department of Consumer and Corporate Affairs, the Department of the Secretary of State and the Department of Communications, and the Department of National Defence and the Department of Veterans Affairs? How can the Prime Minister reconcile those extraordinary contrasts in duties?

● (1440)

Right Hon. Joe Clark (Prime Minister): Mr. Speaker, the Minister of State indicated yesterday the range of responsibilities with which he is charged. We have introduced into the concept of government in Canada the idea of ministers of state to assist in departments which are either unusually complex or where there is an unusually high priority attached by this government.

Certainly, on the question of the Treasury Board in relation to achieving greater efficiency in government spending, in relation to making direct progress on deregulation, in relation to dealing with the effectiveness of governments which we believe were not sufficiently well addressed by the previous government, we have taken the decision that it would be useful to have a very strong team of ministers; and that is what we have.

Mr. Andras: Is this current structure of double-departmental portfolios to be permanent? Does the Prime Minister intend to get rid of these dual set-ups and enlarge his already fairly sizeable cabinet later, or is the real intent to wipe out the Department of Consumer and Corporate Affairs and the Department of Communications?

Mr. Clark: Mr. Speaker, of course that is not the intention. I believe the former minister wanted to pose a serious question when he asked if I intend any ministerial changes. I do not intend any.

Oral Questions

ENERGY

PLACE OF COAL IN NATIONAL ENERGY POLICY

Mr. Gordon Taylor (Bow River): Mr. Speaker, my question is to the Minister of Energy, Mines and Resources.

An hon. Member: He is not here.

Mr. Taylor (Bow River): Before the days of oil and gas, coal was widely used to warm our homes and fuel our factories and industries. We still have millions of tons of coal both in western Canada and eastern Canada. The Liberal administration, in its Energy Supplies Emergency Act—

Some hon. Members: Order.

Mr. Speaker: Order, please. Does the hon. member have a question?

Mr. Taylor (Bow River): Yes, sir, I have. Will the minister advise the House whether coal will have an important place in any national energy policy, and will it be considered by the allocation board along with gas and oil in meeting the fuel requirements of Canadians?

Some hon. Members: Yes.

Right Hon. Joe Clark (Prime Minister): Mr. Speaker, in the absence of the Minister of Energy, Mines and Resources, I can assure the hon. member—who shares my interest in the coal industry in Canada—that there will be a high and increasing importance attached to the role of coal in Canada's energy future.

* * *

INTERNATIONAL TRADE

PROGRAM FOR EXPANSION OF CHRYSLER OPERATIONS IN CANADA—GOVERNMENT POSITION

Mr. Mark MacGuigan (Windsor-Walkerville): Mr. Speaker, in the continuing absence from this House of the Minister of Industry, Trade and Commerce, my question is for the Prime Minister.

Now that the United States government has announced a $3 billion rescue operation for Chrysler Corporation, when may we expect that the Government of Canada will come forward with a program for the expansion of Chrysler operations in this country?

Hon. Michael Wilson (Minister of State for International Trade): Mr. Speaker, the question of Chrysler of Canada and the proposals it has made to the Government of Canada is very much under study right now. My colleagues, the Minister of Industry, Trade and Commerce, the Minister of State for Small Businesses and Industry, and I will be meeting representatives of the company tomorrow.

We have had a series of meetings with the company. A great deal of information is being studied by officials of the department. I should underline, however, that the difference between the U.S. corporation and the Canadian corporation is that the Canadian corporation is making a proposal for a long-term program in Canada, whereas Chrysler Corporation in the United States has called for short-term assistance. We are studying all aspects of this long-term proposal and hope to make an announcement in the not-too-distant future.

Mr. MacGuigan: Mr. Speaker, I thank the minister for his assurance, but my supplementary question is for the Prime Minister.

Since last week the United States Secretary of the Treasury, Mr. Miller, indicated at his press conference in Washington that he expected the Canadian government would be a very important part of the rescue operation—Chrysler having to raise $1.5 billion in addition to the U.S. government guarantee—and that assistance was supposed to come, in part, from the Canadian government, I wonder if the Prime Minister would reconsider the statement he made yesterday, that he does not plan to discuss this matter with the U.S. government; or is there perhaps already an agreement with the U.S. government that Canada will come forward with assistance?

Right Hon. Joe Clark (Prime Minister): Mr. Speaker, as I indicated yesterday, I do not intend to raise the matter, although it may well be raised by other ministers in meetings with their American counterparts. There is no agreement in place.

* * *

[*Translation*]

FISHERIES

MINISTER'S CONSULTATION WITH CERTAIN PROVINCES BEFORE ALLOWING LARGE TRAWLERS TO OPERATE IN GULF OF ST. LAWRENCE

Mr. Alexandre Cyr (Gaspé): Mr. Speaker, my question is for the Minister of Fisheries and Oceans and relates to his statement of August 27. His statements are ambiguous. At the Standing Committee on Fisheries and Forestry he said that his decision was based on expert reports, yet on October 31 he informed the House, in reply to a question from the hon. member for Westmorland-Kent (Mr. LeBlanc), that inshore fishermen were represented at the advisory committee when the decision was taken. Yesterday, a spokesman for the Nova Scotia government stated at the Standing Committee on Fisheries and Forestry that he had pressured the minister into allowing vessels to enter the Gulf. Can the minister, therefore, inform the House whether, besides Nova Scotia, he consulted with Quebec, New Brunswick and Prince Edward Island prior to taking such a decision?

[*English*]

Hon. James A. McGrath (Minister of Fisheries and Oceans): Mr. Speaker, as I have already indicated in the House and before the Standing Committee on Fisheries and Forestry, there was consultation at the Atlantic Groundfish Advisory Committee level. The hon. member understands that. There was not direct consultation at the ministerial level, but the Atlantic Groundfish Advisory Committee has provincial representation on it at the deputy ministerial level. There was consultation; there was advice; I made the decision; I take full responsibility for it.

[*Translation*]

INQUIRY WHETHER PRIME MINISTER WILL MEET WITH MINISTER OF FISHERIES AND OCEANS CONCERNING DECISION MADE

Mr. Alexandre Cyr (Gaspé): Mr. Speaker, my supplementary is for the right hon. Prime Minister, who has said repeatedly that there is now in Ottawa a government open to the provinces' aspirations and capable of changing attitude. He has also spoken of jurisdiction over offshore resources. The Minister of Fisheries and Oceans, however, does not seem to share that same openness toward Quebec, New Brunswick and Prince Edward Island. Can the Prime Minister tell the House whether, in view of the statements we have heard in the House, he intends to meet with his Minister of Fisheries and Oceans to shed light on a decision which was taken without proper consultation with the provinces?

Right Hon. Joe Clark (Prime Minister): Mr. Speaker, on at least three occasions the minister has stated in the House that consultation had taken place with an organization which included representation from the provinces concerned.

* * *

[*English*]

AGRICULTURE

CHICKEN IMPORT QUOTAS WITH U.S.—DISCUSSION WITH PRESIDENT CARTER

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, my question is to the Prime Minister; and I will switch from fish to chicken. I am sure the Prime Minister is aware that the poultry producers of this country are very concerned about the high level of imports from the United States, namely, over 6 per cent of our consumption by the year 1982, compared with the historical average of 1 per cent.

Can the Prime Minister assure this House that he will ask President Carter, when he meets with him, whether the President of the United States will reopen negotiations on the level of chicken imports from the United States?

Right Hon. Joe Clark (Prime Minister): Mr. Speaker, the Minister of Agriculture has answered in the House several questions similar to this one, indicating that the Government of Canada has been able to secure a reduction in the amount of imports of chicken into this country.

Mr. Nystrom: Mr. Speaker, that is just not true. It is a case of "Whelan's chickens coming home to roost." The Minister of Agriculture said in committee the other day that if he made the chicken marketing board the first receiver in this country, the Americans would object. The Dairy Commission and the Wheat Board are both first receivers. Would the Prime Minister ask the President of the United States whether he can give the assurance that there will be no objection to the broiler marketing board being the first receiver? If it is not to be the first receiver, Loblaws and Maple Lodge will have control over the retail price of chicken in this country.

Mr. Clark: Mr. Speaker, we can certainly consider the usefulness of raising that kind of request with the President of the United States to determine what his reaction would be. If it appears that it would be useful to raise the matter, naturally we will do it.

* * *

● (1450)

HOUSING

REQUEST CANADIAN HOME INSULATION PROGRAM BE EXTENDED

Mr. Don Blenkarn (Mississauga South): Mr. Speaker, my question is directed to the minister in charge of the Canadian Home Insulation Program. I am not sure whether it is the Minister of Energy, Mines and Resources, or the minister responsible for Canada Mortgage and Housing Corporation.

Some hon. Members: Oh, oh!

An hon. Member: You will never learn.

Mr. Whelan: You have been here long enough now.

Mr. Blenkarn: On April 20, the program was extended to include houses built up to 1961. Perhaps the minister knows that houses built in the 1950s and even up to the 1970s had approximately the same standard of insulation. I was wondering whether the program is to be extended, or whether there will be some element of fairness introduced into it so that people who had houses built in 1962, 1963, and so on, can receive the same type of benefit as their neighbours who had houses built prior to 1961.

Hon. Elmer M. MacKay (Minister of Regional Economic Expansion): Mr. Speaker, I will take that question as a representation.

[*Translation*]

FINANCE

REQUEST FOR INCREASE IN TAX EXEMPTIONS RELATING TO DIVIDENDS AND INTEREST

Hon. Marcel Lessard (Lac-Saint-Jean): Mr. Speaker, my question is addressed to the Minister of Finance. By his present policy, the minister is trying to reduce inflation. When preparing his budget could he, for instance, consider adjusting the $1,000 exemption now enjoyed by taxpayers who derive income from interests or dividends? This exemption has remained unchanged for the past four years and it should be adjusted to encourage small savers to keep saving and thereby perhaps contribute to lowering the rate of inflation.

[*English*]

Hon. John C. Crosbie (Minister of Finance): Mr. Speaker, I would be glad to consider representations for additional relief as the hon. member suggests. I hope that his leader will be back with us tomorrow, after the severe drubbing he received last night.

TARIFFS ON IMPORTATION OF FIBRE-OPTICS

Hon. Jeanne Sauvé (Laval-des-Rapides): Mr. Speaker, my question is for the Minister of Finance. I should like to ask the minister whether he can confirm to this House that as of June 30 he lowered the tariffs on the importation of fibre-optics into Canada. Can he tell us who he is helping by doing this, when the former government specifically excluded certain telecommunications products?

Hon. John C. Crosbie (Minister of Finance): Mr. Speaker, as a result of my prodigious memory, I am able to say yes, I think that the tariff of fibre-optics was lowered on June 30. This was in an effort, of course, to help Canadian consumers. The tariff has been lowered, and that action is being reviewed at the request of my colleague who sits next to me.

An hon. Member: What is his name?

Mr. Crosbie: If there is any further decision in that connection, it will be announced.

Mrs. Sauvé: Mr. Speaker, my question is directed to the Minister of Communications. Can he tell me why he accepted the lowering of tariffs on fibre-optics, when he knows only too well that the government has entered into partnership with industry in order to help the Canadian industry develop a new product which we hope will hit international markets on time to compete with other countries? He told me that at the federal-provincial conference and discussions he had with the ministers of communications, they discussed this subject in order to enhance the position of Canadian industry. How is this lowering of the tariff helping Canadian industry?

Some hon. Members: Hear hear!

[Mr. MacKay.]

Hon. David MacDonald (Secretary of State and Minister of Communications): Mr. Speaker, as the former minister knows, the whole matter of tariffs with respect to fibre-optics is a complex one. This particular decision was taken—

Mr. MacEachen: That is the first page of your briefing notes.

Mr. MacDonald (Egmont): I am not looking at briefing notes; I know the issue a bit better than that. It is a matter of considerable concern to a very important telecommunications industry.

As the Minister of Finance indicated, at the moment we are reviewing the particular policy. Also, we are talking to various interested parties both in terms of the industries involved and some provinces which would like to expand their own potential telecommunications industries. Because this government has a very real commitment to developing the potential in this industry, I know that proper steps will be taken to achieve that end.

* * *

[*Translation*]

NATIONAL UNITY

VISIT OF PRESIDENT CARTER—INQUIRY WHETHER QUESTION OF QUEBEC REFERENDUM ON AGENDA

Mr. Irénée Pelletier (Sherbrooke): Mr. Speaker, my question is for the Prime Minister.

Days after the Parti Québécois came into power in November 1976, one of the first acts of the new government was for the Premier of Quebec to rush down to the United States to reassure the Americans about his sovereignty-association project, followed a few months later by the Prime Minister of Canada, who set the facts right. Is the matter of the Quebec referendum listed on the Prime Minister's agenda to be discussed during his meeting with President Carter this week?

Right Hon. Joe Clark (Prime Minister): Mr. Speaker, I do not intend to discuss the referendum specifically, but I know that the President of the United States and the citizens of that country are interested in the question of Canadian unity. I will indicate my views to President Carter and my optimistic outlook concerning Canadian unity.

* * *

LABOUR CONDITIONS

REQUEST FOR INCREASE IN MINIMUM WAGE

Mr. Jacques Olivier (Longueuil): Mr. Speaker, my question is for the Minister of Labour.

In view of the fact that the Minister of National Health and Welfare may want to deprive thousands of mothers of family

allowances, their sole source of income, and in view of the fact that many Canadian workers earn only $2.90 an hour, did the minister consider raising the minimum wage for employees under his jurisdiction?

[*English*]

Hon. Lincoln M. Alexander (Minister of Labour): Mr. Speaker, as I understand it, the minimum wage at the federal level now is $2.90 an hour.

Miss Bégin: That is what he just said.

Mr. Alexander: I can assure the hon. member that this matter is under very serious consideration. It is my expectation that action in this regard will be taken in due course—and I hope, by saying "in due course", in the immediate future.

* * *

[*Translation*]

INCOME TAX

REQUEST WORKERS EARNING MINIMUM WAGE BE ABLE TO DEDUCT TRANSPORTATION EXPENSES

Mr. Jacques Olivier (Longueuil): I would like to put a supplementary question to the Minister of Finance, Mr. Speaker.

Since an hourly wage of $2.90 is inadequate and a huge increase will soon hike the price of a gallon of gas to $2 or $2.20, has the minister considered the possibility of allowing employees who are paid $2.90 an hour to deduct from their income tax their transportation cost to work? Those people lose the equivalent of two hours' earnings because of what they have to pay for gas. Is the minister prepared to do as much for them as he does for doctors, lawyers and professionals?

(*English*]

Hon. John C. Crosbie (Minister of Finance): Mr. Speaker, I can promise the hon. gentleman that if there are any increases in energy prices or any increases in the cost of gasoline, we will be looking after lower income Canadians as well: he can depend on that.

* * *

EXTERNAL AFFAIRS

DISCUSSION OF ACID RAIN FALL-OUT WITH U.S. PRESIDENT

Mr. Derek Blackburn (Brant): Mrs. Speaker, my question is directed to the right hon. Prime Minister. When he is discussing acid rain and its tremendous problems with the President of the United States this weekend, does he intend to tell the President precisely what the Canadian government has done so far with respect to acid rain, and more specifically, what directives the Canadian government issued to major Canadian polluters responsible for acid rain fall-out in Canada?

Right Hon. Joe Clark (Prime Minister): Mr. Speaker, because of the very great importance that both the President and I attach to the acid rain question, we arranged for an opportunity for the Postmaster General and Minister of the Environment of Canada and his counterpart in the United States to meet for some time to discuss in detail the possibility of arrangements which might be made between the two countries.

Naturally, I will be raising the question in a general way with the President, but the details of the discussions between Canada and the United States will be carried on the Canadian side by the Canadian Minister of the Environment.

* * *

[*Translation*]

PUBLIC SERVICE

REQUEST FOR MANDATORY DESIGNATION OF BILINGUAL POSITIONS

Mr. Jean-Robert Gauthier (Ottawa-Vanier): Mr. Speaker, I address my question to the Minister of State for the Treasury Board.

One of the minister's responsibilities is to review bilingual policies within the public service. Since the declared policy of his boss, the President of the Treasury Board, is to reduce the number of public servants through attrition, could the Minister of State say whether he has instructed the public service or the government departments to provide for a certain proportion of mandatory designation of bilingual positions? I am sure he knows what I mean by "mandatory designation of bilingual positions". Did he get the assurance, for the President of the Treasury Board or for himself, that departments have received firm instructions to provide for that designation among federal public servants?

● (1500)

[*English*]

Hon. Perrin Beatty (Minister of State (Treasury Board)): Mr. Speaker, I am, indeed, responsible for the conduct of official languages within the public service and, unlike my hon. friend's colleague, the hon. member for Thunder Bay, I consider it a very heavy and very serious responsibility.

My colleague, the President of the Treasury Board, has indicated that as the government undertakes a policy of attrition in the public service, a commitment will continue to be made in order to ensure that the public service remains representative of the linguistic balance of the population at large. This commitment, which is unswerving on the part of this government, is one we will keep.

Oral Questions

ADMINISTRATION OF JUSTICE

ILLEGAL ACTS COMMITTED BY POLICE OFFICERS

Hon. J.-J. Blais (Nipissing): Yesterday, Mr. Speaker, during a meeting of the Standing Committee on Justice and Legal Affairs, the Attorney General of Canada indicated that the Solicitor General was considering legislation to deal with the commission of illegal acts by police officers in the discharge of their responsibilities.

Would the minister indicate what aspects of this problem are being dealt with in that legislation, and whether the legislation will reflect the well-publicized view of the right hon. Prime Minister to the effect that illegal activity could be authorized by a minister of the Crown on an ad hoc basis?

Hon. Allan Lawrence (Solicitor General and Minister of Consumer and Corporate Affairs): No, Mr. Speaker. We are certainly reviewing the whole RCMP Act at the moment. We have already opened discussions with the provinces, as well, in respect of the general powers of police officers generally in the fulfilment of what might otherwise be looked upon as the normal investigatory powers of the police. But certainly, the rule of law must be paramount in this country, whether it affects the police or the average citizen, and certainly the police have to pay attention to the law in exactly the same way as does everybody else.

Mr. Blais: Mr. Speaker, I thank the hon. gentleman for his reply. He knows that the whole question of police activity and political control over police activity is now within the terms of reference of the McDonald inquiry. I appreciate the reply the hon. gentleman gave; but is it his intention at this time to introduce the legislation which he describes prior to the McDonald inquiry submitting a report to the government?

Mr. Lawrence: Probably not, Mr. Speaker. There was some confusion earlier, which I think I conveyed to the House, as to the deadline by which the McDonald commission itself expected to have its core report before the government. There were dates being bandied about—as late as the end of 1981. The Prime Minister has since reported to the House, however, that we expect to have the main core report of the McDonald commission in our hands by June 1980.

When we are dealing with such a massive subject as the powers of the police in this country, with the consultation and the research that obviously has to be done respecting that and which is going on right now within the government, I rather expect that the recommendations and the advice from the royal commission will be in our hands in time for us to seriously consider them prior to the introduction of that legislation in the House.

However, it may be that we will have a draft bill ready for the House at about the same time, in which event I would expect it to be given first reading and then perhaps allowed to percolate over the summer so that everybody can consider it.

[Mr. Beatty.]

PRIVILEGE

Mr. Speaker: Order. I have received three notices of privilege, and the order in which I received them is: first, the hon. member for Drummond (Mr. Pinard); secondly, the hon. member for Papineau (Mr. Ouellet); and third, the hon. member for Cape Breton Highlands-Canso (Mr. MacEachen). They all relate in one way or another—and I will certainly hear from the members—to a report in the Toronto *The Globe and Mail* and to incidents which took place in the House yesterday.

I want to say to the House in just two sentences, before hearing from the hon. members, that I read the report of yesterday's proceedings on the front page of this morning's *The Globe and Mail*, and there seemed to be an indication there that representations may have been made on the part of the President of the Privy Council (Mr. Baker) to me on behalf of the Social Credit party.

I should, of course, indicate that in the first place any reports which would indicate that concessions can be made by anyone else in the House respecting the question period except the Chair are quite incorrect and unfounded. Secondly, I can assure the House that the President of the Privy Council has at no time made a representation to me concerning the status of the Social Credit party in the House, except those that were made in common with the House leaders of the other two parties whom I have consulted on more than one occasion in the last two to three weeks. I wanted to put that on the record before calling on the hon. members.

[*Translation*]

MR. PINARD—RIGHT OF SPEECH IN THE HOUSE

Mr. Yvon Pinard (Drummond): Mr. Speaker, as you mentioned, my question is twofold. It deals, on the one hand, with certain incidents that occurred in the House yesterday and, on the other, with an article that made the front page of *The Globe and Mail* this morning.

First of all, with regard to the incident that happened in the House of Commons yesterday, Mr. Speaker, you will recall that on the motion of the right hon. Leader of the Opposition (Mr. Trudeau), you naturally recognized first, the Leader of the Official Opposition, then the leader of the NDP (Mr. Broadbent) and finally the right hon. Prime Minister (Mr. Clark). As a result of the intervention of the right hon. Prime Minister, you spontaneously deemed it timely to explain why you were about to recognize the hon. member for Beauce (Mr. Roy). During the few minutes that your explanations lasted, we listened very closely, and I have absolutely no intention of criticizing your remarks at that time. On the contrary, I think they were not required and that anyway you had the discretionary power to recognize whomever you chose in the House at that time. Whether that discretionary power was used advisedly or inadvisedly, possibly it was used advisedly, poss-

ibly it was used inadvisedly, it is not for me to say. That is not what I want to do today.

As I did yesterday, Mr. Speaker, I will refrain from commenting on your remarks at that time. You will notice that after your remarks I only tried to be recognized on a point of order. I must admit that I had quite a lot of yelling to do in both official languages before finally saying simply the words which can be read at page 1010 of *Hansard* and which in a way constitute a motion to give the floor to the hon. member for Winnipeg-Fort Garry (Mr. Axworthy). I did not make any comments on your remarks. I was not questioning at all your decision to recognize the member for Beauce. All I was doing as a member, Mr. Speaker, was to exercise a right provided by Standing Order 29 which reads, and I quote:

When two or more members rise to speak, Mr. Speaker calls upon the member who first rose in his place; but a motion may be made that any member who has risen "be now heard", or "do now speak", which motion shall be forthwith put without debate.

And that might certainly have made the situation more complex if my motion had been moved and accepted and if there had been a vote before 9.45 last night when some members were on their way in; perhaps my motion might have enabled one more Liberal member to take the floor on the motion introduced by the Liberal party and prevented the leader of the Social Credit Party of Canada from being recognized that day, giving us the impression that despite not being recognized in principle that party is recognized *de facto* in the House.

Therefore, Mr. Speaker, the first part of the question of privilege I am raising now, the first point, is to know what we are to expect as members of the House in the future. I am not asking you in any way to change the decision you made yesterday, I have no right to ask you that. I am well aware of that. Anyway, there is no possible remedy to the damage done, if any. However, in future, as a member I would like to know if at any time, when I think a member other than the one you are recognizing should have the floor, I can use Standing Order 29 or if I am bound by the remarks and the decision you made yesterday.

I would like to know what comes first, the standing orders of the House or the interpretation given by you last night in the heat of the debate. This is the first point of my statement, Mr. Speaker. As for the second point, in order to conclude with this matter, for the record I would like to quote from Beauchesne fifth edition on page 99 of the English version and I quote citation 302, subparagraph 1:

● (1510)

[*English*]

When a motion that a member "be now heard" is defeated, it is assumed that the member originally recognized by the Speaker has the floor.

What does that mean? If the moving of such a motion is justified by the fact that somebody else has been recognized, how could I seek the floor other than by raising a point of order? That is the first part of my intervention.

Mr. Speaker: I think I should help the hon. member for Drummond with the first part of his argument. I would hasten to add that this argument is absolutely sound. There is no other recourse than that which was open to the hon. member to try to seek the floor by way of a point of order. That is the only effective way to take advantage of Standing Order 29. Therefore, in attempting to do deal with the matter by way of a point of order, the hon. member was attempting to do it in the only way that was open to him. So everything was correct in what he tried to do yesterday.

Some hon. Members: Hear, hear!

Mr. Speaker: Therefore, the hon. member's argument today is absolutely beyond reproach. There is, however, a dilemma in our proceedings in respect to the use of Standing Order 29 in two respects. The first is that it is in opposition to our general practice to move a motion under a point of order. This is not the ordinary way of doing it.

It was not expected that I would be in this role yesterday at this particular hour and, therefore, I had not in any way advised the House. I had not expected to be making this decision at that time, although I had given the matter four weeks of thought because we have all been conscious of this problem. But in doing so, I was doing more than simply what was envisaged by Standing Order 29, which is that of choosing one member or another. I had in fact combined that step with a decision on a matter that has been troubling the House for some time, and that is the decision on the position in principle of the Social Credit party.

This matter troubled the House on the second day of this Parliament when we began an argument about whether or not the leader of that party could participate in the leaders' day debate. During a subsequent deliberation, I suggested to the House that it might want to resolve the problem directly by having it sent to a committee, which is a course of action that the House, for many reasons, has not seen fit to adopt. Therefore, the decision in some respects was returned to me, and I did not expect to be making the announcement on that matter at that particular time yesterday; but I knew that I would have to do it some time.

Having done that, it would appear to me that we would be in conflict with another practice, and that was that since I was resolving a procedural situation yesterday, to permit the use of Standing Order 29 in that way would have seemed to me to permit an appeal against the ruling that I had made, which we do not permit.

Mr. MacEachen: We don't accept that nonsense.

Mr. Speaker: Order. Therefore, I indicate to the hon. member that his only recourse was the method that he tried to use yesterday, and I did not accept it in the circumstances. But he was perfectly correct in his attempt.

[*Translation*]

Mr. Pinard: As I said earlier, Mr. Speaker, the second aspect of my statement refers to this article on the first page of

The Globe and Mail; in order to clarify my remarks, for the record I would like to quote a very short portion of this article. The interesting part is as follows:

[*English*]

Mr. Baker said in an interview that he made some representations to Speaker James Jerome on behalf of the Socreds because he was moved by Socred Adrien Lambert's look of genuine outrage when the five-member Quebec party recently walked out of the House in protest.

Mr. Jerome granted Mr. Roy "the generosity of the House" yesterday and allowed him to speak in the debate immediately after the other three party leaders—

[*Translation*]

Mr. Speaker, it gives me pleasure that you moved today to clarify your attitude on this most serious allegation made by a journalist on the front page of such an important paper as *The Globe and Mail.* I am expecting just as much from the government House leader, because since the Winters-Beaudoin incident in 1956, during the pipeline debate, and I checked the record, there has been no instance of a government leader daring to take the steps implied in the article, and which hopefully will be strongly denied by my hon. colleague, daring to set the business of the House without the presence of other members of other sides, through some sort of collusion, some back-door arrangement with the Speaker. I do not believe this has happened.

I do not want the Canadian public to remain under the impression this might have been done, although there is an unfortunate chain of facts that, taken independently, are meaningless but that, put together, are strongly presumptive. Those facts in legal terms are serious, precise and concordant, they require a formal denial. There are five such facts, and I will state them briefly.

First, and it is important that this be put on record, there has been this summer in Drummondville, in my constituency, a meeting of 73 unsuccessful Progressive Conservative candidates from Quebec, who expressly requested that the right hon. Prime Minister of Canada (Mr. Clark) not officially recognize the Social Credit Party of Canada. They must face that situation. Second, the truth for everyone who is not blind, is straightforward and is not a hypocrite, is that in the short term it is in the government's interest to enjoy in this House the support of the Social Credit Party of Canada on non-confidence motions. There can be no doubt about that.

Third, in the long term, it cannot be denied that on the other hand the disappearance from the Quebec scene of the Social Credit Party of Canada leaves the opposition field open to the Progressive Conservatives. This is another fact of life.

Fourth, we have seen over these last few days, despite an order from the House of Commons whose servant you are, sir, and as you indicated the first day, that there is now a gradual *de facto* recognition of the Social Credit party. All those facts together, Mr. Speaker, coupled with the way in which my intervention based on a rule that could have brought a vote before 9.45, that coud have prevented the Social Credit Party of Canada from taking the floor, that could have antagonized the Social Credit party and perhaps influenced the vote that evening, all these facts put together leave us skeptical when we read that *The Globe and Mail* report I was referring to earlier, and indeed the Canadian public is led to wonder what is going on, if it is true that dealings can be made by the government leader without the presence of the House leaders from opposition parties, to prevent a government from falling or to make things easier for the government when there is a non-confidence motion.

This is serious, very serious. I am not making implications, I am simply stating facts. The solution is quite easy, Mr. Speaker. You did so very clearly in your intervention, from the start, as soon as today's question period was over. It is now for the government House leader to deny formally and unequivocally, to state that *The Globe and Mail* report is absolutely false, he never gave such an interview, in the interview he never made the allegations stated as his. This is essential in my view, if there is to be continuing respect for our democracy, if this institution is to be respected by all hon. members and by all the Canadian people.

[*English*]

Hon. Walter Baker (President of the Privy Council and Minister of National Revenue): Mr. Speaker, I am very happy that you made the representations that you did at the beginning of the question of privilege raised by the hon. member. I think that it is quite important for the operation of the House of Commons that you said what you said because it is precisely true. However, I am concerned about the implications of the remarks by the hon. member for Drummond (Mr. Pinard).

● (1520)

If I follow his argument that it would be forever improper for any member of this House of Commons to attend upon the Speaker of the House of Commons in order to apprise him of a difficulty he may be having as a member or, in the alternative, a sense of atmosphere that might be developing in the House of Commons over any particular matter, that is quite within the realm of any member of this House and is certainly not outside—

An hon. Member: But you are the leader of the government.

Mr. Baker (Nepean-Carleton): —the position of the House leader of the government. I have something here that I want to read that has perhaps escaped the attention of hon. members opposite. I hope my friend from Cape Breton will understand it. It is a quotation from a paper prepared by the Library of Parliament dated October 17, 1979, entitled "The Government House Leader in the Canadian House of Commons". The relevant section reads as follows:

'The unsung heroes of the House are the party House leaders. Each must have a dual loyalty: to his party and to the House', according to John B. Stewart, parliamentary secretary to the government House leader between 1966-68.

As Leader of the Government in the House of Commons I wear one hat, but as leader of the House of Commons I wear a

hat that perhaps some members on the other side do not understand.

What I saw developing in the House of Commons as a result of your decision—which I cannot dispute and do not dispute—with respect to the striking committee was an atmosphere where a group of members of this House who regard themselves as a party, even though they are not regarded as a party anywhere else in this House of Commons, felt they were being denied certain rights that ought to flow to them, having regard to their own point of view.

What I was concerned about when I saw that was an atmosphere developing in this House of Commons where it would become an unproductive, argumentative place.

Some hon. Members: Oh, oh!

Mr. Baker (Nepean-Carleton): I am prepared to accept the word "argumentative" in the healthiest sense of the parliamentary system; but in the negative way in which it was developing, I went to you, Mr. Speaker—

An hon. Member: You did?

An hon. Member: Shame.

Mr. Speaker: Order, please. There is a conversation going on close to me and I did not hear what the hon. member just said. Could I hear that again?

Mr. Baker (Nepean-Carleton): I went to you, Mr. Speaker, in your office. You will recall that I expressed concern to you about the atmosphere which I saw developing in this House of Commons.

Some hon. Members: Oh, oh!

Mr. Lefebvre: Talk to the other House leaders.

Mr. Baker (Nepean-Carleton): Subsequently there were meetings of representatives of parties, so I understand, where this matter was quite properly discussed in terms of the operation of this House of Commons. That occurred—

An hon. Member: When?

Mr. Baker (Nepean-Carleton): The date it occurred, I do not know.

Mr. Speaker: For the benefit of the hon. member and the record, and so that the House will know, my memory does serve me on this.

The President of Privy Council is referring to a Thursday meeting which was initiated at his suggestion on the Thursday morning prior to the House sitting at two o'clock on that afternoon. I brought into consultation the hon. member for Cape Breton Highlands-Canso (Mr. MacEachen) and the hon. member for Winnipeg North Centre (Mr. Knowles) to discuss the suggestion which had been made to me on that day and which I acted upon that afternoon. I can remember it was a Thursday afternoon because the following day was the Friday on which the five Social Credit members left the House. That was the extent of the consultation that had taken place and that is why I indicated at the beginning that there had been no representation made to me, except that which had been discussed in an open way with the other House leaders.

Mr. Baker (Nepean-Carleton): Thank you for clarifying that, Mr. Speaker. I am sorry I could not remember the date and thank you for going beyond that.

I think that is within my duty as leader of the House of Commons. I have some responsibilities with respect to that and it was in that atmosphere that it occurred.

You will recall, Mr. Speaker, that the next day, Friday, I guess because the members of the Social Credit party were not happy, they decided to walk out of this House.

Mr. Whelan: Let them stay out.

Mr. Baker (Nepean-Carleton): As a leader of the House of Commons, Mr. Speaker, no matter what other—

Some hon. Members: Oh, oh!

An hon. Member: Government House leader.

Mr. Baker (Nepean-Carleton): As the Leader of the Government in the House of Commons I was very much concerned about what I could see developing as a result of the attitude of at least one party in this House of Commons toward a particular group of members. So that the issue was made clear.

I want to tell members of the House how I regard the members who call themselves the Social Credit party in this House. I regard them in this way: they are not a party under the Senate and House of Commons Act and they are not a party as a result of a vote of this House; but Mr. Speaker, whether the members of the Liberal Party or the members of the New Democratic Party or anyone else regards them not as a party, they regard themselves as a party.

Mr. Breau: So?

Mr. Baker (Nepean-Carleton): And so, sir, in their own minds they regard themselves as a party, and I recognize—so that it will be absolutely clear—that they are much more than a group of independents. They are entitled to certain courtesies and as a result of that, notwithstanding the fact that they are not a party and that there are only five of them, they have been given six positions on committees of this House of Commons.

I have expressed to you and to my colleagues in the House that I have no objection whatsoever if they are extended the courtesies that would normally apply to a party because of their particular position in this matter, and from the point of view of obtaining some form of peace with respect to the operations of this House of Commons.

Some hon. Members: Oh, oh!

Some hon. Members: Hear, hear!

Mr. Baker (Nepean-Carleton): Let me just conclude by saying that I am not responsible for the attitude of the former government to any group of members in this House of Commons. I really do not care whether they agree or not with respect to my attitude to my job in this House. My own role in this House of Commons, sir—

Mr. Lefebvre: You care about five but not about 112!

Mr. Baker (Nepean-Carleton): My role in this House of Commons is that even if one of the members of the Liberal party came to see me, I would do my best to help him, if that were the case—

An hon. Member: Thanks a lot.

Mr. Baker (Nepean-Carleton): —and all in accordance with the proprieties and appropriateness, and after consulting with my House leader colleagues. I am very pleased, Mr. Speaker, that you made it clear that there was the appropriate consultation with the representatives of the other parties with respect to that meeting which you and I had together, you in one capacity and me in another.

I frankly think that if I have a job at all in this House of Commons, it is certainly to lead the government and the House so as to ensure that we can have a recurrence of what occurred last night—that is, the victory of the government over an opposition that should not have brought a silly motion in any event.

I have another job as well, and that is as leader of the House of Commons to ensure that you, Mr. Speaker, and others connected with this House are aware of the atmosphere that prevails in this House of Commons. I frankly think that the representations made by the hon. member for Drummond are quite frivolous and I am sorry he made them.

● (1530)

An hon. Member: Deny it.

Mr. Speaker: In addition, I have notice from the hon. member for Papineau (Mr. Ouellet) and from the opposition House leader, the hon. member for Cape Breton Highlands-Canso (Mr. MacEachen). I do not know whether they touch the same subject. I would like some guidance as to the most orderly way in which to receive all of the representations. Having heard those who have given me notice, I think then I might hear any others who wish to participate and pursue the question of privilege before making any kind of a decision.

Hon. Allan J. MacEachen (Cape Breton Highlands-Canso): Mr. Speaker, we have listened to really one of the most incredible performances ever given in the House of Commons. The hon. member for Drummond (Mr. Pinard) raised a question of privilege based upon an article in *The Globe and Mail* which stated that the President of the Privy Council (Mr. Baker) had made representations to your Honour. The article said he had waited upon your Honour. Then the article said he had made that approach because he was moved by the look of genuine outrage on the face of one of the members of the Social Credit group. Then, lo and behold, there developed what he described as generous treatment of the Social Credit party in the House of Commons. That is the gist of the article. The hon. gentleman has confirmed in his statement that the article is correct. There is no explanation either from the hon. gentleman that later on, after he had had his private meeting with your Honour, other House leaders were called in.

I have been leader of the government in the House of Commons for quite a long time in the past, and never to this day have I called upon the present Speaker or the former Speaker, Mr. Lamoureux, in order to express my views as to what was going on in the House. Never.

Some hon. Members: Hear, hear!

Mr. MacEachen: I must say I often felt like it, but I never did because I understood the consequences of that particular kind of activity—

Some hon. Members: Hear, hear!

Mr. MacEachen: —that a member of the government, with the authority of the government, waits upon the Speaker with respect to what the hon. gentleman described as the maintenance of peace in the House of Commons. Whose peace?

Some hon. Members: Hear, hear!

Mr. MacEachen: I hope the House does not forget the kind of atmosphere that prevailed in the House of Commons when I was a new member when a member of the government in the midst of a crisis in the House waited upon the Speaker.

There has been an impending crisis in the House of Commons and in the midst of it we are told that the President of the Privy Council has waited upon Your Honour. You have told us, and we accept your word, that representations did not influence your conduct in any way. But I object very much indeed that the Leader of the Government in the House of Commons would go privately to Your Honour and speak about matters relating to the operation of the House of Commons.

Some hon. Members: Hear, hear!

An hon. Member: Resign.

Mr. MacEachen: It is very serious. I confirm what Your Honour said, that you called others, my distinguished colleague from Winnipeg, myself and the President of the Privy Council, to discuss matters; but I do not recall that I was ever informed that that meeting had been preceded by a meeting with the President of the Privy Council. I may have been, but I do not recall. So I say to the President of the Privy Council that I intend to have more to say about it, because events occurred in the House of Commons, as my hon. friend said, which drawn together cast great skepticism upon the operations of the chamber.

Why was the member for Drummond not permitted to put his motion, which might have changed the whole course of events yesterday? Your Honour has given us a statement, and

we accept it. Nevertheless, the question will linger in our minds. However, we have an even deeper question about the motives and conduct of the President of the Privy Council. I have had good relations with him but I am deeply regretful that he went to the Speaker privately.

Some hon. Members: Shame!

Some hon. Members: Hear, hear!

An hon. Member: Unbelievable.

[*Translation*]

Hon. André Ouellet (Papineau): Mr. Speaker, my question of privilege is also in two parts. First of all, I find quite unacceptable that in our parliamentary system the integrity of the Chair can be brought under suspicion as irrespectfully and as irresponsibly even, as the government leader did in his statements to *The Globe and Mail* reporter. This is the first part of my question of privilege.

This is even more unacceptable since we have just heard the leader of the government in the House explain his position in this matter. He was interrupted by you, Mr. Speaker, when you noted that the representations that he made privately to you occurred on a Thursday, the day before the five Social Credit members left the House in such a—

An hon. Member: Dramatic manner!

Mr. Ouellet: —dramatic manner, as someone has just said. If this is true, I am much more willing to believe the Speaker of this House than the hon. member for Nepean-Carleton (Mr. Baker). If it is true that he waited on you privately before the five Social Credit members left the House, then *The Globe and Mail* article is inaccurate since it states that Mr. Baker came to you because he was moved by the look of genuine outrage on the face of the hon. member for Bellechasse (Mr. Lambert) as he was leaving the House of Commons.

Mr. Speaker, either there has been another meeting of which we are not aware or else the hon. member for Nepean-Carleton deluded the members of the Social Credit into thinking that he would ask you to grant them a better treatment in the House to win the vote last evening.

Mr. Speaker, some facts have to be recalled in this House. As the government House leader spoke for a long time let me say this.

The difficulties of the Social Credit Party of Canada in gaining recognition in this House since the beginning of the session were created in the first place by the government leader himself. On opening day it was the hon. member for Nepean-Carleton (Mr. Baker) who rose to propose the names of hon. members who would form the striking committee of this House. Yet, he was the one who decided not to include a representative of the Social Credit Party of Canada.

He was the one who decided before anyone else in this House that the Social Credit party should not obtain official recognition as a party in the House of Commons. He was the one who decided not to allow this political group to be represented on the striking committee of this House. It was even his leader who went and raided the ranks of the Social Credit party to convince the hon. member for Lotbinière (Mr. Janelle) to join the Progressive Conservatives, thereby reducing by that much the representation of the Social Credit Party of Canada in this House. Obviously, Mr. Speaker, yesterday the government leader had a lot to be forgiven by the Social Crediters. I do not know what happened.

I do not know what was arranged behind the curtains of this House but I do know that in today's edition of *The Globe and Mail* it is reported that Mr. Baker said in an interview that he had made representations to you to get a better treatment for the Social Credit Party of Canada. I believe that the office of Speaker of this House must remain completely objective and above those kinds of influences and deals which can only tarnish the good reputation of Parliament. I am prepared to take your word, Mr. Speaker. I am prepared to accept what you said earlier but I am really puzzled by the remarks just made by the hon. member for Nepean-Carleton who, contrary to his customary eloquence and self-confidence, was today stuttering, imprecise and anxious to hide something from us. I wish, in the spirit of sincerity, honesty and co-operation with yourself, Mr. Speaker, he would tell us everything that happened and clearly specify not in an evasive way as he did, but clearly state what he did in an attempt to have the Social Crediters vote with the government to defeat last night's motion.

In fact, Mr. Speaker, my question of privilege is a fundamental one because we believe at this time that the government House leader used you to hoodwink the Social Crediters, that he has deceived that political party and won a vote last night that he should normally have lost.

The second part of my question of privilege, Mr. Speaker, relates precisely to what you said yourself yesterday as reported on page 1009 of *Hansard*, which I think was to the point and should be the element to be remembered from everything that has taken place these last few days concerning the Social Credit Party of Canada. You said that it seems that the Social Credit members should be allowed to participate as they are entitled to, since they are members of a political party and also because they form a group in the House, that they are five members all seated together in the House, and that they chose a leader, first, you said, so long as it does not give them an advantage that they would not otherwise enjoy as five members and, second, so long as it does not deprive other members of their right to participate in some way.

My question of privilege is the following, Mr. Speaker. I would have liked to take part in the debate yesterday. The House had before it a motion presented by the official opposition. It was, according to our rules, an opposition day, in fact

our day. What happened? We see from the last pages of *Hansard*, where there is a list of all members who took part in yesterday's debate, that among those who were recognized there were four government members, four Progressive Conservatives, out of 136 in the House, two of the 26 members of the New Democratic Party, one of the five members of the Social Credit Party of Canada and four Liberal members out of 112. So, here is what citation 301 of Beauchesne, fifth edition, says. I noted that citation a while ago. Citation 301 reads as follows:

● (1540)

[*English*]

It is customary for the Speaker to try to arrange for speakers, for and against the motion, in a reasonable rotation.

[*Translation*]

If, on a day allotted to the official opposition which is called the loyal opposition and also has its rights and privileges here in the House of Commons, as many members of other political parties as there were yesterday are to be recognized, I say it is clearly an infringement on the rights and privileges of other members. I think that you spoke wisely yesterday when you talked about the right to recognize, sometimes, a member—

Mr. Speaker: I must correct the hon. member for Papineau (Mr. Ouellet) because he referred to the fact that according to him, there were four Progressive Conservatives, I believe out of 136, the fourth of whom was the hon. member for Lotbinière (Mr. Janelle) who spoke at 9.44 last night, and then for only one minute. That was merely to start a new round, but in fact there were only three active participants among the Progressive Conservatives, four among the Liberals, two among the NDP and only one Social Crediter.

An hon. Member: Right on!

● (1550)

Mr. Ouellet: I accept the correction of the Speaker. If we refer to what happened last night we see that in fact the hon. member for Annapolis Valley-Hants (Mr. Nowlan) intervened in the debate with a long question that took up part of the time which should normally have been allotted the hon. member for Lotbinière (Mr. Janelle). In any event, it is essential, Mr. Speaker, that you keep in mind that the five hon. members who are called the Social Credit Party of Canada have chosen a leader as they had the right to do, but that there is also a political reality that is supreme, Mr. Speaker, that stands way above all the rules we may adopt here in this House of Commons, and that is that the people of Canada had the opportunity to decide, at the time of our recently held election, that the Social Credit party presented candidates, and that the people having expressed its will, denied that party the 12 members who would have allowed the so-called leader to receive the additional salary as leader of a party. Attempts have been made to build a case for the Social Credit Party of Canada and give it a special place in this House because its history goes back quite some time.

Mr. Speaker, I feel it is important to recall that in the days of Mr. Thompson and Mr. Caouette, the Social Credit party was truly a national party with candidates in several provinces of Canada. Since the waning political party led by the hon. member for Beauce (Mr. Roy) was not even in a position to run candidates in every Quebec constituency and had no candidate in any other Canadian province, therefore it is neither a national party nor the group led by Mr. Caouette or Mr. Thompson, but it has become a small regional party which has some rights and privileges. We on this side do not intend to deny to those democratically elected members the right to take part in the proceedings of the House, the right to speak here, the right to uphold the interests of their electors who trusted them.

However, I think that you rightly stated yesterday Mr. Speaker that rights and privileges should not be granted to that small party. I knew what I said when a while ago I used the word "waning" because this party is fading away. Mr. Speaker, it should not be granted rights that will unduly reduce the rights and privileges which with good reason belong to the loyal opposition in the House. I think that in the future, on opposition days, either those of the Liberal party which constitutes the official opposition or those of the New Democratic Party which ran candidates in all provinces and is truly a national party which may speak in the House, as I said, on those opposition days of the Liberal Party or the NDP, Mr. Speaker, you should not recognize each time a member from the Social Credit Party of Canada. Otherwise you would infringe upon those rights and privileges that the Liberal party and the NDP were given by Canadian voters during the last election, on May 22. If the Social Crediters want to have more rights in the House they should try to have more members elected. Only then shall we respect them for what they will rightly be but not until such time.

[*English*]

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, for quite awhile I was determined to sit this one out, but things have been said, particularly about Your Honour, which make me feel I must say a few words.

Before I come to the main point that brings me to my feet, namely the reference to Your Honour, I should like to say a few words about the situation with respect to the position of the Social Credit party in this House. It has been a difficult one, and whatever may have been said or done on the floor or at meetings among House leaders, it is my conviction that Your Honour from the chair has been doing your best to straighten the matter out in terms of fairness and in terms of generosity, the word you used yesterday.

Some hon. Members: Hear, hear!

Mr. Knowles: The record is quite clear that when I spoke on October 9 on the motion for setting up the striking committee

my position was, if anything, a bit severe. I was concerned, as were all my colleagues, over the possibility that immediate and wholesale recognition of the Social Credit group as a party could have a bearing particularly on the question period, as a result of which we would suffer. We believed we might lose some of the rights we felt we had earned by the increased numbers returned to Parliament to sit in this corner of the Chamber.

I have been looking over what I said that day and I find nothing wrong with it, nothing that needs to be corrected. The debate and the vote that day solved the problem in part, making it clear that the Social Credit group is a small party and that certain things which they might claim, they do not necessarily need to have. But it did not solve the whole problem. The matter of their rights in the question period, the matter of their order in debate together with a few other considerations were left to the Chair, and I find that in my remarks I made a plea that that be the case.

I felt yesterday that Your Honour's submission was an excellent one. You pointed out that what has to be considered is just simple arithmetic. I believe there is far too much discussion around the words "status" and "recognition". Those words have no real meaning. The Liberals are recognized as having the status of a party in this House. We are also recognized as having the status of a party in this House, but that does not give us the same rights the Liberals have. It does not allow us the number of questions in the question period the Liberals are allowed, and there are many other things where we have to take second place because we are 26 as opposed to their 112. There are remarks from the back which I hope are on the record as to the kind of opposition party we are, but that is irrelevant to this debate.

● (1600)

My point is that, in my view, Your Honour was quite correct yesterday in saying that from the chair you have to look at the arithmetic of the situation and that you have faced the fact that the Social Credit members in this House call themselves Social Crediters, are a party and have a leader. If there are rights to individuals and to minorities, I think all minority parties, including the Liberals, should be recognizing those rights. I am prepared to leave in your hands, sir, the protection of the rights of all members of this House whether on the government side, in the official opposition, in our corner or in the corner opposite.

I do not like some of the suggestions which have been made, particularly by the last speaker, which seem to be that we should take that right away from Your Honour. In my view you have had a difficult task in handling this situation during this last month, but I think that instead of your being criticized, you should be commended.

Some hon. Members: Hear, hear!

Mr. Knowles: I suspect that the problem of this relationship will last as long as this Parliament lasts, but in the meantime I contend that we should pay attention to, and perhaps even read again, the words of Your Honour yesterday when you ruled on the question of the spot in the day when you would see and hear the hon. member for Beauce (Mr. Roy).

However, I am not sure even yet that I would have taken the time of the House to make these remarks were it not for the fact that I felt that other things which have been said today made it necessary for me to get to my feet. I know from experience, and most members of this House know from experience or from their reading of history, that the integrity of the Chair and the respect of all members for the Chair is a basic *sine qua non* to the operation of this House.

Some hon. Members: Hear, hear!

Mr. Knowles: I do not like the suggestion that in one way or another you, sir, have been involved in some conspiracy or some arrangement somehow connected with how members would vote on a certain motion. My friends to my right do not like it, but they have come awfully close in what they have said today to impugning the Chair. I do not believe that should be done unless there is a case for it and one is prepared to go all the way. I know of one such occasion. I participated in the debate when there was a motion to criticize the Chair, and that Parliament was one of the sorry ones in the history of this country. Let us not get anywhere near that sort of thing.

Because my name has been mentioned two or three times, I want to give what evidence I can about the situation. I do not know everybody's conversation with everybody else, but I know that Your Honour called me one morning and told me that you would like me, with others, to come to a meeting in your chambers. In that telephone conversation Your Honour indicated quite openly and without any question that the President of the Privy Council (Mr. Baker) had expressed concern to you about the mood of the House because of the Social Credit situation and that you had made a decision as to what you were going to do. I believed you then, and I believe you now. You called us in and told us that you had decided that the Social Crediters were entitled to roughly three questions a week in the question period and that you planned that day to call on the hon. member for Beauce for a question during the first round. You wanted to let us know. You made it clear that you were not asking for us to confirm your decision. You were not consulting us; you were letting us know.

Miss Jewett: Was Allan there?

Mr. Knowles: I am asked whether the hon. member for Cape Breton Highlands-Canso (Mr. MacEachen) was there. I forget whether he was there, nor can I remember whether the hon. member for Drummond (Mr. Pinard) was there. I see that you are nodding your head, sir. Perhaps the hon. member for Cape Breton Highlands-Canso was there, but the point is that we were told that this would be the plan.

Mr. Speaker: I might as well refresh the memory of the House again. The hon. member for Cape Breton Highlands-Canso was there, and he indicated he would not want to accept

or reject that suggestion without taking it up first with the caucus of his party.

Mr. MacEachen: Mr. Speaker, now that you have raised the point, the hon. member for Winnipeg North Centre (Mr. Knowles) has said that he received a telephone call from you telling him what had taken place earlier or later. I want to make it clear that I received no such telephone call.

Mr. Knowles: Mr. Speaker, I give evidence of the things of which I am aware. I know I was told, and there was nothing which gave me any indication that the conversation between the President of the Privy Council and the Chair was a conversation in which pressure was put on the Chair to take a certain course.

Some hon. Members: Hear, hear!

Mr. Knowles: I am not concerned about protecting the reputation of the President of the Privy Council; he can look after himself. But I am concerned, for the sake of this House, about the reputation of the Chair. If I had thought at that point that there was any suggestion of a kind of governmental pressure being put on the Chair and that the Chair was paying any attention to it, I can assure you, sir, that I would have given you some avuncular advice. However, I certainly did not feel it to be necessary, and my feeling throughout the whole piece is that you have tried to handle the matter on your own as fairly and honestly as you could.

You Honour may have made some mistakes. You have already admitted that you may have made a mistake yesterday in not letting the hon. member for Drummond put his motion under Standing Order 29. We can discuss that back and forth. We can discuss the question of how we are going to get along in the House as long as this Parliament lasts. But one thing I do not want this Parliament to do is question the honesty or the integrity of the Chair unless there is absolute evidence, in which case we go the whole way.

The Globe and Mail can make its assertions. An editorial writer from another newspaper in another city telephoned me this morning. I suppose he had read *The Globe and Mail* and he asked me whether I thought it was true. Over the telephone I said categorically that I was convinced that it was not true.

Mr. Ouellet: It is not for you to defend the President of Privy Council, and that is waht you are doing.

Mr. Knowles: Not at all. Apparently there is no denial of the fact that the President of Privy Council talked with Your Honour, but the point I want to make is that I am satisfied from Your Honour's reporting to me about that conversation that it was not a case of governmental influence or governmental pressure on the Chair. That I regard as completely out of court, and I think the President of Privy Council may have made a mistake in going to Your Honour on his own.

Mr. Ouellet: Of course he did.

[Mr. Speaker.]

Mr. Knowles: It might have been better had he asked Your Honour to call a meeting of all of us. I said a moment ago that it might have been a mistake, and now I will say it was a mistake. My main concern is that this House have respect for the Chair, that there be no question about the integrity of the Chair, and I insist that any suggestion that the Chair was involved in how certain members would vote last night or that the Chair has been doing things at the bidding of the government is not fair to the Chair or to this House of Commons.

Some hon. Members: Hear, hear!

Mr. Speaker: Order, please. I think it might be appropriate for me to intervene very briefly here. With respect to the article in *The Globe and Mail*, I attempted to point out to the House early in these discussions that there was an aspect of that report in the newspaper which had to be incorrect because it seemed to me to indicate that if the President of Privy Council had made a representation, he made it as a result of the look on the faces of the Creditistes when they left the House. In fact, I pointed out to the House that the only thing which could have been interpreted, in my opinion, as any such representation by the President of Privy Council was on the day before that took place.

The second thing is that if that is to be interpreted as a representation, then I think we are setting on our course of conduct here a set of scruples which we may have to observe. However, my recollection is simply this. On that day the President of Privy Council had a suggestion to make to me, as has happened on several occasions not just by him but by other members of the House of Commons. The tone of the suggestion was very much: I have a suggestion to make for your consideration. Is it worth discussing with the other House leaders? That is as regular as clockwork in this building.

● (1610)

In turn, before coming into the chamber on that day and in fact recognizing one of the members of that party, I spoke with the other two House leaders and said: This has been suggested to me. What do you think of it? That was only one of several discussions which we had subsequent to that concerning what to do about this particular situation. Also I may say that I had several deputations, single, double and triple, from members of the Social Credit party who came to me to plead their case. There was nothing extraordinary about that. They indicated that they were fighting for more than simply a question or two; it was a matter of principle that they had set and so on. There was nothing irregular in any event, and I do not think any of it is a surprise to the House.

I want to set the record straight. It may have been, in the most scrupulous of standards, a mistake, as has been said, for the President of Privy Council to have done this, but I never considered it to be a representation. It was a suggestion that was made to me. The tone of it was ordinary, that I would take it up with the other two House leaders, which I did. It may very well be that that kind of conversation with one member ought never to take place. If that is the case, certainly

I am prepared to follow that standard of conduct. But it eliminates something which I have done on a regular basis for five years with all kinds of senior and junior members of this House who have, in the corridor here, or on other occasions, simply put a question to me.

I put a case in point. A new member of the House of Commons, a day or two after the original vote, spoke to me to ask about whether the vote had the significance the House had attached to it. We discussed it.

Mr. MacEachen: But there is a difference.

Mr. Speaker: There is a difference, I grant, but if there is any suggestion that a representation to me carries with it some later pressure from the government, of course that would be something I and the House would reject out of hand.

I accept in all seriousness the point raised by the hon. members who are here today. I want to assure the House—and I think the hon. member for Winnipeg North Centre (Mr. Knowles) has said so—that at that time the discussion was very brief: a minute or a minute and a half, almost passing in the corridor. A suggestion, it seemed to me, was being put forward for discussion with the other House leaders. There was no suggestion of anything other than that. I am sure my response was that I would, in turn, take it up with the other House leaders, and I did.

I do not want to appear to be rushing to the defence of the President of Privy Council any more than the hon. member for Winnipeg North Centre does. But at the same time I want to say that I did not take this suggestion at the time it was made, as anything more than a brief suggestion. My immediate reaction was to say that I would take it up with the other House leaders, which I did. It was a suggestion we have discussed several times since that time.

Furthermore, I want to conclude by saying that not since that day more than two weeks ago—and during which time I have tried to decide how to deal with the Social Credit party during question period—has the President of Privy Council spoken a single word to me about the status of the Social Credit party in the House.

Mr. Pinard: Contrary to the report in *The Globe and Mail.*

Mr. Speaker: Contrary entirely to the report in *The Globe and Mail.*

Mr. Pinard: Which he did not deny.

Mr. Speaker: All right, but I only put the record straight. I understand entirely that the members who raised this point exercised two or three things: first, it would appear in the content of the article that there is more than a suggestion; there is a statement in the article that in fact the President of Privy Council took responsibility for offering participation in question period. It is something he does not have to offer. That is under the control only of the Chair. The second error is that which I have pointed out to the House. The third touches a position of a political party in the House upon which the members have been outspoken. I recognize that is a very serious point. The fourth relates to the matter which was very discretionary and upon which I confess a very strict interpretation of the rules was applied against the hon. member for Drummond last night.

I think the point is very serious; it needed airing and it needed exposure. I hope the House has benefited from it. If it is necessary to be super scrupulous in the future in terms of conversations with the House leaders, that can be done. But I hope that it will not eliminate forever and a day the time that a House leader may express to me a suggestion which I might take up with other parties of the House.

[*Translation*]

Mr. Herb Breau (Gloucester): Mr. Speaker, there are only two points I should like to make, but first of all I should like to assure you that nobody on this side criticized you or questioned your integrity and honesty.

Mr. Speaker, we have the greatest respect not only for your duties but also for your person. We have known Your Honour for quite some time and nobody criticize or even tried to criticize your decision.

The two points I should like to make are these: first, the hon. member for Drummond (Mr. Pinard) has dared the President of Privy Council (Mr. Baker) to tells us that the article published by *The Globe and Mail* is false as regards not only the facts, but also the motives it attributes to him.

An hon. Member: He refused.

Mr. Breau: But, Mr. Speaker, when we talk about these motives, they might very well be motives unknown to you. It is quite possible that some discussions are going on outside the House, some negotiations you know nothing about. We have nothing whatsoever against the fact that you, as Speaker of the House, agree to discuss with a member, be it a minister, the House leader of the government or a new member. Indeed you have always done that and we want you to continue doing that. Mr. Speaker, contrary to what the member for Winnipeg North Centre (Mr. Knowles) said a moment ago, nobody criticized your decision or doubted your integrity. The member for Drummond never talked about a conspiracy involving the Chair and the government. What he said was that there is a series of facts and that from them some persons could draw conclusions and that we want to clarify the situation. But what we note this afternoon, Mr. Speaker, is not that you have not correctly answered the question, you have, and it never crossed our minds that you had been influenced by the President of Privy Council, the hon. member for Nepean-Carleton. What we do note is that he did not have the courage to deny—

An hon. Member: He is afraid.

Mr. Breau: —to take up the hon. member for Drummond's challenge to deny the intentions that *The Globe and Mail*

report attributed to him. What we take exception to, Mr. Speaker, as I have said, is not that you agreed to see him, but that he probably tried to negotiate with a group from this House in order to get their support, that he decided to act in this way, as government leader, with all the power and weight that supposes, because we must realize that it is the government which is in effect responsible for what goes on in the House.

Mr. Speaker, it was the President of Privy Council, a member of Parliament and a senior government minister who decided to try to see you with the hope of perhaps getting the support of another group. It is not that you agreed to see him but that he, in the hope of gaining another group's support by making them an offer, decided to go and see you. That is what we object to, Mr. Speaker, and not that you agreed to see him.

Mr. Eudore Allard (Rimouski): Mr. Speaker, following the question of privilege that has just been raised, I do not wish to rub it in. As we always say: in front of wolves, one has to howl with the pack. And I will honestly admit that this afternoon, I was rather afraid that your brothers of yesterday would devour you because you refused to howl along with them. It breaks their heart that we should be recognized in the House. I would now like to tell the public that it is not up to political parties in the House, not up to our opponents to decide whether or not we are entitled to speak, whether or not we are entitled to sit here, because our electors have decided that themselves.

So I would not want to dwell any longer on this, Mr. Speaker. In his remarks a while ago, the hon. member for Papineau (Mr. Ouellet) took it upon himself to comment on last night's vote. I regret that very much, but it is definitely not very distinguished and not very sincere to comment on the vote by one of our colleagues in the House. Perhaps in the heat of the debate the hon. member wanted to imply that the decision had influenced our vote yesterday. I would ask him simply to withdraw his words because this is not the case. We simply voted against a motion that did not make sense, a hypocritical motion, a motion that was introduced only for politicking purposes. So I would ask the hon. member kindly to withdraw his remarks. If he is a man, he is going to withdraw. I never insinuated things like the ones he mentioned this afternoon.

Mr. Speaker: The hon. member for Papineau.

Mr. Ouellet: Mr. Speaker, the hon. member for Rimouski is asking me to withdraw remarks I cannot withdraw because I did not make them. He undoubtedly misunderstood my intervention. I brought to your attention the fact that on an opposition day assigned to the Liberal party, the official opposition in this House, four Liberal members out of 112—or 113, if we include you—Liberal members elected to the Parliament of Canada were recognized whereas by recognizing two members of the New Democratic Party and one member of the Social Credit Party of Canada, three members who in the end hold only 31 seats in this House got a representation in that debate that is not proportionate to what they should have had.

I know that earlier the hon. member for Winnipeg North Centre (Mr. Knowles), the great expert on procedure, referred to mathematical considerations. He reminded you that the way we should treat members of the Social Credit Party of Canada from now on is not as if they were a recognized political formation. Social Crediters are not recognized in this House, even if they say they are or if certain reporters make headlines by saying that the Social Credit party is finally recognized. It is not, it was not recognized by the President of Privy Council who did not want to give them representation on the steering committee. It was not recognized by you when you clearly explained that five members claiming to be members of a political formation are not enough to have all the powers and privileges inherent in a recognized national party in this House. They are not recognized and they cannot be recognized unless they have the opportunity in a future election to have enough members elected.

But what we do not deny them, Mr. Speaker—and I want this to be very clear in the mind of the hon. member for Rimouski (Mr. Allard)—we on this side of the House, as members of the Liberal party, do not deny them the right to speak in this House. They have the right to speak as long as they want but not when it should be members of the Liberal party who obtained more votes and more seats in this House than they did. It is as simple as that, Mr. Speaker. That is the point I made and I make again, and I hope the hon. member for Rimouski will understand that there are certain privileges in this House. We are very pleased when they exercise these privileges, but we do not want them to step on our feet and take some of our time when we are the ones who truly represent the largest part of Quebec voters voting in the Parliament of Canada.

• (1620)

[*English*]

Hon. John M. Reid (Kenora-Rainy River): Mr. Speaker, it is a pity the Chair has had to suffer the "usual accuracy" of the press. I doubt Your Honour will receive an apology from the press, even as those of us who sit below you do not receive apologies when we are misquoted and otherwise go through the tortures of the damned.

I do want to make two points. The first is the point made by the former president of the privy council, that he himself did not see any Speaker when he was the government House leader, a practice that should be followed by all future House leaders. I think the dangers of that kind of procedure are obvious to us today when we find ourselves in a situation which is most uncomfortable and quite embarrassing.

I believe there are two points that have not been raised. The first point has regard to the meeting that took place between Your Honour and the House leaders to discuss the role of the Social Credit group at question period. I am not prepared to say whether three questions a week are too many or too little, but I do not think that was the question at issue. What we are discussing is what happened yesterday when the leader of the Social Credit group was given preference in a party way over a

speaker from this side of the House. That was a different principle than what had been discussed at the meeting of the House leaders. That is quite significant, because if that practice is to be followed in all debates it will mean that the Social Credit group would be recognized fourth on every round. I do not think that was discussed at those meetings, and I think if that were to be the case, I would be most vociferously opposed to any kind of process under those lines.

I think it is important to keep in mind that we are discussing two things; the question period, which was discussed by the House leaders; and secondly what happened yesterday under your decision, which was in this particular case that the hon. member for Beauce (Mr. Roy) could be heard immediately after the speaker for the NDP. I feel strongly about that because the normal process has been that when a political party puts forward a motion on a supply day that party usually is allowed the extra speaker if there is one to be allocated. Yesterday, the first supply day we have had, we did not receive the benefit of that extra speaker.

The second point I want to make is that, however justified the position the Social Credit members have taken, with the dilemma in which they find themselves, and the dilemma in which the rest of the members of the House find themselves, we do find it surprising, to say the least, that a solution was found immediately before the vote last night.

It may well be that there has been considerable discussion going on, but as the hon. member for London West (Mr. Buchanan) put it today, Calvin Coolidge, who said "the business of the United States is business", was right in that it seems to me that the business of the President of Privy Council and Minister of National Revenue (Mr. Baker) is to make sure that the government stays in power. It is very upsetting to me that this kind of apparent buying and selling should take place in such a blatant way on the floor of the House of Commons.

I feel very strongly that there are legitimate bargaining points political parties can have. I think, for example, of the demands the hon. member for Beauce made in terms of guaranteeing oil supply, employment programs and what-not. They are entirely legitimate, but the resolution of this problem taking place in the way in which it did, immediately before the vote last night, could do nothing but cause suspicion on the part of those of us on this side of the House, and certainly can cause nothing but suspicion in terms of the electors who elected that government over there and those members who sit to its right.

The last point, Mr. Speaker, is that it is most regrettable that the Chair has been implicated, however indirectly, in this kind of play. Whether it was done deliberately or accidentally, the fact of the matter is that in this particular case the President of Privy Council by a conjunction of circumstances has served to cause a great deal of suspicion for those of us on this side to overcome as to what actually went on. We feel that is most regrettable, and we feel it is going to be necessary under the circumstances of this minority government for the Chair and for members of all parties to consider again how to conduct themselves because of the example we have had from the government to date.

[*Translation*]

Mr. Jacques Olivier (Longueuil): Mr. Speaker, I will be brief as the debate is already quite protracted and everybody, I believe, tried to give some explanations. I would like to draw your attention, Mr. Speaker, to the fact that I supported the motion moved yesterday under Standing Order 29 by the member for Drummond (Mr. Pinard). I would also like to draw your attention to what the member for Winnipeg North Centre (Mr. Knowles) said about minorities in the House. That is extremely important. I believe that in your decision you said you had to protect certain minorities, about the risk of misinterpretation concerning minorities in the House, but in my opinion there are no minorities in the House. I believe that all members are equal in the House.

There might be a risk, if we accept the explanation given by the hon. member for Winnipeg North Centre about minorities, and it is that it could be very easy for me to say: Well, listen, I am a Francophone in Canada, I belong to a minority, I must also be recognized as a member of a minority in the House and I am entitled to your protection, Mr. Speaker, because I am a Francophone and because I am a member of a minority. I think that is extremely dangerous. If we are to accept the arguments of the member for Winnipeg North Centre, and to a certain extent what you said, this might mean danger for this chamber.

Mr. Speaker, I would like to come back to the decision you took yesterday concerning the motion moved by my colleague from Drummond. Today you explained the reasons for your decision and I accept them. I supported the member for Drummond yesterday, but I believe that all the discussion today was to be expected, when we tried yesterday to show what was going on in the House. Mr. Speaker, I therefore draw your attention one more time to the fact that I do not believe that there are minorities in the House. I believe that all members are treated as equal. It is to this point that I would like to draw your attention, Mr. Speaker.

● (1630)

[*English*]

Mr. Baker (Nepean-Carleton): Mr. Speaker, I had not intended to intervene in the debate again, but I feel I should. At the outset I indicated that what you said with respect to what had occurred was within my recollection and my knowledge of the circumstances, and I thought that that would have been enough for my colleagues on the other side of the House; but given their state of paranoia, I guess it was not.

I repeat that statement for their benefit so that it will not be lost to them. I share very much the concern that was expressed by the House leader of the New Democratic Party, the hon. member for Winnipeg North Centre (Mr. Knowles), with respect to the statements made by the hon. member for Papineau (Mr. Ouellet), who seemed to imply that a member

of this House of Commons, whether a minister or otherwise, could somehow speak to the Speaker and influence the Speaker of this House of Commons. I guess I must have much more faith than does the hon. member for Papineau in the judgment and integrity of the Speaker of the House of Commons.

An hon. Member: It was you who spoke to him.

Some hon. Members: Oh, oh!

Mr. Baker (Nepean-Carleton): It would be a most inappropriate act for any member, minister or otherwise, to go and speak to the Speaker with respect to making a representation or driving a Speaker to a decision on something. It would be a very sorry day in this House if any member of Parliament did not have the right, either singly or otherwise, to go and speak to the Speaker. You yourself, sir, alluded to the possibility that that sense of openness with your office may have to be reconsidered. I hope that that will never be the case, because it would not be appropriate to the proper functioning of this House of Commons.

If my going to you, sir, under those circumstances should ever cause you to change the status quo, I would regret that very much. I think that the understanding that I have of your position and of my position is one of respect for our different roles in this House of Commons. I indicated as articulately as I could what I thought my own role was with respect not only to my own party, but with respect to the House of Commons as well.

There is another matter that I wish to raise, and it is with respect to the remark made by the hon. member for Kenora-Rainy River (Mr. Reid) to the effect that somehow the government House leader was, and I think his words were, "apparently buying and selling votes on the floor". I hope I will be forgiven if I refer for my best example as to the role of a government House leader in trying to seek compromises among parties in the House that will keep the government in power to page seven of the document which I quoted from earlier, where there is a description of the opposition House leader. The hon. member is a respected parliamentarian, and I respect him as a parliamentarian, as the opposition House leader and as a colleague, as I respect the hon. member for Winnipeg North Centre (Mr. Knowles). In any event, I would like to read from this paper, because I think it is apropos of what my friend from Kenora-Rainy River has said. Here is a description of the opposition House leader:

> He was a respected parliamentarian and, as his mentor Lester Pearson described, an old smoothie. MacEachen, a Liberal left-winger, had advised Pearson during his early minority governments and served in several ministerial posts—

We are referring here to the 1972-74 Parliament when the government was a minority one. He goes on to say this:

> During this time a lasting friendship, based on mutual respect, developed between Stanley Knowles, the NDP House leader, and MacEachen. His negotiating skills contributed immeasurably to the government's survival.

In that case I suspect that the opposition House leader—and they are both blushing now—when he was government House leader did his job very well. He contributed to the government's survival. That is my job now.

Some hon. Members: Hear, hear!

Mr. Baker (Nepean-Carleton): I would hate to have what I regard as an honourable practice, in which I emulate my colleague from across the way, described as merely "apparently buying and selling votes on the floor of the House of Commons". It is an appropriate parliamentary practice.

The hon. member for Winnipeg North Centre is quoted in the same document at page eight. I think that it is quite important that I put this in context, and I would like to read what he said.

Mr. Pinard: What about *The Globe and Mail*?

An hon. Member: Do you deny it? Answer yes or no.

Mr. Baker (Nepean-Carleton): The document reads—

Some hon. Members: Oh, oh!

Mr. Speaker: Order.

Mr. Baker (Nepean-Carleton): The document reads:

> During this period the Liberals, to survive, depended on co-operation with the New Democrats. Stanley Knowles and Allan MacEachen could, as House leaders, meet several times a week to negotiate even though their parties were officially "stand-offish". Mr. Knowles explained:
>
> "If David Lewis were seen dealing with John Turner (Finance Minister), there would be an awful fuss, but Allan and I can meet as often as we wish and it is perfectly natural".

Some hon. Members: Hear, hear!

Mr. Baker (Nepean-Carleton): I would like to read one more paragraph:

> In fact Mr. MacEachen arranged meetings between Knowles and Health Minister Lalonde to bargain about raising the Old Age Pension. Any increase would have to appease the NDP without appalling the Liberals.

That is an indication of the difficult job of a House leader in a minority Parliament.

Mr. Pinard: How does this relate to the Speaker?

Mr. Breau: Did he talk to the Speaker?

Mr. Baker (Nepean-Carleton): Mr. Speaker, I was referring to the statement made by the hon. member for Kenora-Rainy River and trying to refute that statement. I think it was quite appropriate to read those statements in.

I have said twice now, and I will say it a third time, that I thought that the exposition you made at the outset of this matter arising in the House of Commons was quite correct. Your explanation, sir, is my explanation of what went on.

I am not the master of the pen of the reporter of *The Globe and Mail*!

Mr. Pinard: Do you deny it?

Mr. Baker (Nepean-Carleton): If there is some issue with respect to timing in the report in *The Globe and Mail*, as to when I looked and saw a look of outrage on the face of the hon. member for Bellechasse (Mr. Lambert)—and it was certainly there—I do apologize for not indicating it.

I hope that as a result of this matter you, as Speaker of the House, sir, will not develop a closed door policy. If I may say so without being over-weaning, one thing which has been a pleasure to me in this House, whether I was in the position I am today or whether I sat where my friend the opposition House leader now sits, is that you, sir, did in fact, quite appropriately, come forward on the matter. You, sir, were always open to representations by members.

Mr. Breau: If you have any guts, deny *The Globe and Mail* article.

• (1640)

Mr. Baker (Nepean-Carleton): I do hope that continues. If, sir, I have put you in an embarrassing position—

Mr. Whelan: What have you done to that reporter?

Mr. Baker (Nepean-Carleton): —if I have done that, then I would be the first to apologize. I want you to understand that, because I feel I have the responsibility toward this House and toward you as Speaker of this House of Commons.

An hon. Member: What about *The Globe and Mail*?

Some hon. Members: Hear, hear!

Mr. Speaker: Order, please. There are now seven other members who seek the floor. The hon. member for Northumberland-Miramichi (Mr. Dionne).

Mr. Maurice A. Dionne (Northumberland-Miramichi): Mr. Speaker—

Mr. Ouellet: Mr. Speaker, I have a question of privilege on the remarks just made by the President of Privy Council.

Mr. Speaker: Order, please. The hon. member for Papineau (Mr. Ouellet) responded to a request by the hon. member for Rimouski (Mr. Allard). He took quite a lot of time to reargue the point, I thought. If he has anything arising out of what has just been said I will hear him, but there are seven other members who have yet to intervene and I think I have to hear them first. The hon. member for Northumberland-Miramichi.

Mr. Dionne (Northumberland-Miramichi): Thank you, Mr. Speaker. *The Globe and Mail*—

Mr. Ouellet: Mr. Speaker, are you telling me I will be recognized at a later date this afternoon?

Mr. Dionne (Northumberland-Miramichi): —reports, and I quote:

Mr. Baker said in an interview that he made some representations to Speaker James Jerome on behalf of the Socreds because he was moved by Socred Adrien Lambert's look of genuine outrage when the five-member Quebec party recently walked out of the House in protest.

This afternoon in the arguments, sir, you said at the outset that the House leader of the government had made no representations to you, and obviously we accept your word. Later, in his own intervention, the government House leader said that he had spoken to you but he could not remember the date. At that point you reminded him that the date was the Thursday, the day before the Socred members walked out of the House of Commons.

I think the government House leader owes it to you and to this House to get up in this House and either deny outright and categorically the story in *The Globe and Mail*, or make an outright apology to all members of this House. Nothing less will do.

Some hon. Members: Hear, hear!

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, I should like to make some comments on two points that are before us today. The first refer to the comments in *The Globe and Mail*. I think the Liberal member had a right to raise that question but I think you have made it very clear, Mr. Speaker, that you were not influenced by any discussions that may or may not have taken place. Perhaps the members of the Liberal party do not think the government House leader has denied it as vigorously as he should.

An hon. Member: He has not.

Mr. Nystrom: They are saying he has not. They are saying he did not deny it, so I think, Mr. Speaker, that they may be questioning your word to this House as well.

What I want to say to the members of this House is that they are on very serious ground here. They are close to imputing motives as to what the Speaker has said to the House.

Some hon. Members: No way.

Mr. Nystrom: The Speaker has said very clearly that he was not influenced in any way whatsoever by what may or may not have happened.

Mr. Breau: That is not the only issue.

Mr. Nystrom: If Liberal members believe that you have been, then we are getting on to very dangerous ground. I think we should take the word of the Speaker as it was, namely that he was not influenced. If they have more evidence and if they are going to have to pursue that, I think that is a very dangerous course.

My second point concerns the Social Credit members of this House. An hon. member has said, "There are no minorities, we are all the same." I realize that if we do not have, perhaps, any official recognition of political parties in this House, we do have *de facto* recognition of parties in this House. We do have groups. We have the Liberal party, we have our party, and then we have a group of five other people who choose to call

themselves Social Crediters. They may not have 12 members but they ran on behalf of the Social Credit party of this country. Five were elected and they received some 4 per cent of the votes in this country. So I think they have to be given a status as more than just individual members.

An hon. Member: No way.

Mr. Nystrom: May I remind the House that a democracy is judged on how that democracy treats its minorities. I think that is pretty important.

The Speaker has basically said that he is trying to be fair and using arithmetic will recognize members of the Social Credit party roughly three times every week. Sometimes he may recognize one of them on a series of lead-off questions and on other days I assume he will not. Because they have five members in the House, however, every once in a while they deserve a lead-off question, just as every once in a while, in fairness, the leader or someone else from that party should have the right to make a statement after the leaders of the other parties.

From what the Speaker said yesterday, I gather he is not going to follow that as a precedent. He did it yesterday but I am sure from what he said that it is not his intention to do so on every important statement. But because the Social Credit party have five members in the House, we have 26 and the Liberal have 112, they deserve a certain percentage of the opportunities to speak on the first round of debate. That is only fair.

I think that is all you are trying to say, Mr. Speaker. You are trying to balance things and use arithmetic in the fairest way possible.

I plead with this House to leave that question in the hands of the Speaker and to trust to the discretion of the Speaker to be fair to the Social Credit group in the House, as the Speaker, I think, is being fair to those of us grouped in the other three parties in this House.

Mr. Maurice Harquail (Restigouche): Mr. Speaker, there is an essential question that I believe has to be clarified by you, sir. Certainly it is my observation that there is no question whatsoever as to the integrity of the Chair. With respect, since the opening of this House when we had a motion before the House on which we voted, it was soundly expressed by all members of this House that we would agreed with the government leader that the Creditiste members of this House would not be named to the committees when striking the committees of this House.

I think that laid the very fundamental groundwork for guidelines that would be followed by you, sir, in terms of whether you would recognize Social Credit members as an official party in this House.

I am sure that all members have been wondering where the direction would come from on this question, whether you had the absolute authority to state, and would state it in the House publicly, that you would not recognize members of the Social Credit party as an official party within the House of Commons. The government House leader has indicated that they have taken their decision that the Social Credit would not be permitted the privilege of being named to committees of the House. They made their position very clear, that they were not recognizing the Social Credit party as a party within this House.

We then went to a vote, Mr. Speaker, which, as I understand, it is the essence of Parliament. We voted on the matter and we were very clear. It was a case of five members voting against all the other members on that question. We said in a vote of this House of Commons that they would not be permitted to be recognized when we were striking the committees of the House of Commons.

I took it that you would also incorporate that decision of the House of Commons as grounds for your future rulings and decisions and interpret it to mean that the Creditiste members of the House of Commons were sitting as independents and not as an official national party within the terms and definition of political parties in Canada as we understand them.

I believe that the five individual, regional members from one province who sit in the House today as members of the Social Credit party are in no better position than was the former member for Moncton when he sat here and complained that he could not be recognized at meetings of the standing committees of the House.

Mr. Speaker: Order, please. I hesitate to stop the hon. member but he is rearguing a matter that we have had before us now for four weeks. The question of privilege that we have before us today relates to a report in *The Globe and Mail* about an action of the President of Privy Council. I tried to make my position as clear to the House as I possibly could, but I shall repeat it so that the House will understand.

I thought I made it abundantly clear in my decision yesterday that the decision whether or not a group is a political party is not just taken inside this House; it is taken elsewhere. What I simply was expressing to the House yesterday was that in certain circumstances, since members of the Social Credit group were entitled to something, they ought to be able occasionally to have that entitlement in a way which recognized their position as a political party. Yesterday, the decision we were talking about was not whether the hon. member for Beauce was going to debate; it was a question of when. Similarly in question period, it is not whether a member of the Social Credit party is going to participate in the question period; it is when and how. Those are the only two questions we are talking about.

Yesterday, the list that I assumed when I came into the Chair had the hon. member for Beauce listed just after the hon. member for Winnipeg-Fort Garry (Mr. Axworthy). The effect of my intervention was to change the order, that is all.

• (1650)

I was also at pains to say yesterday, and to make it perfectly clear, that had yesterday's debate been on a Wednesday afternoon, which then would have concluded at six o'clock, I

would not have recognized anyone from the Social Credit party. To do so would have given them participation in excess of their significance as a group of five members.

I do not know how to make it any clearer. All I am attempting to do is to give to them what is their right and entitlement, but to give it in a way that simply recognizes that they are a political party. There are many dangers in attempting to adjust the minority here because mathematics do not always fit. You cannot adjust participation with scientific precision. The number five does not always divide into the other numbers in the House. For example, three members of the Social Credit party—and incidentally this is an event which went almost unnoticed—participated in the throne speech debate. That happens to represent 60 per cent of their total membership in the House. No other party in the House had anything like that percentage participation. However, if that number had been one less, perhaps we could have adjusted participation a little more accurately. It was an eight day debate but the fact that three members got up over a period of eight days did not alarm the House. If you try to apply a mathematical formula, the Social Credit members began in the very first debate with far more representation than they were entitled to as a group of five. But at that time nobody was calling them a political party.

I think we have to recognize that no matter how they are described or thought of in the minds of members, either inside of the House or outside of it, they are still entitled to some participation. My only intervention was to give them that participation to which they are entitled, and in a way that recognizes their position as a party and nothing more.

Some hon. Members: Hear, hear!

Hon. Robert K. Andras (Thunder Bay-Nipigon): Mr. Speaker, I intend to be brief. I hope that in no way would this debate be a reflection upon you. The issue is quite clearly generated by an article in *The Globe and Mail* which makes reference to certain alleged remarks made by the President of Privy Council (Mr. Baker). The other issue of whether the hon. member for Drummond (Mr. Pinard) should or should not have been recognized you have dealt with, for the moment at least, to my satisfaction. But as to the issue whether or not the President of Privy Council did or did not say those things, no matter whether he tells us today that he did not treat them as representations when he went to see you, unless he stands up and says that *The Globe and Mail* report is inaccurate, deliberately or otherwise, in what it said, then he and he alone is the issue in this discussion. It is his actions alone that are the issue in this discussion.

I have known, as my colleague the hon. member for Cape Breton Highlands-Canso (Mr. MacEachen), has known, the President of Privy Council for some years. I have said publicly that I have respect for him. He has risen two or three times in this debate, but not once have I heard him unequivocally say that *The Globe and Mail* has misreported him absolutely. He has not done that. That cannot but leave doubt in people's minds as to whether he talked to *The Globe and Mail*, whether he said that, or whether he was reported accurately in whole or in part. That means that he thought, and repeated to somebody else, if it is accurately reported, that his meeting with you was in fact a representation. That leaves a serious doubt about the motivation of the hon. member. For his own sake and to clear up the doubt left in this debate, he should deny it unequivocally, categorically and in detail.

Mr. Bob Rae (Broadview-Greenwood): Mr. Speaker, in my opinion there are two points that have been raised which deserve clarification, not just for what has passed, but for what lies ahead.

It seems to me the first question is the status of the Social Credit party. I want to reiterate the remarks that have been made by my House leader, the hon. member for Winnipeg North Centre (Mr. Knowles). I know it is hard for hon. members to listen when they are not speaking, but I would appreciate it if they could try to recognize that parties even smaller than theirs sometimes have contributions to make to a debate.

The status of the Social Credit party has been accurately stated by yourself. Whether or not the Liberal party recognizes the Social Credit party is irrelevant. In my view, that needs to be stated. It is obvious from what has been said consistently since the election that the Liberal party does not recognize the Social Credit party. With respect, that is of philosophical interest to those members who take that point of view.

I respectfully suggest that although it is a small party with only five members—

Mr. Breau: Who are you to change the law?

Mr. Rae: I am not changing any law. I would not try to change the law. I was simply recognizing what are sociological and political facts. If a party presents itself in an election as a party—

Mr. Breau: That is not what the law says.

Mr. Rae: —and is elected to the House of Commons as a party—

Mr. Breau: You read the House of Commons Act.

Mr. Rae: —then for some purposes that party is a party. I suggest to Liberal members here that they ask the hon. member for Winnipeg-Fort Garry (Mr. Axworthy) whether when he sat for five years in the Manitoba legislature he sat as an independent or as leader, the only member and a one-man band for the Liberal party, just as Mr. Notley sits as a single member and leader—

An hon. Member: Oh, oh!

Mr. Rae: Obviously I have touched a sensitive chord of the New Democratic Party in the province of Alberta.

An hon. Member: What about *The Globe and Mail*?

Mr. Rae: We will get to *The Globe and Mail*. The point I want to make, despite the interruptions and barracking from the party to my far right, the Liberal party, is that it is up to you, Mr. Speaker, not the Liberal Party of Canada, to decide who speaks in this House, and in what order. It is not up to the Liberal party to decide upon the allocation of questions nor upon the allocation of recognition in this House.

An hon. Member: That is not the point.

Mr. Rae: It certainly is the point. What the hon. member for Papineau (Mr. Ouellet) and other members have said indicates that it is the Liberal party who will decide who is recognized.

Some hon. Members: Oh, oh!

Mr. Rae: If one looks at the record to see what the member from Papineau said, that is the clear implication of the statement that he made.

Some hon. Members: Oh, oh!

Mr. Rae: If he wants to deny it, fine, but I think that is the implication.

For our part, Mr. Speaker, we would far rather trust you with our rights as a minority in this House than we would the Liberal party, either in this House or outside of it.

Some hon. Members: Hear, hear!

Mr. Rae: I do not trust members on the opposite side either. I am saying that you are the one whom we trust.

The second question raised is a fundamental one. It was raised by the hon. member for Cape Breton Highlands-Canso (Mr. MacEachen), a member everyone holds in the highest regard in this House. It concerns the relationship among House leaders of the parties and yourself, Mr. Speaker. Your Honour raised this question when you participated in the earlier round of discussion. The President of Privy Council said he thought that he had the right, indeed the obligation, as leader of the whole House—if I understood him correctly—to speak and make representations to you concerning what he felt were problems that might arise in the course of the proceedings of this House.

I am a new member and I am certainly not a member of any experience.

An hon. Member: That is true.

Mr. Rae: That is fine, but we all have a right to speak, a right to listen and a right to be heard. I would suggest to you, Mr. Speaker, that one example which you might follow is the practice of judges meeting counsel in chambers. From your own experience you will know that no judge would meet a counsel in chambers alone. There is always a danger that a situation could arise where something might be said or suggested which could influence a decision of a judicial nature, not simply of a political nature.

With respect, I think your function in the House in recognizing members, attempting to allocate questions and attempting to be fair is a judicial function and not a political one. I am not making an unqualified recommendation because I recognize that what I say may have some holes in it that I have not yet seen, but it seems to me that the President of Privy Council may want to consider whether, when he goes to the Speaker of the House of Commons, he is not simply going there as the hon. member for Nepean-Carleton—and he knows this—or as the President of Privy Council, but as an active member of a government party.

An hon. Member: That is the point.

Mr. Rae: The hon. member for Cape Breton Highlands-Canso was absolutely right in saying that we were in a delicate situation yesterday. The question of recognition and the right to be recognized could have affected the outcome of last night's vote; there is no question of that. I suggest that one thing you might want to consider, Mr. Speaker, is—

• 1700

An hon. Member: A committee.

Mr. Rae: —not a committee but a recommendation that discussions between House leaders should not take place without all of them being present. No House leader should feel that he can make a representation of a judicial nature rather than a political nature to the Speaker of the House of Commons in exercising his judicial functions.

We have had experience of phone calls to judges. We have had experience with other attempts, with the best of will and the best of intention, to make representations of a legal nature to somebody in a judicial capacity. That has been the subject of criticism, and quite worthy criticism. We now have rules of conduct and so on for members of Parliament. All of us recognize there are things we cannot do.

I suggest to the President of Privy Council (Mr. Baker) and to the other House leaders that it may be necessary in the future for House leaders to meet with you, Mr. Speaker, in considering matters of a judicial nature, and that representations, however well intentioned—and I certainly do not question the good intentions of the President of Privy Council—should not be made privately.

I myself have made representations to you, Mr. Speaker, on a couple of matters, one of which is still outstanding, of a private nature. As members of Parliament, I think we are all entitled to raise these questions of concern. This is different. I am speaking here as a private member of Parliament to you about a private matter affecting, in this case, my conscience. I am suggesting that when the President of Privy Council is making a representation to you that is not on a private matter of conscience, that is not a private matter affecting his personal privileges as a member of Parliament, that he not make that representation without the other House leaders being present. I think that would solve a potentially difficult problem.

The President of Privy Council raised as a comparison the relationship that existed between the president of the privy council at that time, the hon. member for Cape Breton Highlands-Canso, and my House leader in another Parliament. The difference with that experience was, of course, that the Speaker of the House of Commons was not involved in any way. That is a very significant difference.

There will, of course, be discussions and negotiations in a minority Parliament. We are grown up and recognize that these votes do not take place without prior discussion. However, there is a very real distinction between those kinds of negotiations and a discussion involving recognition, the status and position in debate of a party which is also involved, as is well known, in a political discussion with the Prime Minister (Mr. Clark) and the President of Privy Council concerning a non-confidence motion. There is clearly a distinction between those two things.

Where there is a judicial function being performed, that should not be done without everyone being present. The Speaker should in no way be involved in political discussions, and that is where I leave it.

Mr. Speaker: To get back to an earlier point in reference to the intervention just made by the hon. member for Broadview-Greenwood (Mr. Rae), we are all aware of the wisdom of the suggestion he has just made. The difficulty is that functionally it eliminates most of the contact and conversations that take place in the House. For example, several times upon a decision by the Chair a member of an individual party who has been adversely affected by that decision of the Chair will show up and say, "Are you sure you thought of this?" That is a courtesy call. I do not think the member is trying to reopen the question. The member is coming in to say that he did not quite understand my point on this. He is obviously dejected and disappointed. I could at that point say, "Look, it is not proper for me to discuss this unless we have present members of other parties".

Similarly, we get into the same situation if after a given question period a House leader comes into my office and says, "Look, our people are not happy with the number of questions". I must say, "Stop right there, I have to call in the other House leaders to discuss things of this sort". These are plain representations about business that is going on in the House.

I think we can follow the structures of court practice, as the hon. member has said. The only trouble is that it will put us in a formal structure that will make it less pleasant to do the business of the House. I think trust is much more useful.

Mr. Roland de Corneille (Eglinton-Lawrence): Mr. Speaker, I would first like to say it hardly requires any evidence to realize that we all deeply respect the position of the Speaker of the House and of the person of the Speaker himself. I feel it is rather sad that things should become so convoluted that in the course of this discussion it has been perhaps misunderstood that many of those who have stood up, in my party at least, to express their concern stood up in order to express the very deep concern that the Speaker of the House, both in his office and in his person, should not be involved, should not be impugned and should not have any light cast upon him except the highest respect which this House holds for him.

Therefore, it is particularly tragic and unfortunate when we are raising a question which is not at all directed at the Speaker but in fact is directed at the very direction of the Speaker's name—the protection of the honour of this House of Parliament—that this should be misunderstood. Perhaps there were things that were said incorrectly or which were misunderstood because they were not put well, but certainly that was not the intention, so far as I have any knowledge of it, of my colleagues. What is at stake, and this is important, is that we did not ever mention the name of the Speaker of the House of Commons. We did not bring it into the press. We did not involve the name of the Speaker in terms of events that occurred last night. It is precisely because we did not that the question arises, who did?

It is this kind of thing we are concerned about. We are simply seeking to have it made clear that the people of Canada will lose respect for the parliamentary system about which we have heard so much idealistic speaking in the Speech from the Throne and so on, that that very respect which we all want to establish may in fact be put under suspicion.

Therefore, when an article appears in *The Globe and Mail* that seems to link a statement by some member of the House of Commons which might involve or is alleged to have involved the idea that he said he had some influence with the Speaker, it endangers the position of the Speaker.

It is this about which we are speaking, not about the Speaker himself. This is what is at stake. We were expecting, and hoped it would be said, that it would be made clear by the President of Privy Council through *The Globe and Mail* or anyone else that he does not intend or want to influence the Speaker, that he was sorry if it was misprinted and said in this way so as to imply that he had done such a thing, that indeed he has no intention of trying to give the impression that he gets credit for having achieved something with the Speaker of the House.

That is what is at stake. It is not the Speaker of the House who is at stake but in fact his good name. It is not that it took place at all but that people have the idea that it took place. It is not what happened, but what is perceived to have happened, that is at stake. It is this which we wish to have clarification of.

It would be very simple to say not "if I have" but simply that it appears that my involvement of the word "Speaker" in this conversation with *The Globe and Mail* has led to this misunderstanding, one which has taken up the whole afternoon of this House. It is simply that we all, everyone in this House, want to protect the sanctity and the position of the Speaker in whom we all have trust.

Some hon. Members: Hear, hear!

Mr. Thomas H. Lefebvre (Pontiac-Gatineau-Labelle): Mr. Speaker, it has been very seldom in the career I have had in

this House of Commons that I have taken part in a question as substantial as this. Not being a lawyer or an expert on parliamentary rules and procedure, I have usually left this to some of my more learned colleagues. However, there is something I would like you to help me, a private member of this House, clear up.

I do not think anyone in this debate this afternoon has mentioned that they doubted Your Honour's word. Rather, it has been directly the opposite, that we are fighting to protect the integrity of the Speaker of the House of Commons.

I have not had time to consult my colleagues, but I have no objection if the House leader of the New Democratic Party wishes to consult you on matters that affect the interventions of his members in this House of Commons. I have no objection of any kind to that.

[*Translation*]

If the hon. member for Beauce (Mr. Roy) wants to phone or write to you, Mr. Speaker, and asks to see you in your chambers here, in the House of Commons, of his own initiative, for his group, regardless of its status or non status as an official party, if he wants to speak on behalf of the group he represents in the House—

● (1710)

[*English*]

The government House leader, holds a very responsible position in this House, and I think he will agree that I have shown respect to him and to the office he holds, or to any other government minister whether I be in opposition or on the government side of the House. Why should the government House leader—this is the fundamental, bottom line of the question—go to you, sir, on his own placing you, inadvertently perhaps, in a position that is very precarious? Why should he take it upon himself to speak for the members of the Social Credit party, officially or not? They are very articulate people. Anybody who has seen that party operate in the House of Commons must agree that even though they are only five they are very articulate and can handle themselves very well when it comes to speaking to anyone, whether in this chamber or to you in your chambers. Why is this sudden protective umbrella held up by the government House leader?

I repeat, I think this is a fundamental question. If the House leader of the official opposition makes an appointment with you to discuss our interventions in this House, our rights and privileges in this House as the official opposition, that is one thing. If the government House leader does the same on behalf of his party, I see no objection to that. But why should he all of a sudden appoint himself an officer to protect the rights of a five-member group who are well known for their ability to get up and speak and look after themselves?

I suggest this would change the complete atmosphere of this House. I repeat, with all due respect to the government House leader, that this argument could be over in five minutes or five seconds: all he has to do is stand in his place and deny the story which was carried in *The Globe and Mail* this morning.

[Mr. Lefebvre.]

Mr. Baker (Nepean-Carleton): Mr. Speaker, the hon. member for Pontiac-Gatineau-Labelle (Mr. Lefebvre), for whom I have a great deal of respect, really answered the question himself as to why I sought out the Speaker. I tried to put that at the beginning of my argument. He said the government House leader has a responsible position in this House. That is exactly the reason. I think I said in the course of my argument that I have two responsibilities. As I view my responsibilities—there may be some disagreement with respect to this—I do take my responsibilities to the House of Commons quite seriously, and when a group of members of Parliament have some difficulty which I interpret as causing some difficulty in the operation of the business of the House of Commons, I think it is not improper for me to go to the Speaker of the House of Commons.

You may overrule me with respect to this, Mr. Speaker, and I will be prepared to abide by your ruling, but it has always been my understanding, and nothing has happened this afternoon to indicate that that understanding is wrong, that members of the House of Commons have a right to mention a concern to the Speaker. Members of the government have a right to mention concerns to the Speaker. Members of the opposition, their leader, have a right to mention concerns to the Speaker. What would be wrong would be a representation in the sense the hon. member for Broadview-Greenwood (Mr. Rae) spoke of it.

I would take issue with him with respect not to his solution but with respect to his use of the word "representation". I think it is important when any member goes to see the Speaker for any reason at all that there should be no attempt by that member, whether he is a private member or a member of the government, to require an advance ruling or to preclude proper discussion of a point of order or to bring undue pressure on the Speaker. Mr. Speaker, you yourself have answered that argument today. You have indicated you were not influenced by what I said except that you decided to call a meeting at which the hon. member for Pontiac was there representing his party, my parliamentary secretary was there representing his party, and the hon. member for Winnipeg North Centre (Mr. Knowles) was there representing his party.

Let me just say with respect to the division of the parties in this House that the concern I expressed to you was sufficient for you to call a meeting of representatives of the parties. I regret I could not have been there, as I am sure the hon. member for Cape Breton Highlands-Canso regrets he could not have been there. But all parties were ably represented. I think that is the position in which I find myself.

I want to say to hon. members that if I am seen speaking to Mr. Speaker in the hall—I say this through you, sir—it would be in that way that I would be speaking to Mr. Speaker. It would be on that assumption. I want to say to the hon. and reverend member for Eglinton-Lawrence (Mr. de Corneille) that that is exactly the way in which I have always approached my role. I think it is a responsible way to approach my role. I think it is a responsible way to approach my role.

An hon. Member: Just deny the story.

Mr. Baker (Nepean-Carleton): I have indicated that I am not responsible for the essence of timing in the story that might appear in *The Globe and Mail* or the Carp *Review*.

The hon. member for Kenora-Rainy River (Mr. Reid) indicated that sometimes difficulties can occur. I might have been inarticulate in what I said. I may be at fault for what appears there by being inarticulate, and if that is the case I accept the responsibility. But the bottom line of all this is whether or not the hon. member for Nepean-Carleton, who happens to be the President of Privy Council and the leader of the government in the House of Commons, went to you, Mr. Speaker, and had the temerity even to think of influencing, let alone undertake the influencing, of the Speaker of the House of Commons. If I did that, I ought not to be a member of this place, and if you accepted it in that way, you ought not to be Speaker. Neither of those things occurred, and both you and I know it.

Mr. Speaker: I know the hon. member for Papineau (Mr. Ouellet) seeks to intervene because he was referred to earlier in the context of whether or not he would withdraw. We have had a long enough discussion, it seems to me, and I really wonder if there need be any more participation.

Mr. Ouellet: Very briefly, Mr. Speaker. In his second intervention the President of Privy Council (Mr. Baker) mentioned that I had imputed motives and cast some doubt on Your Honour's integrity. I want to say clearly that my intervention had nothing to do with your conduct but rather it had to do with the conduct of the President of Privy Council himself. He has had three occasions this afternoon upon which to clearly express his point of view. I must say his third intervention was better than the second and much better than the first one, which was pretty shabby and very bad.

• (1720)

I want to assure you, Mr. Speaker, that in my intervention at that time I wanted clarification from the President of the Privy Council of what he said to *The Globe and Mail*. Quite clearly, we know what he told Your Honour. We know very well that Your Honour cannot be influenced, but we are still uncertain as to what the President of Privy Council said to *The Globe and Mail* and what he said to the representative of the Creditistes in this House. This is still in doubt, and my representation to Your Honour has been on that very point.

Mr. Speaker: Order. This is the second time the hon. member has tried to reargue, and I respect what he is trying to do. He was referred to. He is not withdrawing anything he said, and I think I must limit him here.

Mr. Denis Ethier (Glengarry-Prescott-Russell): Mr. Speaker, I want to be very brief in my intervention. In my seven years here this is the first time I have witnessed a day such as this. Having worked under Your Honour for three years I seriously question the intervention of the President of Privy Council (Mr. Baker) on three occasions. His declaration to *The Globe and Mail* questions Your Honour's integrity. I feel seriously about that, and I would very much like him to retract that. We have respect for the Chair, and I would like him to have that same respect.

Mr. Knowles: Mr. Speaker, I rise again only for a moment because my name was also mentioned by the President of Privy Council. He did so indirectly by reading an interesting article written by the hon. member for Kenora-Rainy River (Mr. Reid). In that article there are references to the many meetings the hon. member for Cape Breton Highlands-Canso (Mr. MacEachen) and I had during the Parliament of 1972 to 1974. The President of Privy Council said we were both blushing. I think we probably blushed only because of the normal modesty of politicians when their names are mentioned.

However, I should like to assure the President of Privy Council and this House that far from being concerned about references to those meetings I am proud of those meetings and proud of what we won for the people of Canada because we held those meetings.

Mr. Speaker: I knew we would occasionally wander a little off the topic, but I did not think we were going to get back to the Parliament between 1972 and 1974 before we finished.

The questions raised by the hon. member for Drummond (Mr. Pinard) first of all and, in turn, by the hon. member for Papineau (Mr. Ouellet) and the hon. member for Cape Breton Highlands-Canso (Mr. MacEachen)—

Mr. MacEachen: I still have a question of privilege to raise, Mr. Speaker.

Mr. Prud'homme: I have too, but not on the same subject.

Mr. Speaker: We have been dealing so far with the questions raised by the hon. member for Drummond and the hon. member for Papineau relating to an article which appeared in *The Globe and Mail* yesterday. The question raised by the hon. member for Cape Breton Highlands-Canso does not touch upon *The Globe and Mail* itself. The matter raised is a matter which the House, of course, takes seriously. I also take it very seriously, and I think the House has had a very extensive discussion. Yet, perhaps because this is a minority Parliament, we can feel ourselves under an obligation to be extremely cautious about things of this sort.

Perhaps over five years as the Speaker dealing with members who now are party leaders in this House—although two of them have changed seats—because we came to know each other there would be a natural tendency toward informality in our discussions. That is only natural, and I think a trust and confidence was built up during that time which it is only natural for me and other members to rely upon and perhaps to take for granted. I am absolutely satisfied that what the President of Privy Council was doing on this occasion was speaking to me in a way he did many times as opposition House leader in the last Parliament.

I do not set aside lightly the points raised. They are very serious, and I know the hon. member takes it seriously when he

apologizes to the House. If in any way—even as I think the hon. member for Pontiac-Gatineau-Labelle (Mr. Lefebvre) said in his last intervention; I think he used the word "inadvertently"—in his suggestion on that day he had put me in an awkward position and in turn put the House in an awkward position, he again apologizes for that.

The hon. member for Papineau said that the third intervention by the President of Privy Council (Mr. Baker) was better than the first two. Perhaps, then, we can just concentrate on that one. The President of Privy Council, it seems to me, at least in that intervention—that is the one I remember best because it was the most recent—said first of all that if the quality of the report in *The Globe and Mail* is not what it should be, he accepts responsibility for that and lays the blame on his inadequate expression to the reporter. I am paraphrasing, but he accepts that.

Second, if his making a suggestion to me, which I subsequently discussed on that same day with representatives of all parties, was seen at any time as a representation which was improper in any way, he apologizes for that. If in the future conduct is such that we must be more scrupulous between the parties in that regard, which has been suggested—that is to say, all members and the Chair—it is something which I think all members would regret.

I think it again indicates to us that in a minority situation where the representations are so close and the situation so fragile perhaps we do have to be a little more formal, a little more careful, exercise more caution and perhaps less friendliness and informality. I hope that is not the case, but in any event I accept—as I am sure the House does—the intervention of the President of Privy Council, who says he intended no such influence, would never dream that such would be taken by me in that context, and that he had only the intention of making a suggestion knowing it would be discussed at a meeting later that day which in fact took place and at which all parties were represented. I and I am sure the House accept that. Perhaps, however, the one benefit from this discussion is that we are cautioned to be extremely careful about all these matters.

I close finally by returning to the point of the hon. member for Drummond who raised, I thought and as I indicated earlier, a very valid point relating to the use of Standing Order 29. For the benefit of those who are puzzled by the application I made of it yesterday, I can indicate that it is my understanding that when the Chair makes a selection as envisaged by that rule, a member can only seek the floor to question that by putting, on a point of order, the motion which is contained in Standing Order 29.

I have given the hon. member my reasons for not allowing him to do that yesterday. I was attempting to settle a problem which had been outstanding in the House for quite some time, so I was more than just recognizing a member for debate; I was also deciding a procedural point which I thought ought not to be the subject of appeal by the House at that time. These two rules came in conflict, and I had to decide rather quickly how to apply them, and I did; but I think the hon. member might be comforted by knowing that if in future he wishes to take advantage of Standing Order 29, he should do it in exactly the way he tried to do it yesterday.

[Mr. Speaker.]

I might also point out in conclusion—and I thought I should put the substantive matters forward first—that since by neither motion am I asked to take any particular action on procedural grounds—I have no motion before me to consider, in other words—I therefore set aside the questions of privilege on the dispositions I have just made.

MR. MACEACHEN—ENERGY SUPPLIES ALLOCATION BOARD—ANSWERS OF MINISTER OF ENERGY, MINES AND RESOURCES

Hon. Allan J. MacEachen (Cape Breton Highlands-Canso): Mr. Speaker, I think this is the first time I have ever raised a question of privilege in the House of Commons. If that is not correct, then it is one of the few times.

My question of privilege has to do with the events which took place in the House of Commons yesterday, but in a sense it is not unrelated to the discussion we had earlier. I have no desire to reopen that discussion, although I am tempted to say that a certain benefit has been developed, because in referring to the co-operation which the President of Privy Council (Mr. Baker) alleged existed between the hon. member for Winnipeg North Centre (Mr. Knowles) and myself, he obviously made a declaration of a very close and co-operative arrangement between his party and the Social Credit group.

On the same subject I say to my friend, the hon. member for Winnipeg North Centre, that obviously the influence of that contact with the government which he had in those years of great progress, as he said, has not really left him because he sounded very much today like a member of a government party rather than a member of the opposition, which is his normal role.

I intend to be brief and to the point. Yesterday in the House of Commons I clearly asked the Minister of Energy, Mines and Resources (Mr. Hnatyshyn) the question whether he would move to establish with some speed the Emergency Supplies Allocation Board. I asked him to justify why he had not appointed members of the board, and if he had not done so to date, why would he not do it at that very moment and announce it to the House. Later the hon. member for Thunder Bay-Atikokan (Mr. McRae) asked the same question.

● (1730)

In reply to both of these questions the hon. minister clearly and certainly misled me. The only reasonable conclusion which can be drawn from his answers was that he had not moved, and was not intending at that time to move, to establish the membership of the board. He said to me that I did not understand the situation because "the fact of the matter is that the department is setting up a support basis upon which any emergency allocation would be available". He went on to say that if a crisis occurred, which he did not think existed, then he might move to establish the Emergency Supplies Allocation Board.

I accepted the minister's answers. I went to a meeting and at about 5.30 or six o'clock I received a message that the Canadian Press had put on the wire a news report that the Prime Minister (Mr. Clark) stated Tuesday that the government will establish an Energy Supplies Allocation Board which, under existing legislation, would have the power to impose petroleum rationing.

I asked the minister between two and three o'clock, and at five o'clock or thereabouts, the Canadian Press was told. Then it was disclosed in the House that the Prime Minister had written a letter to the leader of the Social Credit group. In that letter he told him the following:

> In this connection, you may have noted that the Minister of Energy, Mines and Resources has indicated his intention to seek some administrative changes to the Energy Supplies Emergency Act and at the same time announce appointment of an Energy Supplies Allocation Board.

That is a letter from the Prime Minister to the leader of the Social Credit group. It was tabled by the Prime Minister some time before the adjournment at six o'clock.

An hon. Member: At 5.25.

Mr. MacEachen: At 5.25 p.m. I asked the question, the hon. member for Thunder Bay-Atikokan asked the question, and the Minister of Energy, Mines and Resources just concealed the information from us. I have a tendency to believe that the Minister of Energy, Mines and Resources did not know what was in the Prime Minister's letter. If that is the explanation, I hold him free and uncriticized. But if he knew the information at that time, then it was his duty to let it be known to the House of Commons. The open government policy has proclaimed respect for Parliament, but it was totally ignored in this case.

Further I must say I am astonished that the Prime Minister, who obviously had written the letter or was writing the letter to the leader of the Social Credit group, and who was listening to my questions to the Minister of Energy, Mines and Resources, did not send him a note and say, "Minister, bear in mind I am notifiyng the leader of the Social Credit party that we are going to do that". It all fits together very nicely. I was denied the information, the House was denied the information, but it was conveyed in a private arrangement to the Social Credit group by a letter from the Prime Minister, so that the government would get some points and some support, presumably, that evening from the Social Credit group.

I object very strongly, but I withhold further comment because I realize the Minister of Energy, Mines and Resources and the Prime Minister are not in their places.

I lay the foundation for raising the matter when the minister is in his place, because he had the nerve and the audacity to say in his speech after eight o'clock that he had announced already in the House the information about the establishment of the Emergency Supplies Allocation Board. This is very serious, and I want to indicate to the minister that if he does not have a pretty good explanation for the House, then certainly we will have reason to change our attitude to him and to what he tells us in reply to questions in the House of Commons.

Some hon. Members: Hear, hear!

Mr. Speaker: Order, please. I want the situation which we are in to be clear: we are not concluding this point. The hon. member for Cape Breton Highlands-Canso (Mr. MacEachen) simply indicated that he is giving me notice. He raised the point and intends to pursue it, which of course is his right; it is very customary. When the other two members to whom he has referred are in the House and the point is raised, I expect to hear the hon. member of Cape Breton Highlands-Canso. If other hon. members want to participate in the matter, logically it ought to follow that intervention. But if they intervene now, of course, I would not be able to hear them a second time. I ought to hold open the right of the hon. member for Cape Breton Highlands-Canso to complete his intervention. If I go on and hear others now, I do not think I can get back to them. That puts me in a rather awkward spot. If I am reserving it at this time, I will stop it now while the hon. member for Cape Breton Highlands-Canso has the floor. I do not think I can give the floor to anyone else on that point.

[*Translation*]

Mr. Thomas H. Lefebvre (Pontiac-Gatineau-Labelle): Mr. Speaker, I rise on a point of order. Yesterday I was recognized by the Chair and asked the following question, and I quote from page 1014 of the official report:

> Thank you for the promotion, Mr. Speaker. I wish to know if you could give me some explanation on a very important point. The right hon. Prime Minister (Mr. Clark) asked for leave to table the correspondence he exchanged with the hon. member for Beauce (Mr. Roy). Will those two letters be an appendix to *Hansard* for today to avoid the problem we had about three days ago?
>
> MR. DEPUTY SPEAKER: I must say that here again we need unanimous consent to have the letter appended to *Hansard*.

And two seconds later, with leave from the government House leader, the House gave its unanimous consent. Yet, Mr. Speaker, I have just read yesterday's *Hansard* and unfortunately, through some mistake, and despite the fact the House gave its unanimous consent to the tabling of the two letters in question, only the letter written by the Prime Minister (Mr. Clark) to the hon. member for Beauce (Mr. Roy) was printed, and not the letter addressed to the Prime Minister by the latter. Can you shed light on this very important issue, Mr. Speaker?

[*English*]

Hon. Walter Baker (President of the Privy Council and Minister of National Revenue): Mr. Speaker, obviously there is an omission from the unanimous consent. I am grateful to the hon. member for Pontiac-Gatineau-Labelle (Mr. Lefebvre) for bringing it to our attention. Perhaps it might be agreeable to all members of the House if Your Honour reviewed this matter and had the correspondence attached to *Hansard* today. I would be prepared to agree to that, if it would be helpful.

Mr. Lefebvre: Mr. Speaker, I am prepared to do that. I do not want to hold up the business of the House—

Some hon. Members: Oh, oh!

Mr. Lefebvre: Excuse me, hon. members opposite did it often, if they do not mind. They are silent now that they are sitting over there. After receiving unanimous consent of the House yesterday, could somebody please tell us why it was not done then?

Mr. Speaker: Perhaps it relates to the earlier intervention of the Prime Minister (Mr. Clark) when he was asked if he could table the letters. He said at the time that he did not have the English version of the letter from the hon. member for Beauce (Mr. Roy), that he had his own and that he was prepared to table it. Also he indicated that if we could get the letter from the hon. member for Beauce later, it would be tabled as well. Simply there may have been some confusion. It was not clear whether the undertaking of the Prime Minister was to table one or two letters. In any case I think it was the consensus of the House that both letters should be tabled, and I believe the offer of the President of Privy Council and Minister of National Revenue (Mr. Baker) was to complete that. One letter has, of course, been appended to *Hansard* as tabled yesterday.

• (1740)

[*Translation*]

Mr. Marcel Prud'homme (Saint-Denis): Mr. Speaker, I think it is exactly on the same point. In my opinion the mistake which may have been committed yesterday should not have happened if one carefully reads *Hansard* and the speeches made by hon. members who took part in this exchange between on the one hand the hon. member for Beauce (Mr. Roy) and on the other hand the hon. member for Pontiac-Gatineau-Labelle (Mr. Lefebvre), the member for Saguenay and others.

It is quite clear that we want the whole correspondence and not just the French and English copies of the letter written by the Prime Minister to the hon. member for Beauce. To understand better the debate, we certainly want to see the letter written by the hon. member for Beauce to the Prime Minister. If we really want to understand what actually happened we must be able to read what the hon. member for Beauce, the hon. leader of the Social Credit Party of Canada, wanted to ask the Prime Minister for him to take time to answer it. In any case, the Prime Minister's reply is quite clear to us because he recognizes—and that to us is very important—if you read that letter very carefully that:

[*English*]

Should we be faced with a disruption of oil supply sufficient to cause a national emergency, then I can assure you that the government is prepared to use the powers available to it under the Energy Supplies Emergency Act, 1979, to conserve supplies—

[Mr. Baker (Nepean-Carleton).]

[*Translation*]

So this is very important to us because this answer from the Prime Minister is quite revealing of the new intentions of the government which is now prepared to use legislation passed by the former government. Indeed we would like to know what the hon. member for Beauce asked the Prime Minister that justified such an interesting answer for those who follow the debates closely. I think our hon. friend is probably right when he says that it must have gone unnoticed. However, it did not go unnoticed to us since we are trying to find out what the hon. member for Beauce could have asked the Prime Minister to receive such an extraordinary complete answer and so quickly, the very same afternoon, of course, of a debate which ended in a very important vote last night.

[*English*]

Mr. Speaker: Again I say the simple answer is that the conversation at one time would indicate that the Prime Minister was only tabling his letter because that is all he had, and subsequently the other letter was not available.

An hon. Member: It was, but only in French.

Mr. Speaker: That is right, but the President of Privy Council has now undertaken to assure that that tabling will be completed so we will have both letters.

In order to clarify the situation, as we went through this a few days ago, this is correspondence. It was written originally, in this case, in the French language by the hon. member for Beauce (Mr. Roy) because that is the language he chooses to operate in, and it will not be translated by the House unless the House now orders that this be done when it is tabled and appended to *Hansard* as if it had been read as part of the record. Does the House agree and so order?

Some hon. Members: Agreed.

[*Editor's Note: For letter referred to above, see Appendix "A".*]

Mr. Maurice Foster (Algoma): Mr. Speaker, on the question of privilege just raised, I want to indicate that I want to participate in the discussion regarding the response yesterday by the Minister of Energy, Mines and Resources (Mr. Hnatyshyn) concerning the establishment of an Energy Supplies Allocation Board when that matter is raised.

ROUTINE PROCEEDINGS

[*English*]

COMMITTEES OF THE HOUSE

HEALTH, WELFARE AND SOCIAL AFFAIRS

Second report of Standing Committee on Health, Welfare and Social Affairs—Mr. Darling.

REGULATIONS AND OTHER STATUTORY INSTRUMENTS

First report of Standing Joint Committee on Regulations and Other Statutory Instruments—Mr. Robinson (Etobicoke-Lakeshore).

* * *

[*Translation*]

SUPPLEMENTARY ESTIMATES (B), 1979-1980

A message from His Excellency the Governor General transmitting Supplementary Estimates (B) with regard to the sums required for the public service of Canada for the financial year ending March 31, 1980, and, pursuant to the provisions of the British North America Act, 1867, recommending such estimates to the House of Commons, was presented by hon. Sinclair Stevens (President of the Treasury Board) and read by Mr. Speaker to the House.

* * *

[*Translation*]

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. David Kilgour (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, the following questions will be answered today: Nos. 32, 37, 58, 59, 77, 79, 187, 225, 254 and 379.

Mr. Speaker: Order, please. Did the hon. parliamentary secretary say question No. 224 or 225 just after question No. 187?

Mr. Kilgour: No. 225, Mr. Speaker.

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

[*Text*]

Order Paper Questions

LAURENTIAN PILOTAGE AUTHORITY—PRESIDENT AND VICE-PRESIDENT

Question No. 32—**Mr. Orlikow:**

1. Who (a) is the president (b) are the vice presidents of the Laurentian Pilotage Authority?

2. What is the annual salary in each case?

Hon. J. Robert Howie (Minister of State (Transport)):

1. (a) Mr. P. Bailly

   (b) Mr. A. Y. Matte

2. (a) $40,000–$45,000

   (b) $35,000–$40,000

GREAT LAKES PILOTAGE AUTHORITY

Question No. 37—**Mr. Orlikow:**

1. Who (a) is the president (b) are the vice presidents of the Great Lakes Pilotage Authority?

2. What is the annual salary in each case?

Hon. J. Robert Howie (Minister of State (Transport)):

1. (a) Mr. R. Armstrong

   (b) Mr. L. E. Béland

2. (a) $35,000–$40,000. The Great Lakes Pilotage Authority is a subsidiary of the St. Lawrence Seaway Authority and half of the chairman's salary is paid by the Great Lakes Pilotage Authority.

   (b) The vice-chairman is also an employee of the St. Lawrence Seaway Authority and the Great Lakes Pilotage Authority is not charged for his services.

CANADIAN NATIONAL (WEST INDIES) STEAMSHIPS LIMITED

Question No. 58—**Mr. Orlikow:**

1. Who (a) is the president (b) are the vice presidents of the Canadian National (West Indies) Steamships Limited?

2. What is the annual salary in each case?

Hon. Don Mazankowski (Minister of Transport): Transport Canada advises as follows:

1. (a) Mr. G. R. MacGougan, assistant deputy minister, Finance, Transport Canada

   (b) Dr. A. G. Irvine, director general, Government of Canada accounting branch, Supply and Services Canada is the only vice president.

2. No salaries are paid to either officer for duties arising from the company.

● (0000)

CANADA PATENTS AND DEVELOPMENT LIMITED

Question No. 59—**Mr. Orlikow:**

1. Who (a) is the president (b) are the vice presidents of Canadian Patents and Development Limited?

2. What is the annual salary in each case?

Hon. Ron Huntington (Minister of State for Small Businesses and Industry): In so far as Canadian Patents and Development Limited is concerned: 1. (a) W. M. Hill; (b) Position not filled.

2. (a) $35,000–$40,000; (b) No salary attached to the position.

EXPORT DEVELOPMENT CORPORATION

Question No. 77—**Mr. Orlikow:**

1. Who (a) is the president (b) are the vice presidents of the Export Development Corporation?

2. What is the annual salary in each case?

Hon. Michael Wilson (Minister of State for International Trade): In so far as the Department of Industry, Trade and

Commerce is concerned: Export Development Corporation states:

1. (a) The president of Export Development Corporation is Sylvain Cloutier

   (b) There are 4 Vice Presidents: R. H. Sumner, V.P., Europe and Americas Division; V. G. McKay, V.P., Africa and Asia Division; J. R. Hegan, V.P., Finance; B. A. Culham, V.P., Underwriting and Assessment

2. For the president, the annual salary range is $62,900 to $78,300. With respect to the vice presidents, this information has usually been treated as proprietary; to publish this information that no other financial institutions are required to divulge could be prejudicial to Export Development Corporation in a highly competitive hiring market.

ST. LAWRENCE SEAWAY AUTHORITY

Question No. 79—**Mr. Orlikow:**

1. Who (a) is the president (b) are the vice presidents of the St. Lawrence Seaway Authority?

2. What is the annual salary in each case?

Hon. J. Robert Howie (Minister of State (Transport)):

1. (a) Mr. P. D. Normandeau

   (b) Mr. M. M. Bienvenu

2. (a) $50,000–55,000

   (b) $35,000–40,000

AGRICULTURE—NUMBER OF EMPLOYEES

Question No. 187—**Mr. Herbert:**

How many (a) permanent (b) term employees were on the Department of Agriculture's payroll on March 31, 1979?

Hon. John Wise (Minister of Agriculture): (a) 8,483; (b) 682.

CANADIAN GRAIN COMMISSION—COMMISSIONER

Question No. 225—**Mr. Caouette:**

What is the current salary and expense allowance of the (a) Commissioner of the Canadian Grain Commission (b) Assistant Commissioner of the Canadian Grain Commission (c) president of the Canadian Dairy Commission?

Hon. John Wise (Minister of Agriculture):

			Expense Allowance
(a)	$42,700—$58,500	Chief commissioner	None
	33,600— 46,200	Commissioner	None
(b)	25,500— 28,756	Assistant commissioner	None
(c)	42,700— 58,500	Chairman	None

NOTE: Section 4(1) of the Canada Grain Act provides for the governor in council to designate one of the commissioners as the Chief Commissioner.

[Mr. Wilson.]

OLD AGE SECURITY PENSION

Question No. 254—**Mr. Knowles:**

1. How many persons in Canada, and in each province, are in receipt of the Old Age Security pension?

2. Of the recipients of the Old Age Security pension, how many persons in Canada, and in each province, are in receipt of the Guaranteed Income Supplement?

3. Of those receiving the Guaranteed Income Supplement, how many persons in Canada, and in each province, are receiving the full amount?

4. What is the average amount, in Canada and in each province, being received as a Guaranteed Income Supplement by recipients of the Old Age Security pension?

5. Do the answers to the above questions take into consideration persons living outside of Canada who are in receipt of the Old Age Security pension and, if so, how many of such persons are there, and if they are considered as belonging to the various provinces, what is the number for each province?

Hon. David Crombie (Minister of National Health and Welfare): In so far as the Department of National Health and Welfare is concerned:—

LIST I

Number of Persons in Canada in Receipt of

	(1) Old Age Security	(2) Guaranteed Income Supplement	(3) Full Guaranteed Income Supplement
Newfoundland	40,286	32,633	18,712
Prince Edward Island	14,037	10,211	4,050
Nova Scotia	85,697	56,706	22,246
New Brunswick	65,154	43,383	17,933
Quebec	518,400	327,913	134,300
Ontario	778,360	354,243	94,529
Manitoba	112,420	63,418	18,783
Saskatchewan	108,043	58,950	18,574
Alberta	145,465	80,502	26,026
British Columbia	255,465	128,308	40,037
Northwest Territories	1,176	942	760
Yukon	662	364	220
Total	2,125,165	1,157,573	396,170

NOTE: Above figures relate to January 1979.

LIST II

(4) Average Amount of Guaranteed Income Supplement being received each month by recipients of the Old Age Security pension

	Based upon Old Age Security Population	Based upon Guaranteed Income Supplement Population
Newfoundland	$91.91	$113.61
Prince Edward Island	78.87	108.50
Nova Scotia	70.31	106.44
New Brunswick	71.48	107.60
Quebec	66.29	104.89
Ontario	45.43	100.00
Manitoba	57.37	101.93
Saskatchewan	56.45	103.56

Alberta	56.80	102.77
British Columbia	51.09	101.94
Northwest Territories	97.45	121.66
Yukon	64.33	117.00
Average in Canada	56.11	103.16

NOTE: Above figures relate to January 1979.

The left hand column gives the average amount of guaranteed income supplement paid in January 1979 on the basis of the total Old Age Security population (2,125,165). The average based upon the lower guaranteed income supplement population (1,157,573) is indicated in the right hand column.

LIST III

(5) The Figures in Schedule I and II do not Include Persons Living Outside Canada who are in Receipt of the Old Age Security

The Number of Persons Outside Canada Receiving Benefits

Newfoundland	94
Prince Edward Island	44
Nova Scotia	321
New Brunswick	342
Quebec	2,754
Ontario	16,887
Manitoba	618
Saskatchewan	349
Alberta	630
British Columbia	2,318
Northwest Territories	
Yukon	
Total	24,357

NOTE: Above figures relate to January 1979.

DUTY ON IMPORTED CARS—FOREIGN MANUFACTURERS USING CANADIAN AUTO PARTS

Question No. 379—**Mr. Pepin:**

For the fiscal year ended March 31 (a) 1976 (b) 1977 (c) 1978 (d) 1979, what amount of duty was remitted on cars imported by foreign manufacturers using Canadian made auto parts, and who received such credits?

Hon. Walter Baker (President of Privy Council and Minister of National Revenue):

	Fiscal Year	Customs Duty Remitted	Sales Tax Remitted	Credits to
(a)	1975-76	Nil	Nil	Canadian Motor Sales Corporation
		Nil	Nil	Canadian Honda Motor Limited
		27,669.53	3,296.37	Nissan Automobile Co. (Canada) Limited
		131,102.45	15,732.48	Volkswagen Canada Limited
	Total	$158,771.98	$19,028.85	
(b)	1976-77	13,434,95	1,612.18	Canadian Motor Sales Corporation
		Nil	Nil	Canadian Honda Motor Limited
		9,029.36	1,083.39	Nissan Automobile Co. (Canada) Limited
		182,503.18	21,900.59	Volkswagen Canada Limited
	Total	$204,967.49	$24,596.16	
(c)	1977-78	30,999.27	3,742.14	Canadian Motor Sales Corporation
		61,194.88	7,347.37	Canadian Honda Motor Limited
		31,574.69	3,788.97	Nissan Automobile Co. (Canada) Limited
		540,416.03	64,849.81	Volkswagen Canada Limited
	Total	$664,184.87	$79,728.29	
(d)	1978-79	17,205.21	2,085.48	Canadian Motor Sales Corporation
		170,790.90	18,269.12	Canadian Honda Motor Limited
		10,378.26	1,245.39	Nissan Automobile Co. (Canada) Limited
		849,659.07	101,474.76	Volkswagen Canada Limited
	Total	$1,048,033.44	$123,074.75	

[*English*]

Mr. Speaker: The questions enumerated by the hon. parliamentary secretary have been answered. Shall the remaining questions be allowed to stand?

Some hon. Members: Agreed.

* * *

MOTIONS FOR PAPERS

Mr. David Kilgour (Parliamentary Secretary to President of Privy Council): Mr. Speaker, would you be so kind as to call notices of motions for the production of papers Nos. 7, 19, 22 and 30.

REDPATH SUGARS LIMITED—TATE AND LYALL LIMITED

Motion No. 7—**Mr. Herbert:**

That an Order of the House do issue for copies of all agreements, correspondence, notes and other communications relating to the requirement by the Foreign Investment Review Agency that Tate and Lyall Limited reduce its shareholdings in Redpath Sugars Limited.

Mr. David Kilgour (Parliamentary Secretary to President of Privy Council): Mr. Speaker, the reply in the name of the minister is as follows: The Foreign Investment Review Agency has been advised by the senior legal adviser to the agency that the papers are privileged under section 14 of the Foreign Investment Review Act. I would, therefore, ask on behalf of the minister that the hon. member withdraw his motion.

Mr. Herbert: Transfer for debate.

Mr. Speaker: Transferred for debate.

Motions for Papers

POLAND'S KWIDZYN PULP AND PAPER COMPLEX

Motion No. 19—**Mr. Herbert:**

That an humble Address be presented to His Excellency praying that he will cause to be laid before the House copies of the latest financing agreement by the Export Development Corporation for the sale of services and equipment for Poland's Kwidzyn Pulp and Paper Complex.

Mr. David Kilgour (Parliamentary Secretary to President of the Privy Council): Again, Your Honour, I would advise in the name of the minister that the documents requested involve papers that are confidential and not of a public or official character, and their production would publish information received by the EDC in confidence from sources outside the government. We would, therefore, ask that the hon. member withdraw his motion.

Mr. Herbert: Transfer for debate.

Mr. Speaker: Transferred for debate.

CONSTRUCTION OF BRIDGE BETWEEN DORION, QUEBEC AND HAWKESBURY, ONTARIO

Motion No. 22—**Mr. Herbert:**

That an Order of the House do issue for the latest study by the Department of Transport into the feasibility and location of a bridge to cross the Ottawa River or the Lake of Two Mountains somewhere between Dorion, Quebec and Hawkesbury, Ontario.

Mr. David Kilgour (Parliamentary Secretary to President of the Privy Council): Again, Your Honour, in the name of the minister, the requested study on the feasibility of the location of a bridge to cross the Ottawa River, or the Lake of Two Mountains, somewhere between Dorion, Quebec, and Hawkesbury, Ontario, cannot be made available. The reason is that it has not been performed by or for Transport Canada. We would, therefore, ask that the hon. member withdraw his motion.

Mr. Herbert: Transfer for debate.

Mr. Speaker: Transferred for debate.

CONSUMER AND CORPORATE AFFAIRS—SOFT DRINK BOTTLES

Motion No. 30—**Miss Nicholson:**

That an Order of the House do issue for copies of all socio-economic impact studies carried out by the Minister of Consumer and Corporate Affairs in connection with banning returnable soft drink bottles.

Mr. G. M. Gurbin (Parliamentary Secretary to Minister of Consumer and Corporate Affairs): Mr. Speaker, may I say on behalf of the minister that the study has not yet been prepared but will be sent to the hon. member when it is completed. I therefore ask the hon. member to withdraw the motion.

Miss Nicholson: Transfer for debate.

[Mr. Speaker.]

Mr. Speaker: Transferred for debate.

● (1750)

Mr. Hal Herbert (Vaudreuil): Mr. Speaker, I regret having to raise this point of order so late in the afternoon, but as you are aware this is the only time I can raise a point of order in connection with the production of papers. On October 31 the Parliamentary Secretary to President of Privy Council (Mr. Kilgour), as it is reported in *Hansard* at page 810, said:

—notices of motions for the production of papers Nos. 29 and 31 are acceptable to the government.

On page 811, the hon. member for Nepean-Carleton (Mr. Baker) is reported as saying:

—I rise on a point of order. I hope it has not escaped the attention of the House that when the first four motions for the production of papers were called, the motions were granted.

My point of order is in two parts. The first part deals with my motion No. 29 and motion 31, which belongs to the hon. member for Trinity (Miss Nicholson). As of this day these papers have not been tabled. Under the rules, there appears to be no time limit for the production of papers. My point is that I am somewhat confused about the agreement because there has been an apparent agreement to table papers and, therefore, the motion is removed from the order paper as though the papers have been produced.

I can understand a delay of one, two or three days, but it seemed at the time it was agreed that the papers would be produced or that the papers had been found and were therefore readily available. Is there any limit as to the time the government can take to produce these papers? That is my first point.

My second point also deals with the production of papers on that same day. The Parliamentary Secretary to President of Privy Council said at page 810 of *Hansard*:

Notices of motions for the production of papers Nos. 18 and 23 are acceptable to the government subject to the authorization of the government of Quebec.

The first motion deals with flooding in the Lake of Two Mountains area, and the second with the public transportation situation in Montreal west. The assumption is that when the province of Quebec gives agreement, then these papers will be produced. My difficulty, first of all, is that I have no idea if the government has contacted the government of the province of Quebec to inquire whether it is possible that they may give their agreement to release these documents. Or alternatively, if the government knows that the government of the province of Quebec will not agree to the production of these documents, the government is able, under the guise of producing papers, to make this statement in the House which leaves me to believe that at some future date I may receive these documents.

My last point is that I would assume from what I learned on October 31 that the government will make some effort to see whether it is possible for those papers to be produced. I therefore wonder if any effort has been made on their part, whether it be by phone call, letter or whatever, that at some date in the future—hopefully not too long—there will be a statement from the government of the province of Quebec that they agree to the production of these papers or, to the con-

trary, they do not agree, at which point in time I will then be able to continue with any arguments on which I wish to proceed in this House.

There are two points I am making. The first concerns the documents which the government agreed to produce and on which there appears to be no time limit. The second is that the government says "subject to the actions of someone else", without indicating whether they intend to pursue the matter or whether even, in my capacity as the hon. member for Vaudreuil, I must now contact the government of the province of Quebec to see if I can get a release of the documents which I require.

Miss Aideen Nicholson (Trinity): Mr. Speaker, I want to associate myself briefly with the comments made by the hon. member for Vaudreuil and to point out the difficulty in which members are placed. When the government says that it has no objection to giving us papers, the order for the motion to produce papers is struck from the record, but then in fact the papers are not produced. My staff has made innumerable telephone calls without any success.

The motion which I put was a very simple one. I asked for all the form letters which are now being used in connection with establishing relationships in the case of sponsored relatives in Southeast Asia. It is a matter of importance to the people of Toronto. It is a contentious issue on which we hear a lot of different opinions, and having those forms to examine would assist my work.

The government has said that it is willing to produce the forms, and yet a week later, apparently, there is no hope in sight of my getting them. My concern is that the motion has now been stricken, and this gives the impression that my request has been granted when it has not. I am sure that there is no deliberate intent to obstruct, but in raising this matter I hope that a solution will be found.

Mr. David Kilgour (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, I can only say that I will take notice of the remarks made by the hon. member for Vaudreuil (Mr. Herbert) and the hon. member for Trinity (Miss Nicholson). The hon. member for Trinity has mentioned phone calls. Certainly no phone call has come to my office from the hon. member. If she could have phoned a week or two weeks ago, I would have been delighted to look into the matter instead of taking up the time of the House to deal with the matter this afternoon.

Miss Nicholson: Mr. Speaker, I do not want to pursue this matter unnecessarily, but since the parliamentary secretary, perhaps unintentionally, seems to be questioning my truthfulness, I could provide him with a list of days, dates and names of people to whom the phone calls were addressed.

Mr. Speaker: Order, please. This will come up daily almost.

Mr. Breau: Weekly.

Mr. Speaker: Weekly. Shall the remaining notices of motions for the production of papers be allowed to stand?

Some hon. Members: Agreed.

Hon. Sinclair Stevens (President of the Treasury Board): Mr. Speaker, I may have missed your calling of motions, but I have a motion which I would like to put, if I may, before we get on to orders of the day.

Mr. Speaker: I called it very slowly in both official languages. In any case, I am sure that we will have the consent of the House to revert to motions. Do we have that consent?

Some hon. Members: Agreed.

* * *

SUPPLEMENTARY ESTIMATES (B), 1979-80

REFERENCE TO STANDING COMMITTEE

Hon. Sinclair Stevens (President of the Treasury Board): Mr. Speaker, pursuant to Standing Order 59, I move:

That the Supplementary Estimates (B), 1979-80, tabled earlier this day, be referred to the several standing committees of the House as follows:

May I dispense with the reading of this list?

Some hon. Members: Agreed.

Mr. Speaker: It has been moved by the President of the Treasury Board (Mr. Stevens) that the supplementary estimates tabled earlier this day be referred to the several standing committees of the House in accordance with the list attached, which will form part of the motion. Is that agreed?

Some hon. Members: Agreed.

[*Editor's note: List referred to above is as follows:*]

To the Standing Committee on Agriculture:
Agriculture Votes 1b, 15b, 20b, 35b, 40b

To the Standing Committee on Broadcasting, Films and Assistance to the Arts:
Communications votes 5b, 15b
Secretary of State votes 20b, 45b, 50b, 75b, 90b, 115b

To the Standing Committee on External Affairs and National Defence:
External Affairs votes 10b, *L17b*, *L18b*, *L19b*, 20b, 30b, *L36b*
National Defence vote 10b

To the Standing Committee on Finance, Trade and Economic Affairs:
Finance vote 5b
Industry, Trade and Commerce votes 1b, *6b*, 10b, *L41b*, 55b
National Revenue votes 1b, 5b

To the Standing Committee on Fisheries and Forestry:
Environment votes 1b, 30b
Fisheries and Oceans votes *1b*, *10b*

To the Standing Committee on Health, Welfare and Social Affairs:
Health and Welfare vote 10b
Public Works vote *51b*

To the Standing Committee on Justice and Legal Affairs:
Justice vote 40b
Solicitor General vote 5b

Supplementary Estimates (B)

To the Standing Committee on Miscellaneous Estimates:

Privy Council votes 1b, 15b

Science and Technology vote 15b

Supply and Services vote 5b

Treasury Board vote *35b*

To the Standing Committee on National Resources and Public Works:

Energy, Mines and Resources votes 1b, *L37b*, 45b, 60b, 65b

Public Works votes 5b, 10b

To the Standing Committee on Regional Development:

Regional Economic Expansion votes 1b, *L16b*, 25b

To the Standing Committee on Transport and Communications:

Post Office vote 1b

Transport votes 5b, 10b, 15b, 35b, *41b*, *42b*, 60b, 105b

To the Standing Committee on Veterans Affairs:

Veterans Affairs vote 1b

Motion agreed to.

Mr. Breau: Six o'clock.

Mr. Speaker: It being six o'clock, this House stands adjourned until tomorrow at two o'clock p.m., pursuant to Standing Order 2(1).

At six o'clock the House adjourned, without question put, pursuant to Standing Order.

APPENDIX "A"

(*See p. 1070*)

[*Translation*]

Ottawa, November 5, 1979

The Right Honourable Joseph Clark,
Prime Minister,
Room 409,
Centre Block,
House of Commons.

Mr. Prime Minister:

The population of certain areas of Canada, especially the eastern region, that is Quebec and the maritimes, is seriously concerned about the security of gasoline and heating oil supplies next winter.

It is therefore vitally important that your government announce immediately to the population of Canada what action it has already taken or intends to take and what guarantees it can give to avoid any possibility of a shortage which could cause panic and eventually lead to an excessive price increase.

Moreover, it is also extremely important that all necessary action be taken to protect and guarantee the quotas of independent distributors.

I therefore hope for a quick reply, in the form, for instance, of a ministerial statement.

Sincerely yours,

Fabien Roy

c.c. Hon. Ray Hnatyshyn
Hon. Walter Baker

HOUSE OF COMMONS

Thursday, November 8, 1979

The House met at 2 p.m.

● (1405)

ROUTINE PROCEEDINGS

[*English*]

FINANCE

REQUEST HOUSE COMMITTEE INVESTIGATE ALLEGATIONS OF DR. CELOVSKY—MOTION UNDER S.O. 43

Mr. Jean-Robert Gauthier (Ottawa-Vanier): Mr. Speaker, I rise, under the provisions of Standing Order 43, to move a motion of urgent and pressing necessity.

In today's Ottawa *Citizen*, Frank Howard, under the byline "Bureaucrats," publishes a letter dated November 6, 1979, written by Boris Celovsky, assistant director, labour division, Statistics Canada. In this letter, Dr. Celovsky makes serious allegations about the integrity and the reliability of Statistics Canada's information to the government and the Canadian public.

Considering that in Dr. Celovsky's own words, "Statistics Canada's performance record over the past few years has become rather spotty," and that, further, "the bureau has wasted and continues to waste public money on projects which were badly designed and should never have been launched", and considering the accusation by Dr. Celovsky that the labour income, one of the largest components of the national account, is said to have been adjusted, cooked or fudged without consistent technical basis, I move, seconded by the hon. member for Sherbrooke (Mr. Pelletier):

That the government make an immediate statement concerning the serious allegations of Dr. Celovsky and that this disturbing matter be referred to the appropriate standing committee for immediate investigation prior to the tabling by the Minister of Finance of his overdue budget.

Mr. Speaker: The introduction of such a motion at this time would require unanimous consent. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

AGRICULTURE

QUEBEC WHITE PAPER ACCUSATION THAT FEDERALISM STRANGLING AGRICULTURE—MOTION UNDER S.O. 43

Hon. E. F. Whelan (Essex-Windsor): Mr. Speaker, pursuant to Standing Order 43, I ask the unanimous consent of the House to introduce a motion dealing with a matter of urgent and pressing necessity.

Considering the timid and lukewarm reaction of the Prime Minister and his government to the Quebec white paper, and considering the absolutely false information contained in its pages, as exemplified under the heading of "Agriculture", accusing federalism of strangling agricultural development in that province, when in fact the opposite is true, if one considers, for example, dairying, egg and chicken production in Quebec, I move, seconded by the hon. member for Mégantic-Compton-Stanstead (Mr. Tessier):

That this House instruct the Prime Minister and his government to launch forthwith a vigorous, total and relentless attack against the perpetrators of this scandalous and wilfully misleading propaganda fabricated to destroy our beloved country.

Mr. Speaker: This motion can be presented for discussion at this time only with unanimous consent. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

[*Translation*]

NATIONAL UNITY

QUEBEC REFERENDUM—CRITERIA GOVERNING DISSEMINATION OF INFORMATION—MOTION UNDER S.O. 43

Mr. Raymond Savard (Verdun): Mr. Speaker, pursuant to Standing Order 43, I ask for the unanimous consent of the House to move a motion dealing with an important matter of urgent and pressing necessity.

Considering that newspapers have reported a statement made by the Minister of State for Federal-Provincial Relations (Mr. Jarvis) indicating that his department will soon be distributing to certain Quebeckers information files which could be used in the campaign preceding the referendum, and since the Prime Minister (Mr. Clark) has stated that he would not take part in that campaign, I move, seconded by the hon. member for Sainte-Marie (Mr. Malépart):

S.O. 43

That the House direct the government to clarify its position on the referendum and make public the criteria applied to select those Quebeckers.

Mr. Speaker: Pursuant to Standing Order 43, the presentation of such a motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

[*English*]

FORESTRY

REFORESTATION—CALL FOR GOVERNMENT ACTION TO COUNTERACT DEPLETION OF RESOURCES—MOTION UNDER S.O. 43

Mr. Ray Chenier (Timmins-Chapleau): Mr. Speaker, I rise on a matter of urgent and pressing necessity under Standing Order 43.

In view of the fact that Canada's forest industry accounts for over $7 billion in exports—as much as mining, agriculture, fishing and fuels combined—and in view of the fact that our forest resources are being depleted at an atrocious rate, far ahead of the rate of reforestation, particularly in northern Ontario where the growth cycle of trees is lengthy, I move, seconded by the hon. member for Nipissing (Mr. Blais):

That the government convene a conference of resource ministers to discuss and take strong action on reforestation before it is too late and the heart of Canada's economic security is cut out.

Mr. Speaker: Such a motion can be presented for debate at this time, pursuant to Standing Order 43, only with unanimous consent. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

● (1410)

EXTERNAL AFFAIRS

FORTHCOMING VISIT OF PRESIDENT CARTER—MOTION UNDER S.O. 43

Mr. Dennis Dawson (Louis-Hébert): Mr. Speaker, I rise on a motion of urgent and pressing necessity. Since, tomorrow, we will be visited by Mr. Carter, President of the United States and candidate for the investiture of the Democratic party, since he will be addressing a joint sitting of the House and Senate, since this Parliament and Mr. Carter are quite preoccupied with respecting democratic tradition, and since yesterday that process was served in the United States by another candidate's announcement, I move, seconded by the hon. member for Argenteuil (Mr. Gourd):

That this House recognize the traditional necessity for equal time and invite Ted Kennedy to address himself to us.

[Mr. Savard.]

VETERANS AFFAIRS

BASIC RATE OF WAR DISABILITY PENSION—MOTION UNDER S.O. 43

Mr. Leonard Hopkins (Renfrew-Nipissing-Pembroke): Mr. Speaker, I rise on a matter of urgent and pressing necessity under Standing Order 43. In view of the fact that the rate of a 100 per cent disability pension was related in 1972 to the composite pay of five public service groups, and this basis was reaffirmed in 1978, and in view of the fact that the disability pension has now fallen behind that composite rate by $213 this year, I move, seconded by the hon. member for St. Boniface (Mr. Bockstael):

That this House requests the Minister of Veterans Affairs to introduce immediately legislation establishing the basic rate of war disability pension on the basis by which it was determined in 1972.

Mr. Speaker: This motion can be presented for discussion at this time, pursuant to the Standing Orders, only with unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

ENERGY

REQUEST CONTINENTAL ENERGY POLICY BE DISCUSSED WITH U.S.—MOTION UNDER S.O. 43

Mr. Ian Waddell (Vancouver-Kingsway): Mr. Speaker, I rise under Standing Order 43. Since three prominent United States politicians in the last few months—Senator Kennedy, Governor Brown and Mr. John Connally, who share other matters in common—have also spoken out on a continental energy policy involving, as it does, Canada and Mexico, and since the Prime Minister is meeting with the President of the United States tomorrow for only a very short period, I move, seconded by the hon. member for Skeena (Mr. Fulton):

That the House instruct the Prime Minister to discuss with President Carter the pros and cons of a continental energy policy, and also the possibility of a further meeting for a longer period of time with the President of Mexico, the President of the United States and the Prime Minister of Canada, and to report next week to this House on the outcome of those discussions.

Mr. Speaker: Presentation of such a motion for debate can be done at this time only with unanimous consent. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

ROYAL CANADIAN MOUNTED POLICE

REQUEST EVIDENCE OF WRONGDOING BE SUBMITTED TO PROVINCIAL ATTORNEYS GENERAL—MOTION UNDER S.O. 43

Mr. Svend J. Robinson (Burnaby): Mr. Speaker, I rise on a matter of urgent and pressing necessity, pursuant to the provisions of Standing Order 43.

In view of the serious allegations of criminal wrongdoing which have been uncovered during the course of the McDonald commission inquiry, and in view of the respect which all members of this House hold for the principle of the rule of law, I move, seconded by the hon. member for Vancouver-Kingsway (Mr. Waddell):

That this House call upon the Solicitor General to immediately turn over all evidence of criminal wrongdoing to provincial attorneys general for possible prosecution.

Mr. Speaker: Such a motion can be presented at this time only with the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

[*Translation*]

HOUSE OF COMMONS

PROPOSAL THAT ADJOURNMENT DEBATE BE HELD AT SIX O'CLOCK EXCEPT ON FRIDAYS—MOTION UNDER S.O. 43

Mr. Eymard Corbin (Madawaska-Victoria): Mr. Speaker, I rise under the provisions of Standing Order 43 and ask for the unanimous consent of the House to discuss a motion relating to a matter of urgent and pressing necessity.

I move, seconded by the hon. member for Berthier-Maskinongé (Mr. Yanakis):

That henceforth the adjournment debate provided for under Standing Order 40 be held at six o'clock on all sitting days except Fridays, when there shall be no debate.

I think, Mr. Speaker, that the reasons for such a change are obvious and that there is no need for extensive explanations, except perhaps to point out that besides having an adjournment debate on Mondays, Tuesdays and Thursdays, there would also be one on Wednesdays. All other conditions and procedures surrounding the debate as set out in Standing Orders 39(6) and 40 would remain unchanged except for the advance notice the Speaker is required to give every day at five o'clock. The Speaker would then give notice of the matters that would be raised during the adjournment debate on the next sitting day of the House.

Mr. Speaker: Pursuant to the provisions of Standing Order 43, this motion can be debated at this time only with the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

● (1415)

ORAL QUESTION PERIOD

[*English*]

INTERNATIONAL TRADE

RECORD DEFICIT IN AUTOMOTIVE PARTS—REQUEST AUTO PACT BE DISCUSSED WITH U.S. PRESIDENT

Hon. John C. Munro (Hamilton East): Mr. Speaker, I direct my question to the Prime Minister. Figures that came into my possession today, which are widely known, would indicate that we will have a record deficit in automotive parts trade with the United States to the tune of $2,220 million for the first nine months of this year. I indicate to the Prime Minister that this is the highest deficit ever experienced. Also, the projection is that it will be $3.1 billion by the end of this year. This is a 400 per cent increase over the previous year.

Could the Prime Minister indicate to the House just what stress he will put on this intolerable situation in speaking with the President tomorrow, and what action will he ask of the President in order to correct this situation?

Hon. Michael Wilson (Minister of State for International Trade): Mr. Speaker, no doubt there is an increased level in the buying patterns between the two countries. It is partly related to a higher degree of buying in Canada relative to the United States.

As I said yesterday to the hon. member, this matter was the subject of a brief by the Automotive Parts Manufacturers' Association. It is under review right now, and we are proposing to get back to them to discuss some points as soon as we have completed our study.

Mr. Munro (Hamilton East): Mr. Speaker, I found the answer on the part of the Minister of International Trade not too intriguing. He may recall that in 1971, when treasury secretary Connally was in this country, Canada was experiencing a small surplus. In 1970 it was $204 million, in 1971 it was $198 million, and in 1972 it was $44 million. This is a pittance compared to the type of deficit we are now running with the United States.

At that time, treasury secretary Connally said the situation was intolerable from the point of view of the United States and that the United States would be taking unilateral action to correct the situation no matter what Canada thought. Since our deficit is now so horrendously high, is the minister prepared to indicate a strong stand on the part of the Canadian government to President Carter tomorrow?

Mr. Wilson: Mr. Speaker, yesterday the Prime Minister said that he would be raising this matter tomorrow with the

President at their meetings. We are very concerned with the level of this deficit and we are going to do something about it. We have been discussing this question with the manufacturers. That is the extent of what we can say to date.

Mr. Munro (Hamilton East): Mr. Speaker, the reason I am pressing this matter is that I hope there is not the same type of inprecision, confusion, and ambiguity—

Mr. Crosbie: That there was when you were over here.

Some hon. Members: Oh, oh!

Mr. Munro (Hamilton East): —that the Canadian government showed to all Canadians with respect to the Foothills project, which we are in great danger of losing.

Some hon. Members: Hear, hear!

Mr. Munro (Hamilton East): I hope the Canadian government does not repeat that with respect to the auto pact. I ask the minister, is he prepared to indicate to the President that, since Canada shares 10 per cent of the entire North American auto market, we hope and expect the United States will agree that we at least get that percentage in terms of new technology with respect to any new generation of automobiles, and that until we get assurances of this kind and corrective action regarding the deficit, we are not prepared to accommodate the United States with respect to any of their bargaining points?

Some hon. Members: Hear, hear!

Mr. Wilson: Mr. Speaker, I think all the problems that this industry is facing have been building up over the last five, six or seven years.

Some hon. Members: Hear, hear!

Mr. Wilson: We are going to take action. The previous government had a report prepared by Simon Reisman which was slipped under the desk. We have not heard anything more about that. We will review that report once again in light of the brief from the automotive parts manufacturers. We are going to do something about it.

• (1420)

AUTOMOTIVE INDUSTRY—FAIR SHARE FOR CANADA OF CAPITAL INVESTMENT

Mr. Mark MacGuigan (Windsor-Walkerville): Mr. Speaker, my question is for the Prime Minister. I hope he can be induced to answer a question on the automotive industry. Recently, General Motors of Canada announced a $1 billion expansion program at its parts plants in Windsor and St. Catharines, along with another $1 billion for updating other facilities. This capital investment was welcome news for the communities involved, but is certainly insufficient for Canada's national interest since it is only a drop in the bucket compared to the $38 billion the parent company will be spending on capital investment in the United States.

[Mr. Wilson.]

In light of the fact that the president of General Motors of Canada described the Canadian proportion of the investment as a good share, even if not a fair share, can the Prime Minister inform the House what steps the government will be taking to ensure that the automotive multinationals give Canada a fair share, and not just a good share, of investment?

Right Hon. Joe Clark (Prime Minister): Mr. Speaker, I am pleased to have the hon. member now speaking in this House on matters relating to the automotive industry.

Some hon. Members: Hear, hear!

Mr. Clark: We will review, including perhaps directly through conversations with the presidents of the automotive companies involved, steps they think might be appropriate for the Government of Canada to take to achieve that or any other realistic goal.

Mr. MacGuigan: Mr. Speaker, I have spoken more in this House on the automotive industry than anybody on that side of the House.

Some hon. Members: Hear, hear!

Mr. MacGuigan: My supplementary question is also for the Prime Minister. Since the deficit in automotive parts is now predicted to be about $4.5 billion for this year, what action is the government prepared to take in inducing the Big Three to source more parts in Canada and in assisting the automotive parts manufacturers through a repayable loans fund for investment, tooling and research development in Canada?

Mr. Clark: Mr. Speaker, as the Minister of State indicated moments ago, that is a matter we are looking into as a result of the various reports that have come before the Government of Canada.

* * *

ENERGY

OIL IMPORTS—CONTINGENCY PLANS TO MEET POSSIBLE REDUCTION OF SUPPLIES FROM IRAN

Mr. Cyril Symes (Sault Ste. Marie): Mr. Speaker, my question is for the Minister of Energy, Mines and Resources. Given the present threat of an interruption of oil from Iran, and the fact that we have no emergency back-up supplies to meet a sizeable reduction in imported oil, can the minister tell the House what contingency plans are now in place to meet either a partial or full cut-off of Iranian oil? Can we get by without rationing?

Hon. Ray Hnatyshyn (Minister of Energy, Mines and Resources): Mr. Speaker, I thank the hon. member for his question. I welcome the opportunity to indicate that my current information is that there is not now the immediate prospect of the Iranian government curtailing any shipments to Canada. In fact, the information I have is that the shipment to Canada is nowen route with respect to our anticipated

share, and we will be in a position to have sufficient supply which will reach us well into the winter on the basis of the shipments that have already left Iran and are en route to Canada.

Mr. Symes: Mr. Speaker, I have not had an answer from the minister in terms of a contingency plan. In view of reports out of Iran that oil tankers destined for the United States are not being loaded, and this will mean the multinational oil companies will try to reduce oil shipments to Canada in order to make up for shortfalls in oil destined for the United States, what assurance does the minister have from Imperial Oil and Exxon that we will not face a repetition of the situation we faced last spring, when oil destined for Canada was diverted to the United States to make up for their shortages?

Mr. Hnatyshyn: Mr. Speaker, I simply want to state that the information which the hon. member gives to the House is not in accordance with the information I have received. Indeed, the best information we have from government sources in Iran, and also with respect to the industry itself, is that there has been no shutdown and that oil for export from Iran is proceeding normally.

• (1425)

All I am saying is that we have en route and on the sea now the supply anticipated for Canada. We do not expect that this will cause us serious concern. We are watching developments in Iran carefully, but we now have sufficient supply to see us through well into the winter.

Mr. Symes: I think consumers in eastern Canada can take small comfort from those assurances.

Some hon. Members: Oh, oh!

Mr. Symes: The minister says he is watching the situation. What action is he taking? What contingency plans are in place, bearing in mind that this is such a fragile situation, as the minister himself acknowledges? Why does the government not use Petro-Canada to pursue vigorously arrangements to increase supplies from Mexico and Venezuela on a government-to-government basis to offset our dependence on the multinational companies and unstable Middle East oil?

Some hon. Members: Hear, hear!

Mr. Hnatyshyn: The faint applause the hon. member gets from his own colleagues indicates the preposterousness of his question. The hon. member well knows that negotiations are continuing in a very satisfactory manner with Mexico and Venezuela. Incidentally, the Leader of the Opposition indicated on two different occasions that somehow an agreement had been reached with Venezuela. That is incorrect. He was not telling the correct truth about that matter. The fact is, we have been carrying on those negotiations. We are sending a delegation there next month to continue the process. Negotiations are proceeding satisfactorily and I want to give that assurance to the House generally.

[*Translation*]

NATIONAL UNITY

QUEBEC REFERENDUM—INQUIRY WHETHER GOVERNMENT WILL MAKE OVER-ALL OFFERS CONCERNING CONSTITUTION

Mr. Dennis Dawson (Louis-Hébert): Mr. Speaker, my question to the right hon. Prime Minister refers to the statements made recently by the western premiers and the Ontario premier, as well as to an editorial which appeared in this morning's *Washington Post* which reads in part as follows:

[*English*]

The newspaper said the next move in the debate over Canada is up to Prime Minister Clark, who "huffs that the whole idea is absolutely unacceptable." The newspaper added:

But he's going to have to do better than that. If he refuses any larger concessions to French Canadian concerns he will only confirm the separatists' charges—

Some hon. Members: Order.

Mr. Speaker: If the hon. member has a question to ask, will he please ask it.

[*Translation*]

Mr. Dawson: Mr. Speaker, could the Prime Minister indicate to the House whether, in view of this editorial, he will submit to Quebeckers concrete proposals beyond the vague promises and ambiguities he is creating, and whether he will undertake to propose, between now and the referendum, global offers concerning the constitutional position of his government?

Right Hon. Joe Clark (Prime Minister): As I have often indicated to the House and the rest of Canada, Mr. Speaker, our government's position concerning a renewed federalism is well known to Quebeckers who want changes and a new approach from the new government regarding the federalist issues. Voices, often silent until now, have asked us to advise them of our position and to accept changes to the constitutional status quo which the previous government had refused.

Mr. Dawson: Mr. Speaker, I have a supplementary question.

Mr. Speaker: A short supplementary question. The hon. member for Louis-Hébert.

Mr. Dawson: Mr. Speaker, I have one more quotation. It is an excerpt from the Quebec white paper—

Mr. Speaker: Order. If the hon. member has a supplementary question, he should ask it immediately.

Mr. Dawson: Mr. Speaker, at page 41 of the white paper, the Quebec government says that the new Conservative government does not seem prepared to face the constitutional problem head-on since it is not one of its priorities. Is Mr. Clark prepared, before next Monday, to assure the premiers

that before the referendum he will table very clear constitutional proposals and not only electoral promises and speeches?

Mr. Clark: Mr. Speaker, it is my intention to carry on the process that we have already started, as a new government, by showing, through concrete action, that we are bringing specific changes in the federal government approach to constitutional matters.

● (1430)

[*English*]

SOVEREIGNTY-ASSOCIATION WITH QUEBEC—REQUEST GOVERNMENT PUBLISH REBUTTAL

Hon. Warren Allmand (Notre-Dame-de-Grâce): Mr. Speaker, the Prime Minister has not answered the question of my colleague. He is giving the same answer he has been giving in this House for the last two weeks. He should get new writers.

This week, Tom Wells, the Ontario minister for intergovernmental affairs, will publish a detailed rebuttal to the Quebec white paper on sovereignty-association. Will the Prime Minister commit the resources of his government to publishing a similar, detailed rebuttal from the Canadian point of view, or is he going to be—as my colleague said the other day—Canada's Chamberlain of the 1980s, appeasing and backtracking until this country breaks up?

Some hon. Members: Hear, hear!

Some hon. Members: Shame.

Right Hon. Joe Clark (Prime Minister): Mr. Speaker, I hope the hon. member will devote the same enthusiasm and vigour to defending the future of the country in the province of Quebec as he is now to defending the past of his government—a past which, because of the very aggressiveness of the propaganda campaign which was waged by that government, contributed appreciably to the growth of separatism in the province of Quebec.

Some hon. Members: Hear, hear!

Mr. Allmand: Mr. Speaker, is the Prime Minister saying that he cannot recognize the threat to this country which Premier Davis does, and is he willing to sit on the sideline and let the premiers do the job for him?

Mr. Clark: Mr. Speaker, what I am saying is that I recognize, as I believe most Canadians do, that when the previous government opposite came to power, separatism was a particle—a minority fringe group in the province of Quebec. Indeed, it was declared dead by the present Leader of the Opposition.

However, after ten years, and particularly in the last three or four years when the only presence of the federal government in the province of Quebec was a confrontationist presence which took issue with every positive development which occurred in that province, and which created a sense of continual conflict between the people of Quebec and the government at Ottawa—what happened after all that was that separatism moved to a government status and the threat to this country was enlarged substantially.

Some hon. Members: Oh, oh!

An hon. Member: We got 62 per cent of the vote.

An hon. Member: We have 67 Quebec members.

Mr. Speaker: Order, please. Before carrying on with another supplementary question on the same topic by the hon. member for Nipissing, I think we ought to recognize that it is fundamental to the operation of the question period—

Mr. Lefebvre: He doesn't know what the hell is going on.

Some hon. Members: Order.

An hon. Member: Turkey.

Mr. Speaker: Order. It remains essential to the conduct of the question period, as it does to any of our proceedings, that while strong and vigorous questions are put, and answers are the same, it is not going to be possible for either if the attention of the House is not given equally to both the questions and the answers.

[*Translation*]

REQUEST GOVERNMENT URGE PREMIER OF ONTARIO TO RECOGNIZE FRANCOPHONE RIGHTS IN PENETANGUISHENE

Hon. J.-J. Blais (Nipissing): Mr. Speaker, in order to restore calmness, I would simply like to indicate to the right hon. Prime Minister that indeed the results of the May 22 election in Quebec have been very favourable and that we sit in this House with a very strong Francophone representation. I would also like to indicate, Mr. Speaker, that every time Francophones outside Quebec have been deprived of their rights, the fact has been badly acknowledged by Anglophones—

Mr. Speaker: Order. If the hon. member wishes to ask a question, he must put it now.

Mr. Blais: Mr. Speaker, it seems to me I still have the right to make preliminary comments, that the rights—

[*English*]

Mr. Speaker: Order. The hon. member has offered, first, an interjection, a comment on the Prime Minister's last answer, and now he is into a lengthy preamble. If I am to grant him this kind of time, only five or six members will be able to rise in the question period. It does not cost the Chair anything: it costs the hon. member's colleagues the opportunity to participate in the question period.

Some hon. Members: Hear, hear!

[*Translation*]

Mr. Blais: Mr. Speaker, my question, therefore, is the following: In view of the fact that the credibility of Premier Davis' statement is undermined because he himself has not recognized the rights of French minorities in the province of Ontario, as evidenced by the Penetanguishene incident, is the Prime Minister prepared to recover his initiative and leadership in this area by urging the Ontario premier to accede to the demands of the French population by granting them a French school?

Right Hon. Joe Clark (Prime Minister): Mr. Speaker, of course, in an atmosphere of calm as the hon. member promised at the beginning of his question, I think it will be possible for a respected and calm Prime Minister to persuade his provincial counterparts to contemplate some changes. As far as Ontario is concerned, the government of that province has made a lot of progress, and in the case mentioned by the hon. member, the federal government made a gesture which contributed positively to solving the problem.

QUEBEC REFERENDUM—REQUEST THAT PRIME MINISTER PARTICIPATE IN THE DEBATE

Hon. J.-J. Blais (Nipissing): Mr. Speaker, this is the first time I have heard of a gesture on the part of the federal government. My question was directed specifically to the right hon. Prime Minister. As he is, in fact, the Prime Minister and though he does not seem to realize it, he has been Prime Minister of this country since May 22 and is expected to prove his leadership, will he, therefore, intervene—I am staying calm—and take positive steps? I point out to the Prime Minister that this week his Minister of Justice indicated he had received no instructions from the Prime Minister with regard to the referendum. I am therefore asking him to face up to his responsibilities.

Right Hon. Joe Clark (Prime Minister): Mr. Speaker, I feel that we on this side have adapted to the results of the May 22 election much better than hon. members on the other side of the House.

As I have said before, I would be willing, as Prime Minister, to speak with the provincial premiers and encourage whatever action is possible with regard to the rights of the minorities. We have made considerable progress in the province of Ontario and in the province of New Brunswick. I feel that it will be possible again, in a spirit of co-operation and not one of accusation, to achieve greater progress.

EMPLOYMENT

INQUIRY AS TO MEASURES GOVERNMENT WILL TAKE TO SAVE JOBS IN QUEBEC SHIPYARDS

Mr. John Rodriguez (Nickel Belt): Mr. Speaker, my question is directed to the Minister of State for Transport. In view of the extremely serious situation in Quebec shipyards, especially those of Davie Shipbuilding Limited at Lauzon, where over 1,700 workers were laid off in the last year, and in view of the fact that about 3,500 other jobs in that sector are being threatened in that province, can the minister tell us whether or not he intends to take immediate steps to save thousands of specialized jobs in Quebec?

[*English*]

Hon. J. Robert Howie (Minister of State (Transport)): Mr. Speaker, I thank the hon. member for bringing this matter to my attention. I met with about 20 leaders of organized labour in the province of Quebec yesterday afternoon and we had a very good in-depth discussion of this very important matter. I have it under consideration with my officials, and I will be raising the matter with my colleagues and making some specific recommendations which I sincerely hope will help these people.

● (1440)

Mr. Rodriguez: My supplementary question is for the Prime Minister. We all recognize that actions speak louder than words when it comes to the question of Quebec and Canada. Can the Prime Minister give the assurance to the House that his government, to ensure that the contract for the construction of the ferry for which the CN at present is tendering abroad, for use in eastern Canada, will be given to a dockyard in eastern Canada so that we can maintain jobs in eastern Canada, particularly in Quebec dockyards?

Some hon. Members: Hear, hear!

Mr. Howie: I have met with the president of CN Marine, and I made very clear to him that I feel very strongly that any ferry to be paid for by Canadian dollars and to be supported by Canadian citizens should be built in Canada.

Mr. Rodriguez: A final supplementary, Mr. Speaker.

Mr. Speaker: Order, please. The hon. member for Northumberland.

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FINANCE

CONSIDERATION OF LOWER INTEREST RATE FOR SMALL BUSINESS AND FARM IMPROVEMENT LOANS

Hon. George Hees (Northumberland): Mr. Speaker, I have a question for the Minister of Finance. In view of the fact that high interest rates have put small business loans and farm improvement loans beyond the reach of those who are trying to

start or to expand a business or a farming operation, and as the creation and expansion of such operations in large volume is necessary for the continued health of the Canadian economy, will the minister give consideration to making these loans available at a considerably lower interest rate than the one prevailing at present, which is the bank prime rate plus 1 per cent?

Hon. John C. Crosbie (Minister of Finance): Mr. Speaker, the concern of the hon. member for farmers and small businessmen is well recognized by all, I am sure.

Some hon. Members: Oh, oh!

Mr. Crosbie: I share his regret at the actions of the last administration which have left the economy in the present state and have resulted in higher interest rates for farmers and small businessmen. I would point out to the hon. member that the Farm Credit Corporation is granting loans at a 12 per cent interest rate which is, of course, not the prime rate. The Liberal prime rate today is 14 per cent, and 15 per cent is the banking rate. So there are some loans available at less than the prime rate.

I will certainly take the hon. member's representation under consideration. In the upcoming budget we are certainly considering the situation of farmers and small businessmen who have been left in a bad way by ten years of misrule by the hon. gentlemen opposite.

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[*Translation*]

NATIONAL UNITY

REQUEST FOR ENTRENCHMENT IN CONSTITUTION OF LINGUISTIC RIGHTS OF MINORITIES

Hon. Roméo LeBlanc (Westmorland-Kent): Mr. Speaker, perhaps the right hon. Prime Minister does not know the difference between agitation and indignation. I must indicate, as spokesman for a minority group, that our feeling at this moment is one of indignation over the answer he gave my colleague from Nipissing. The fact that the right hon. Prime Minister and his ministers do not intend to get their feet wet during the referendum campaign means that they will have plenty of free time. Is it the intention of the Prime Minister at least to ask his ministers to meet with provincial premiers to try and convince them that the protection of minority rights, the freedom of language rights held by the minority groups in this country, should be enshrined in the constitution and not only provided for by acts which can be abolished at the whim of a government of the day?

Right Hon. Joe Clark (Prime Minister): Mr. Speaker, that is something we certainly want to discuss with the premiers with a view to achieving some agreement or consensus among the premiers. That is not something we want to force down the throats of provincial governments, because we have seen in the past that actions imposed by the federal government are not always effective.

Mr. LeBlanc: Mr. Speaker, I have a supplementary question.

Will the Prime Minister recognize there is a difference between a solution that is imposed and one that results from a moral leadership which is needed in this matter, or will he speak for so long that the calmness to which he was referring a moment ago will be the calmness of people who will have disappeared as a cultural minority in this country?

Mr. Clark: Mr. Speaker, moral leadership is precisely what we want to give the premiers and the provinces; however, it is not possible to have effective moral leadership if there is always a threat in the air.

QUEBEC REFERENDUM—REQUEST GOVERNMENT PUBLICIZE ITS PROPOSALS ON QUEBEC

Mr. André Maltais (Manicouagan): Mr. Speaker, my question is also for the Prime Minister.

In Quebec's recently published white paper, it is said that it is desirable, at the federal level, that federalist positions be precise and made public soon enough so that Quebeckers have ample time to think about them. Is it the intention of the Prime Minister, given that he wants a country with a flexible constitution and where there will be no confrontations, to make known before the referendum clear and precise proposals, as the present government of Quebec calls for?

Right Hon. Joe Clark (Prime Minister): Mr. Speaker, we intend to pursue the process started on May 22 and demonstrate, through concrete steps, the changes that the federal government has already achieved.

Some hon. Members: Like what?

Mr. Clark: We must go on with the implementation of that process and we are now considering means to bring it about. To that end, we are not merely going to propose changes, to make broad commitments that we would not be able to keep. What we will do is make specific proposals and take concrete action that we can achieve.

Some hon. Members: Like what?

Mr. Clark: To change the status quo. Hon. members ask "Like what?" I have often made reference to—

An hon. Member: Loto Canada!

Mr. Clark: I have already referred to at least two specific changes that we have made: first the lotteries, yes indeed, and second the jurisdiction over offshore resources. We have

achieved two changes that the former government had refused to carry out.

Mr. Maltais: Mr. Speaker, on a supplementary, bearing in mind that the road to hell is paved with good intentions, when exactly does the Prime Minister, understood as being the government, intend to table his proposals because, let us not forget it, the referendum is a certainty? So, in order to give Quebeckers time to consider those proposals, exactly when does he intend to make counterproposals? Before or after the Christmas season?

An hon. Member: Ask La Salle!

Mr. Clark: Mr. Speaker, we have had decade of inefficient proposals from the federal government. It is now essential and the time has now come for us to have concrete measures and not just proposals.

* * *

[*English*]

FISHERIES

RATIFICATION OF CANADA-U.S. AGREEMENT RELATING TO GEORGES BANK

Mr. Lloyd R. Crouse (South Shore): Mr. Speaker, I wish to direct my question to the right hon. Prime Minister. In view of the need to secure ratification of the fisheries agreement between Canada and the United States as it relates to Georges Bank—a matter which is of extreme urgency and importance to Atlantic Canada—will the right hon. Prime Minister undertake to discuss this question tomorrow with the President of the United States in the hope that we can secure an agreement on this very important issue?

Right Hon. Joe Clark (Prime Minister): Mr. Speaker, the hon. member has followed very closely the representations that have been made by the Government of Canada, and indeed his advice has been helpful in forming those representations to officials of the United States. Naturally, I intend to raise with the President during his visit here our very real concern about the earliest possible ratification of that agreement.

* * *

AIR TRANSPORT

POSSIBLE SALE OF DE HAVILLAND AND CANADAIR TO PRIVATE ENTERPRISE

Mr. Bob Rae (Broadview-Greenwood): Mr. Speaker, my question is for the President of the Treasury Board. In view of the Prime Minister's homily the other day that we should avoid ideology and look at the facts, I wonder if the President of the Treasury Board would have another look at the experience of the aerospace industry with the private sector, and look at the success it has had with the public sector at de Havilland and Canadair, and whether he would be prepared to reconsider the decision which he announced over the summer months when Parliament was not in session to offer these industries up for sale to the highest bidder?

• (1450)

Hon. Sinclair Stevens (President of the Treasury Board): Mr. Speaker, the process of privatization in respect of Canadair and de Havilland continues, and it will continue. I would remind the hon. member that in the case of Canadair alone, the former government—with some hangover under this government—had to draft comfort letters involving $350 million to support that concern.

Mr. Rae: Mr. Speaker, I direct my supplementary question to the President of the Treasury Board, who sounds more and more like the Rex Humbard of capitalization rather than a responsible minister of the Crown. In view of the complaints about the government at the time these two industries were bought, that Parliament was never consulted, I wonder whether the President of the Treasury Board can at least give us the assurance that if he is determined, regardless of the experience of the industry and the facts, to go ahead with the sale, that we in Parliament will be allowed to debate this issue and we will be allowed, in committee, to meet with union officials involved and members of the industry so that we, as parliamentarians, can cross-examine those people on the effects of the government's policy and how it is going to affect the future of this industry and the jobs of the people involved?

Mr. Stevens: Mr. Speaker, in reply to the financial critic of the New Democratic Party, who is perhaps the Oral Roberts of this House, I would remind the hon. member that he was not in the House at the time, but both Crown corporations to which he refers to were purchased by the former government with a minimum of parliamentary debate.

In fact, I can recall the evening when de Havilland was purchased by a vote on an appropriation bill, notwithstanding the fact that at that time we were demanding certain information in committee that the government denied us. In truth, if the former government was able to buy them without parliamentary review, why is he suggesting that the sale should be subject to parliamentary review?

* * *

INTERNATIONAL TRADE

URBAN TRANSPORTATION INDUSTRY—POTENTIAL FOR EXPORT TRADE

Mr. W. Kenneth Robinson (Etobicoke-Lakeshore): Mr. Speaker, I have a question for the Minister of State for International Trade. In light of the Prime Minister's concern about the Buy America program that he mentioned yesterday, and the transport minister's comments that the government strongly supports increased research and development in urban transportation and sees high potential for an export-oriented manufacturing industry arising from the urban transportation industry, is the minister prepared to provide the same kind of

efforts in international marketing as he and his government undertook in the sale of Candu reactors, and can we suppose he will be more successful in this area than he has been in respect of the sale of Candu reactors to Argentina?

Hon. Michael Wilson (Minister of State for International Trade): Mr. Speaker, I do not recall any action that was taken by the other side, when they were in government, to support the sale of Candu reactors. The last minister who was in Argentina was there seven years ago. The whole time—

Some hon. Members: Oh, oh!

Mr. Wilson: On the question of urban transportation, there is no doubt that this is a very important market for Canada and it is a matter which has been discussed among officials. It was discussed this very morning by me with the ambassador from the United States, and we propose to take up the matter again. The Buy America program is a matter of great concern to us and we want to explore ways in which we can reduce the impact of that policy on Canadian industry, particularly urban transportation.

Mr. Robinson (Etobicoke-Lakeshore): Mr. Speaker, it was my understanding that our former minister, Mr. Chrétien, was in Argentina last year.

Some hon. Members: Hear, hear!

* * *

TRANSPORT

RESEARCH AND DEVELOPMENT IN URBAN TRANSIT—GOVERNMENT ASSISTANCE

Mr. W. Kenneth Robinson (Etobicoke-Lakeshore): Mr. Speaker, I have a supplementary question for the Minister of Transport. The minister has said in recent statements that he is eager to become more involved in the area of transportation research and development.

In view of the fact that since July, 1979, the government has had an application from Ontario's Urban Transportation Development Corporation for assistance in proceeding with its newly-developed urban transit system, can the minister give us some indication as to when the government will make a decision, because if it is not done within two weeks it may be that Canada will lose a great deal of industrial capacity and, furthermore, there may be a selling off of a great deal of Canadian technology?

Hon. J. Robert Howie (Minister of State (Transport)): Mr. Speaker, I thank the hon. member for his interest in research and development. I can assure him that it is very much shared by this government. The matter to which he alludes is currently under very intensive study, and while I cannot make an announcement today I will take his representations and respond to him in the very near future.

[Mr. Robinson (Etobicoke-Lakeshore).]

[*Translation*]

RESEARCH AND DEVELOPMENT

INQUIRY WHETHER GOVERNMENT WILL ASSIST URBAN TRANSPORTATION INDUSTRY

Mr. David Berger (Laurier): Mr. Speaker, my question is for the Minister of State for Science and Technology.

Since the U.S. government has granted $13 billion over the next ten years for urban transportation research and development, and since representatives from the United States have recognized that Canadian industry is considerably ahead in this field, can the minister tell the House what kind of aid his department is considering for this industry so that Canadians can stay ahead in the field of urban transportation?

Hon. Heward Grafftey (Minister of State for Science and Technology): Mr. Speaker, as I mentioned last week in the House, I cannot at this time announce a direct subsidy to this industry, but I will soon be making an announcement relating to our challenge of 2.5 per cent of the gross national product. As far as industrial R and D is concerned, my announcement will, both directly and indirectly, deal primarily with the issue raised by the hon. member this afternoon.

* * *

[*English*]

IMMIGRATION

REUNIFICATION OF FAMILIES—DIFFERENCE IN GOVERNMENT POLICY

Mr. Bob Kaplan (York Centre): Mr. Speaker, my question is for the Minister of State for Fitness and Amateur Sport and Multiculturalism. I hope he will not be muzzled again today as he was the other day, because I know of his great concern for the reunification of families.

I would ask him, therefore, if he will take steps to try to get the Minister of Employment and Immigration to change this report on immigration levels for 1980 which is so adverse to family reunification and which changes what was the existing practice with the former government last year.

Hon. Steven E. Paproski (Minister of State for Fitness and Amateur Sport and Multiculturalism): Mr. Speaker, I am very pleased the hon. member has asked me that question today, because I found the way he asked the question the other day—which appears at page 935 of *Hansard*—repugnant as far as I am concerned. The hon. member knows how I feel about family reunification. He was in the U.S.S.R. with me, and he knows how I feel—that this issue is very dear to my heart. He put a curve in the question and did not give me an opportunity to answer it.

I want him to know that this government is very strong on family reunification. He knows the way I feel about the way he has advanced his question, and how I feel about the reunification of his people and my people behind the Iron Curtain.

Some hon. Members: Hear, hear!

Mr. Kaplan: I know all about that, Mr. Speaker, and that is precisely why I ask the minister why he will not act to change the report which says the government will increase the proportion of immigrants selected against economic criteria, meaning that family-sponsored immigration will be of a smaller proportion. Why do you not stand up against that?

Some hon. Members: Oh, oh!

• (1500)

Mr. Paproski: Mr. Speaker, that question could have been answered today by the Minister of Employment and Immigration, who was present at the committee, but the hon. member was not there.

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PUBLIC WORKS

DREDGING OF MIRAMICHI RIVER—GOVERNMENT INTENTIONS

Mr. Maurice A. Dionne (Northumberland-Miramichi): Mr. Speaker, I have a question which I would like to direct to the Minister of Public Works. When the minister announced earlier this fall that he was cancelling the project for the dredging of the Miramichi River, he made a commitment to the government of New Brunswick and the people of Miramichi that he would present that project again to the Treasury Board. Is the minister now in a position to tell the House whether or not he has presented that project for approval to the Treasury Board; and, if so, what is his priority for that project?

Hon. Erik Nielsen (Minister of Public Works): Mr. Speaker, it is a distortion of the truth to say that I cancelled the project, because it never had project approval from the Treasury Board in the first place. The hon. member should know that for the past 16 years he has had the opportunity to put that matter before his government when it was in power.

I have given the hon. member, the Premier of New Brunswick and my colleague, the Minister of State for Transport, the assurance that the estimate for the Miramichi project will be included in estimates to be submitted to the Treasury Board for consideration for the fiscal year 1980-81.

Mr. Dionne (Northumberland-Miramichi): Mr. Speaker, the project was indeed approved by the previous government and tenders were called. The present minister cancelled the tenders.

I would like to direct my supplementary question to the Minister of State for Transport and ask him if he has included in his estimates to Treasury Board the funding for navigational aids for the Miramichi estuary, and if he can give us, as well, any hope with regard to the awful situation of the wharf at Chatham.

Hon. J. Robert Howie (Minister of State (Transport)): Mr. Speaker, I can assure the hon. member that our government is, indeed, a government of hope.

Mr. Breau: Hope and faith.

An hon. Member: You said it all.

Mr. Howie: I am prepared to propose, in the estimates, a sum of about $1.6 million for navigational aids for the harbour in question. These will include light towers, the lighting pier and other navigational aids. As for the Chatham wharf, it is operated by the Department of Transport. The Minister of Public Works, on the recommendation of the Department of Transport, is responsible for the maintenance and repairs.

I have been in touch with our very able Minister of Public Works in this regard and, as usual, in his efficient manner a consulting engineering firm, Crandall and Associates of Moncton, New Brunswick, are conducting an engineering evaluation. That report will be in the hands of the minister in the near future.

* * *

PRIVILEGE

Mr. Speaker: I have received three notices on matters of privilege, two arising from the question period, one from the hon. member for Verchères (Mr. Loiselle), and the other from the hon. member for York Centre (Mr. Kaplan); and I have also received a notice of privilege from the hon. member for Argenteuil (Mr. Gourd).

[*Translation*]

MR. LOISELLE—SUBSIDIES TO ENTERPRISE DEVELOPMENT PROGRAM—REQUEST FOR PRECISION

Mr. Bernard Loiselle (Verchères): Mr. Speaker, I rise on a question of privilege. My question was directed to the Minister of State for International Trade (Mr. Wilson) who, surely by mistake, indicated that upon receiving the Reisman report last year the former government shelved it, especially its recommendations, whereas in fact, as the House will remember, a document was published in March, 1979, containing the reply of the federal government to the recommendations of the Reisman report. Out of 17 recommendations, nine were accepted, three were taken under advisement and five were turned down. So, Mr. Speaker, I should be thankful if the Minister of State for International Trade would shed some light on his remarks to the effect that we, as the former government, shelved the report. In addition, I should like to put two brief questions to him. One recommendation advocated an increase in the EDP budget. I was advised recently that the Treasury Board had refused to increase it. As that was recommended by the Reisman report, I should like an explanation.

Mr. Speaker: Order. The hon. member knows very well that that is not a question of privilege but a matter of his views differing from those of the minister.

[*English*]

MR. KAPLAN—REASON FOR NON-ATTENDANCE AT STANDING COMMITTEE

Mr. Bob Kaplan (York Centre): Mr. Speaker, my question of privilege arises out of the answer which the Minister of State for Fitness and Amateur Sport and Multiculturalism (Mr. Paproski) gave to a question that I just asked, suggesting that somehow or other I was derelict in my duty by not attending this morning at a meeting of the Standing Committee on Labour, Manpower and Immigration. I am familiar with the answers of the Minister of Employment and Immigration (Mr. Atkey), and that is partly the reason why I did not attend that meeting. I know the minister's views on the subject because they are stated in the report, and that is that, as far as he is concerned, the proportion of immigrants admitted by economic criteria should be increased and, therefore, that the proportion of family assisted immigrants should be decreased.

There is a second reason I did not attend that meeting, and that is that it had been agreed in the steering committee not to deal with immigration questions this morning, but rather to deal with questions arising under the Unemployment Insurance Commission. I knew perfectly well that his official on immigration would not be there and it would be a breach of agreement among the members of the committee to pursue the matter there.

I was interested in knowing how the minister of state responsible for multiculturalism felt about the matter, because that portfolio has a tradition of—and it is the minister's responsibility—standing up for family reunification, which is of so much concern. I did not know whether the minister had heard of this report on 1980 immigration levels. Obviously, the minister had been overruled if he had made any representation. I wanted to know whether he had made any representation, whether he accepted the report and what he was doing about it. The mandate for multiculturalism should lead the minister into virtually every other portfolio of the government.

Mr. Speaker: Order. The hon. member raises a narrow point, that reference is made to the minister's failure to assist in the proceedings of that committee. I think that the hon. member has had ample opportunity to put forward his statement on the matter.

Hon. Steven E. Paproski (Minister of State for Fitness and Amateur Sport and Multiculturalism): Mr. Speaker, I think that the hon. member had his opportunity today to express his likes, dislikes or how he felt about the matter in front of the committee on manpower and immigration. I want the hon. member to be particularly aware of the fact that I have read the report. The member can read the report for himself, but I would briefly quote from it at page 33:

> The principle of family reunification will continue to govern the admission of close family members—

[Mr. Loiselle.]

The Minister of Employment and Immigration (Mr. Atkey) also produced a report which states that family and independent immigration will not be reduced in 1980 because of special refugee programs and that the principle of family reunification will continue to govern the admission of close family members. I do not know what the hon. member would like us to do, but he knows the government's position on this matter. I would not want him to try to misrepresent something which he may have in his own mind and which does not exist as far as this government's policy is concerned.

Mr. Speaker: Order. Once again we have launched into a procedural discussion which attempts in a way to extend the discussion or to open up new discussion. There are no procedural grounds upon which we can proceed on this matter at this time.

The hon. member for Argenteuil (Mr. Gourd) is not proceeding with his question of privilege at this time.

The hon. member for Cape Breton Highlands-Canso (Mr. MacEachen) has an outstanding question of privilege which shall stand over until the parties agree that it is a convenient time to proceed with the matter.

Hon. Ron Atkey (Minister of Employment and Immigration): Mr. Speaker, the hon. member for York Centre (Mr. Kaplan) has misrepresented my remarks, and I think that it is important for the record, given the important principle involved, that I correct the matter. I do not know for what partisan or non-partisan political purpose the hon. member has chosen to distort my remarks, but the principle of the report is that family reunification will continue to govern—

Mr. Speaker: Order, please. Surely the hon. minister realizes that what has been expressed by the hon. member for York Centre (Mr. Kaplan) is his opinion of what that report contains. If the minister wishes to disagree and take issue with it, that is a matter of debate and not a matter of procedure.

* * *

[*Translation*]

BUSINESS OF THE HOUSE

WEEKLY STATEMENT

Mr. Pinard: Mr. Speaker, I should appreciate the President of the Privy Council giving us an idea of the business planned for the House today, tomorrow and next week.

● (1510)

[*English*]

Mr. Baker (Nepean-Carleton): Mr. Speaker, I think perhaps the time has come in this session of Parliament to go beyond this week and next week. I should like to take this occasion to indicate what we feel ought to be determined and dealt with and finished by this House, and in some cases by Parliament, by the time we normally adjourn for Christmas.

First, let me say that there has been some confusion. Various members on all sides of the House have expressed confusion about what we might be doing on Monday. I want to make it clear that the House will be sitting on Monday, November 12. I do that to clear up the matter in the minds of some hon. members who have spoken to me about it.

We will require royal assent by Christmas for the following bills: first, the appropriation bill related to interim supply; the appropriation bill for the main estimates; Bill C-17, the income tax amendments; Bill C-18, the customs tariff amendments and Bill C-10, the borrowing authority bill which I understand is out of committee now and can come back to the House. All of these are really housekeeping matters in terms of the operation of the government and of this Parliament.

With respect to other legislation for which royal assent is required by the Christmas adjournment, there is Bill C-20, the property tax credit bill, standing in the name of the Minister of Finance (Mr. Crosbie).

An hon. Member: No way.

An hon. Member: Forget it.

An hon. Member: We stay here.

Mr. Baker (Nepean-Carleton): I do not want to enter into an altercation with respect to that but I want to point out to members that if that bill does not pass by Christmas there is no way home owners in Canada will receive the benefit of it when they file their income tax returns in 1980 for the year 1979.

The other bill for which we require royal assent by the Christmas adjournment is Bill C-6, the old age security amendments and spouses' allowance bill. There is also Bill C-14, the Bank Act. The reason I put that on the list is that it has had an extensive hearing as a reference in the last Parliament and amendments to the bill basically reflect the work of the House of Commons.

There is a bill in the name of the Minister of Veterans Affairs (Mr. McKinnon) with respect to veterans' pensions which we will be putting down very quickly. We require royal assent for that bill before we adjourn for Christmas as well. It is a very short list, really.

With respect to other bills, we will require and ask the House to complete second reading debate on Bill C-15, which is the freedom of information legislation, so that the committee can begin studying it. We will ask that the Municipal Grants Act, Bill C-3, be completed at least through second reading and into committee so that it can be dealt with after we come back.

It is my intention to table in the House in a relatively short time—and I will consult with my friends as to when that can be done—a position paper with respect to parliamentary reform. I would hope we would have moved the reference on parliamentary reform, so that the Standing Committee on Procedure and Organization can get at the job that has been hanging around for a long, long time and examine how this Parliament operates and review it in terms of the views of hon. members and the views that will be expressed by the government in that paper.

There is a matter of law that must be dealt with by Monday. It is my intention to call on Monday, unless other factors intervene, the redistribution reference standing on the order paper in my name. I am required to bring that forward to Parliament and I intend to do so.

That is basically what I would call the particular legislative package for Christmas. If there is time, and I hope there will be—I should like to have my friends discuss that with me because I recognize there might not be time—we hope to call and have dealt with motions standing in the names of various ministers of the House with respect to the four select committees dealing with rehabilitation, the cost overruns, the reference of which is standing on the order paper, and have a parliamentary review of that matter. Then there is the parliamentary review of the Foreign Investment Review Act and its operation, and voluntarism. That is for the purpose of establishing committees and getting Parliament working on those subjects. There is also the question of establishing a joint committee of the House and Senate on the question of nuclear energy. We should like to have that reference made as well, if there is time to do it.

There is one other matter which is basically dealing with the procedure of the House in which I know Your Honour has an interest as you chaired the committee in the last Parliament, and that is with respect to televising the proceedings of the committees of the House of Commons. I hope we can set that up prior to Christmas.

I think it appropriate to give as broad a picture of the expectations of the government as I can for that period of time. However, with respect to the four select committees that I dealt with, the joint committee on the nuclear inquiry and the committee on televising the proceedings in House of Commons committees, I am suggesting these to my colleagues so that they may come back to me to see if we can take those before Christmas. The other items I mentioned and the stages I mentioned are essential to the government prior to the Christmas adjournment.

[*Translation*]

Mr. Pinard: Mr. Speaker, it is obvious that we on this side of the House are ready to co-operate. I did not ask the President of the Privy Council (Mr. Baker) to read the order paper at length. What we want to know is what is going to happen in the near future in the House. I asked the President of the Privy Council to indicate to us what we are going to do today, tomorrow and next week. As for the long list of bills which he has given us, for some there is no complication, but for others the members on this side at least would like to take part in a more thorough discussion. But I feel it is expecting a great deal from Her Majesty to be seeking assent for the 12-odd bills mentioned by the minister. He is dreaming of a white Christmas. However, I would like to know what we are going to do today, tomorrow and next week. And I would

rather not have to ask the question every evening so that on this side of the House we could get ready to speak intelligently and thus closely co-operate with the government to pass legislation as quickly as possible. It would be quite useful to know where we stand in the short term.

[*English*]

Mr. Baker (Nepean-Carleton): Mr. Speaker, there have been consultations among House leaders and representatives of the House leaders with respect to that matter. There is a motion to concur in the estimates and a bill will come out of that. We want to deal with that today. Of course, we will only be sitting until one o'clock tomorrow because of the visit of the President of the United States.

On Monday, as I indicated, all things being equal, and assuming we can make progress on the motion to concur and the bill that will follow it today—in other words, to advance the two stages—on Monday I would be calling the redistribution motion. If we cannot make that kind of progress I may have to reconsider, but I would not do anything without informing my hon. friend. That would get us into next week. I think the next priority is to complete the borrowing authority bill, which would bring us to the first part of the week. Beyond that, I will consult with my friends.

[*Translation*]

Mr. Pinard: I would like to ask one last question, Mr. Speaker. The President of the Privy Council says that today he intends to move the motion for concurrence in the supplementary estimates and the motion to concur in interim supply and then to introduce a bill. Naturally, the consent of the House will be needed for second reading of that bill so that we may sit in Committee of the Whole. We are prepared to go along with all these things, Mr. Speaker, in order to speed up the business of the House and in a spirit of co-operation with the government. However, I want to bring to the attention of the President of the Privy Council who referred to the last three meetings between the House leaders that in each instance he was warned to avoid including in the motion to concur in interim supply an item which would put us in a position where we would have to concur in twelve-twelfths of the interim supply.

For all practical purposes, if we are asked to approve twelve-twelfths of interim supply, it is a matter of principle; we are being asked to approve the total amount of the estimates. So, Mr. Speaker, I note that in paragraph (b) of motion No. 5, we are asked to grant an additional three-twelfths of the total amount of Energy, Mines and Resources votes 15 and L75. That would add up to twelve-twelfths. It seems to me that goes against what we told the President of the Privy Council and the Minister of National Revenue (Mr. Baker). That might lead us to move an amendment that might mean a non-confidence motion against the government which might require a vote very soon if it were to take place on second reading.

[Mr. Pinard.]

I do not intend to move that amendment on second reading, precisely not to embarrass the government and so that things will go more quickly. However, in Committee of the Whole I want to warn the President of the Privy Council and Minister of National Revenue that if he does not amend that motion or if the President of the Treasury Board (Mr. Stevens) does not agree to reduce paragraph (*b*) of motion No. 5 to two-twelfths rather then three-twelfths, in Committee of the Whole, we will be forced to move a motion to amend in accordance the bill that will follow shortly. I draw this to the attention of the President of the Privy Council and Minister of National Revenue immediately. If he wants open co-operation, let him respect the will that was conveyed to him on three occasions at meetings of the House leaders and not include in his motion items that will result in twelve-twelfths of interim supply being approved. And I warn him immediately of our intention to move an amendment, not on second reading, but in Committee of the Whole.

• (1520)

[*English*]

Mr. Baker (Nepean-Carleton): Mr. Speaker, I appreciate that, but I do not know whether it is appropriate to deal with it now in terms of a point of order during house business. However, I appreciate the notice given of the intention to move and I am grateful for it. It is perhaps a matter that could be taken up with the President of the Treasury Board (Mr. Stevens).

[*Translation*]

Mr. Olivier: Mr. Speaker, in view of the fact that the President of the Privy Council and Minister of National Revenue (Mr. Baker) decided the House was going to sit Monday and that, unfortunately, Monday is Remembrance Day, a day to remember our veterans who died in the last wars, first the civil service will be on holiday, second the employees of the House will have to work because of the government's decision. Is the President of the Privy Council and Minister of National Revenue prepared to recommend that those employees who will be working Monday be paid time and half, because I do not see why those people should have to work because of an unexpected decision.

[*English*]

Mr. Baker (Nepean-Carleton): Mr. Speaker, I do not know whether that is within my purview. Perhaps I could discuss with you in the company of my colleagues as to the purview we may have in that respect. I point out, however, that I would be interested; I understand the situation that some members may have difficulties in getting back.

I hope all members will understand that starting from today, given the fact there is a budget to come and there will be a budget debate—

An hon. Member: When?

Mr. Crosbie: Next week.

Mr. Baker (Nepean-Carleton): —that there are allotted days for the opposition granted by our rules, and given a legislative program which I have pared down as much as I possibly can, I think there are 21 government legislative days left between now and Christmas. I believe the House would understand the necessity of keeping that time available.

Mr. Knowles: Mr. Speaker, although there are a number of points that might lend themselves to discussion, the first comment I should like to make is that I welcome the assurance of the government House leader that the bill to amend various statutes affecting veterans will be introduced very shortly. As he knows, it was my hope—and I have stated it a number of times—that that could be done before November 11. It seemed to me that to do so would put more meaning into the tributes that we pay on that occasion. Nevertheless, I hope that what he said will mean that we will know the terms of that bill perhaps some day next week.

Mr. Baker (Nepean-Carleton): I hope so too.

Mr. Knowles: The government House leader has done two things. He has given us an overview of what he wants between now and Christmas, and he has indicated what he has in mind for the next few days.

With respect to the many matters on which he would like action between now and Christmas, may I point out that in the case of those four select committees on voluntarism, the Foreign Investment Review Act, the cost overruns and the handicapped, I indicated to him that in so far as our party is concerned we would be prepared to make arrangements to deal with the four of them in one day's debate. If he wants those committees to get going, and I believe he does, I hope that he will consider that offer.

With regard to the freedom of information legislation, I know that the government House leader expressed the hope that this could be done with a minimum of debate. There was even some suggestion of one speaker per party. We have a number of members who wish to take part, but we would agree to a debate of not more than two days at second reading of that bill. I am trying to make suggestions that might help him to draw up a schedule.

The minister has mentioned certain bills that he feels should be through before Christmas. I realize that it is important to get on with the Bank Act so that we do not run into extending the ten years into 11 or 12 years, but I believe that Parliament does have until March to get that legislation through. Nevertheless, as I say, we recognize that that bill is important.

When the minister was pleading for the legislation regarding the property tax credit to be put through before Christmas, I was thinking that the minister is not only the government House leader but also the Minister of National Revenue. I wonder if this means he has already ordered the printing of the income tax forms as though that legislation had been passed. That, of course, is a bit risky.

Generally speaking, we appreciate the concern about these bills and we shall do our part. As I say, as opposed to some things that we may want to debate at length, I have indicated four resolutions regarding committees and one bill concerning which we think action could be taken fairly early.

As to the debate today, and Monday if it is carried on, my understanding is that first of all we will be debating the motions that are on the order paper in the name of the President of the Treasury Board (Mr. Stevens), and that for those debates Mr. Speaker will be in the chair. It is only after those motions have been passed that a bill is to be introduced. I understand it is to be one bill incorporating both supplementary estimates and interim supply. If at that point it is necessary to give consent to move from first reading to second reading, we will give that consent. But as I say, first of all, we protect our right to discuss these motions at the motion stage.

At that point we can go further into the very serious point raised by the hon. member for Drummond (Mr. Pinard). I certainly do not recall, and I have been around here for a while, interim supply ever being given for a full twelve-twelfths. Yet simple arithmetic tells me that nine-twelfths plus three-twelfths is twelve-twelfths.

Some hon. Members: Hear, hear!

An hon. Member: That is excellent, Stan!

Mr. Knowles: Maybe my hon. friends have not been over there long enough to do the simple addition of fractions. However, we will be discussing these motions with Mr. Speaker in the chair. If these are completed today and first reading follows automatically, we will give consent to go on to second reading.

I wish the government House leader would be a little more specific as to what we will do on Monday if the supply motions and bill are not through today. Will we carry on with them on Monday, or does he intend to interrupt them for the redistribution measure?

• (1530)

Mr. Baker (Nepean-Carleton): On that last point, Mr. Speaker, as I mentioned to my friend I am bound by the law to introduce that reference as a result of an amendment to the appropriate statute to do something by Monday. That is the last day. Unless there is some discussion later today as a result of which we might deal with it in a perfunctory way today, I would have to begin with that work on Monday. I hope that answers my hon. friend's question.

Mr. Knowles: Is the minister also not bound by law to get the supplementary estimates through before November 9? If he is caught with those two legal requirements, what is he going to do?

Mr. Baker (Nepean-Carleton): Mr. Speaker, I thought I indicated clearly that I was taking the first course because I thought we could handle it, and I will discuss how with the hon. member and my hon. friend. I think we can take care of the legal requirement under the statute dealing with the reference to redistribution appropriately on Monday, so I am

determined to call it first. As I said, I am anxious to get Bill C-10 through which, I understand, is third reading. We do have an atmosphere in the House which will require some co-operation among all members. I think I indicated that when I was answering the question of the hon. member for Drummond.

I want to express my thanks to the hon. member for Winnipeg North Centre for the offer he has made with regard to one day's debate on those four references—and I am prepared to consult as to how we divide the time—and also not more than two days on the freedom of information legislation. I think that is quite generous. The hon. member for Drummond is here, but his House leader is quite justifiably away today. We can discuss this matter. If that agreement is forthcoming from the official opposition, it would be very helpful and we can schedule these important matters to allow the committee and Parliament to work, which is in the best interests of members of this House.

Mr. Fleming: Mr. Speaker, a moment ago there was an exchange of words across the floor that was probably picked up by *Hansard*. It seemed to indicate that the Minister of Finance was saying we would have a budget next week. I do not know if that is a littly wry humour or if he has something we do not have officially on the record, that *Hansard* might indicate otherwise. I gather no budget next week. Is that the case?

Mr. Crosbie: I had better clear that up, Mr. Speaker. Although I am enthusiastic about getting a budget before the House, what I said was I will get into the budget next week.

Mr. Corbin: Mr. Speaker, my question is also to the government House leader. It concerns the work of this House but with special interest regarding private members' work. Is it the intention of the government House leader to refer to the Standing Committee on Procedure and Organization the subject matter of the motion I moved earlier today with regard to advancing the hour of the so-called late show, the adjournment debate, from ten o'clock to six o'clock, a time that would be much more convenient to the majority of members in this House? I think there is some predisposition in the minds of most members to do so.

Mr. Baker (Nepean-Carleton): Mr. Speaker, the hon. member was kind enough to speak to me beforehand. I indicated my support for the principle that he discussed. I sent him a note later. I felt at the time, on reflection, that perhaps it was an appropriate thing for the Standing Committee on Procedure and Organization to look at. I believe he will be very pleased with at least that aspect of the position paper that I intend to table in the House of Commons, with the idea of referring it to the Standing Committee on Procedure and Organization.

Mr. Baldwin: Mr. Speaker, before the government House leader breathes a sigh of relief and subsides on this issue, I would like to make a suggestion and also ask him a question. It may be very productive, having in mind the events of the last day or so, for the government House leader to proceed with all due speed to bring in a motion for Parliament to reform. It might be advantageous for this House and for the people of Canada.

I would like to ask him a question with respect to the motion I brought under Standing Order 43. I know the hon. gentleman is doing his very best to see that engrossed in the form of a motion the House can deal with. However, it would be idle to proceed with the freedom of information legislation until we have some opportunity to discuss that antiquated obscenity which masquerades as the law under the Official Secrets Act. I hope this motion can be brought in at the same time so that the committee will be seized with jurisdiction.

Mr. Baker (Nepean-Carleton): Mr. Speaker, I never cease to marvel at the qualities of the hon. member for Peace River for creating adjectives to describe things he does not like. He expressed sentiments which most of us share. I should report to the hon. member that in fact there is a motion prepared. It is my hope we can deal with it at the same time as the freedom of information legislation. I hope so. I could not put that down today because, quite frankly, I have not had time to consult with the hon. member for Peace River, but I have talked to him about the actual wording of the motion. He knows the intention of the government. Now that he has raised it, and I was going to raise it later, I want the House to know that we will probably be putting that motion on the order paper, I guess within a day or so, so that the House can see what we have in mind.

* * *

POINT OF ORDER

MR. NYSTROM—LENGTHY PREAMBLES TO QUESTIONS PUT DURING QUESTION PERIOD

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, I rise on a point of order. In a way, I hesitate to do so. I want to say a word in support of something Your Honour said earlier today during question period when you were chastising—perhaps that is the word—the hon. member for Nipissing (Mr. Blais) about being loquacious and using a very long preamble.

It is a fact that when that is done in the House by members of Parliament, it cuts out members of the opposition from pursuing questions. In other words, it cuts off some members of the opposition. I know Your Honour has been more than fair to all members of the House. It just happened today that, because of lengthy preambles by members of the Liberal party, we were reduced to asking three questions instead of four.

This might be an appropriate time to say that we support any policing of preambles which Your Honour may see fit to do in the House. This would mean there is more opportunity in this House to participate. Perhaps a suggestion that could be made is that if some members are consistent in terms of having long preambles, their party should be penalized and not members of other parties.

Mr. Thomas H. Lefebvre (Pontiac-Gatineau-Labelle): Mr. Speaker, I rise on the same point of order. I am very happy the hon. member has brought this to the attention of the House. I will undertake to speak to the hon. member for Nipissing (Mr. Blais) and other members of my party if the hon. gentleman who has just sat down will speak to the hon. member for Nickel Belt (Mr. Rodriguez), who probably takes up more time than any five members.

An hon. Member: Bionic mouth.

Mr. John Rodriguez (Nickel Belt): On the same point of order, Mr. Speaker, it may be that my ability in the French language, which is a second language for me, is not as fluent as some members to my right. I certainly do not engage in long preambles. I do not think the Chair has ever permitted those preambles. It may be that in debate, when we had points to make about the way those to my right conducted themselves when in government, something needed to be aired and we took the appropriate time permitted under the Standing Orders of this House to do so. The hon. member who previously spoke is so completely out of order that he should withdraw that remark.

Mr. Ian Waddell (Vancouver-Kingsway): Mr. Speaker, I rise as a member who for only a few months has watched some of the members of the Liberal party asking questions. I believe the hon. member for Yorkton-Melville (Mr. Nystrom) should be paid heed to when he states that when they take up a lot of time, we suffer and not them. They should suffer. With respect, I say Your Honour should crack down on them.

• (1540)

Some of us, perhaps, have an excuse for being a little long winded and stuttering a little, since we are new in the House, but members sitting on the front bench over there have no excuse and Your Honour has done nothing about it. I think you should, because we are suffering from the effect of these long answers.

Mr. Speaker: The hon. member for Yorkton-Melville (Mr. Nystrom) said he hesitated even to raise this matter as a point of order. There are two considerations in play here all the time. One of them is an attempt to proportion participation in the question period, which has really been quite an exciting part of my responsibility in this Parliament, much more so than in the last. But trying to apportion it with mathematical precision does not always work. There will be some days when, if we tried to measure the participation of members by a mathematical formula, we would find that one party was slightly ahead of another. I have always been quite careful that if participation from the back benches of any party is prejudiced as a result of long-winded questions or answers from the front bench, that that prejudice stay in the same party as it originated in. The fact that I was not able to do this with extreme precision today can be laid to the lengthy answers which needed to be given. That is very difficult to assess. Sometimes questions can be asked very quickly but the answers are long, not because they are drawn out deliberately but because sometimes they have to be long. That is very difficult to judge.

I do not think we can try to argue on the floor exactly how this should be done with mathematical precision every day, but I certainly understand and appreciate the sentiments of hon. members who have expressed themselves so far. I see the hon. member for Bellechasse (Mr. Lambert) is seeking the floor. This is one matter, I am sure, they cannot blame on the Creditistes because they were not up today and they were not up yesterday. I am sure he wanted to make that point clear.

[*Translation*]

Mr. Yvon Pinard (Drummond): Mr. Speaker, hon. members of the New Democratic Party have undoubtedly got their message across, but we of the official opposition expect the same treatment that the official opposition in the last Parliament received.

ROUTINE PROCEEDINGS

[*Translation*]

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. David Kilgour (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, the following questions will be answered today: Nos. 143, 181, 201, 273, 290 and 392.

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

[*Text*]

MARITIME POLLUTION CLAIMS FUND

Question No. 143—**Mr. Herbert:**

1. From its inception to October 31, 1978, what have been the administrative costs of managing the Maritime Pollution Claims Fund?

2. Of the amount accumulated in the fund as of October 31, 1978, what amount (a) represents accumulated interest (b) has been contributed by the contributing companies?

Hon. J. Robert Howie (Minister of State (Transport)): 1. $85,748.31.

2. (a) $14,203,359.74; (b) $34,880,845.40.

CANARCTIC SHIPPING COMPANY LIMITED

Question No. 181—**Mr. Herbert:**

1. (a) What is the government's precise financial interest in Canarctic Shipping Company Limited, as administered by the Department of Transport (b) on what date was such interest acquired and (i) at what cost (ii) for what reason?

2. What was the book value of the government's equity on the date of acquisition and what is its latest estimated book value?

3. To date, what is the government's total investment, including equity costs, contributions to operating funds and debt forgiveness in the company and what is the total realized profit from such investment?

4. How is the government's interest represented on the (a) Board of Directors (b) senior management?

5. Has the government made a policy decision in regard to its future disposition of its interest in the company?

Hon. Don Mazankowski (Minister of Transport): Transport Canada advises as follows:

1. (a) 306,000 shares without nominal or par value issued for $1.00 per share and fully paid.

(b) March 10, 1978

(i) $306,000

(ii) Pursuant to a memorandum of shareholders agreement entered into on December 15, 1975 between the Government of Canada, represented by the Minister of Transport, North Water Navigation Ltd. and Cornwallis Shipping Limited, the Canarctic Shipping Company Limited was created. The government desired to encourage and support arctic shipping and to obtain information on the technology required for commercial ships to operate in the north in light of certain aspects of the arctic shipping pollution prevention regulations and to make such information available to Canadian shipbuilding and shipping companies who wish to build commercial icebreaking vessels in Canada for the purposes of arctic shipping under the Canadian flag.

2. The book value of the investment at date of acquisition was $306,000 and the latest estimate of the book value is $306,000.

3. As of October 15, 1979 the total investment was:

Equity	$ 306,000
Contribution to Operating Funds	4,315,348
Debt Forgiveness	Nil

No profit has been realized to date on the investment.

4. (a) Pursuant to the memorandum of shareholders agreement, Canarctic Shipping Company Limited shall have a board of directors consisting of seven members of whom four members shall be the nominees of the minister.

(b) The chairman of the board of directors and the secretary of Canarctic Shipping Company Limited are nominees of the minister. All other officers and senior management are nominees of the shareholders of North Water Navigation Ltd.

5. No.

INDUSTRY, TRADE AND COMMERCE

Question No. 201—**Mr. Herbert:**

How many (a) permanent (b) term employees were on the Department of Industry, Trade and Commerce's payroll on March 31, 1979?

Hon. Ron Huntington (Minister of State for Small Businesses and Industry): In so far as the Department of Industry, Trade and Commerce (including the Foreign Investment Review Agency and the Ministry of State for Small Businesses and Industry) is concerned: (a) 2,632 permanent employees; (b) 223 term employees.

TRANSPORT—OMBUDSMAN

Question No. 273—**Mr. Herbert:**

1. What are the specific duties and functions of the Ombudsman for the Department of Transport and how were they carried out before the position was announced?

2. Will the work of the Ombudsman be documented in an annual report?

Hon. Don Mazankowski (Minister of Transport): 1. There is currently no ombudsman position in the Department of Transport. For a brief period, from April 1, 1978, to December 31, 1978, a position existed the duties of which included the investigating and recommending on the disposition of complaints directed to the department from the general public on matters relating to the application of administrative procedures and decisions, and for fulfilling the function of privacy co-ordinator within Transport Canada under the Canadian Human Rights Act. Before the creation of that position, the function of privacy co-ordinator was performed by the director general of personnel.

2. Not applicable.

EXPORT DEVELOPMENT CORPORATION

Question No. 290—**Mr. Herbert:**

1. What amount is presently owed to the government and its agencies for products, goods and services purchased by foreign governments, groups or individuals prior to January, 1979?

2. What amount is presently outstanding by the government or its agencies in guarantees to the private sector for products, goods or services sold to foreign governments, groups or individuals prior to January, 1979?

Hon. Michael Wilson (Minister of State for International Trade): In so far as Export Development Corporation is concerned: 1. The amount owed as of January 1, 1979 to Export Development Corporation for products, goods and services purchased by foreign governments, groups or individuals is $6,193,361,000, including $4,159,105,000 undisbursed funds on signed loan agreements for the corporate account, and $575,752,000, including $266,635,000 undisbursed for the government account.

2. The amount of the contigent liability of Export Development Corporation as of January 1, 1979, in insurance and guarantees to the private sector for products, goods or services sold to foreign governments, groups or individuals is $1,427,857,000 for the corporate account and $556,605,000 for the government account.

NATIONAL REVENUE—SUFFERANCE WAREHOUSE

Question No. 392—**Mr. Cossitt:**

1. How many sufferance warehouse applications were received by the Department of National Revenue during the past four years and how many were approved and in what locations?

2. Is the government examining the matter of permitting further sufferance warehouses and, if so, will a policy be announced in this regard and on what date?

3. Will pending requests for sufferance warehouses be held up while the matter is being considered or is it possible that some will be approved during the interval and, if so, how many and in what locations?

Hon. Walter Baker (President of Privy Council and Minister of National Revenue): 1. Since January 1, 1976, 30 applications for the establishment of highway sufferance warehouses have been received by the Department of National Revenue. Ten applications were approved, eight for General Commodities and two for Fruit and Vegetables only as follows:

Year Approved	Location	Commodities
1976	Grand Falls, Nfld.	General
1976	La Tuque, Que.	General
1976	Moncton, N.B.	Fruits and Vegetables
1977	Charlettetown, P.E.I.	Fruits and Vegetables
1977	Courtenay, B.C.	General
1977	Kitimat, B.C.	General
1978	New Glasgow, N.S.	General
1978	North Battleford, Sask.	General
1979	Edmunston, N.B.	General
1979	Renfrew, Ont.	General

2. The department is reviewing the matter of customs enforcement and control in respect of commercial importations. This review encompasses the role of sufferance warehouses. Any new policy developed as a result of this review will be announced following conclusion of the study in the spring of 1980.

3. Notwithstanding the review indicated in part two above, applications for the establishment of highway sufferance warehouses are being accepted and evaluated on their individual merits in accordance with the customs sufferance warehouses regulation and current departmental policy. It is not known in advance as to how many applications will be received nor the location of the proposed warehouses.

[*Translation*]

Mr. Speaker: The questions enumerated by the hon. parliamentary secretary have been answered. Shall the remaining questions be allowed to stand?

Some hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

BUSINESS OF SUPPLY

CONCURRENCE IN SUPPLEMENTARY ESTIMATES (A)

Hon. Sinclair Stevens (President of the Treasury Board) moved:

Supply

That Supplementary Estimates (A), 1979-80, laid upon the table Thursday, October 11, 1979, be concurred in.

Mr. Speaker: Is it the intention of the House to consider more than one motion at the same time, or does the House prefer to take them one at a time? The one motion then, the motion of Mr. Stevens which I have just read.

Is it the pleasure of the House to adopt the said motion?

Mr. John Rodriguez (Nickel Belt): Mr. Speaker, I want to say a few words about the supplementary estimates and make some comments in particular with respect to the whole area of labour, the whole field of employment opportunities in Canada. I want to take the opportunity, using this motion, to place some thoughts on the record because I think they are extremely apropos at this point in time.

Since 1979, the proportion of the national work force employed in the manufacturing sector has fallen from 26 per cent to 19 per cent. In 1970, 21 per cent of our exports consisted of manufactured goods, whereas today the figure has fallen to 10 per cent. In 1970, our trade deficit in manufactured goods was $3 billion and now the figure has increased to more than $11 billion. Foreign ownership of the Canadian economy continues. It dominates our economy. Petroleum, base metals, rubber, cars, electrical products, resources in general, are all foreign-controlled. This means the profits and dividends, the licence fees, the interest payments and the management fees must all leave the country. Indeed, that is the greatest problem with respect to our current account deficit.

I believe that when on May 22 some 37 per cent of the electorate of Canada voted for the Conservative party and that party formed a government, these people expected a change. They expected a new direction. During that campaign the Conservative party pointed out very correctly that inflation was indeed a very serious problem for working Canadians.

An hon. Member: It was public enemy No. 1.

Mr. Rodriguez: Yes, that is right. They also pointed out that unemployment was the twin brother, or the twin sister, depending on your orientation, of inflation and that these are extremely serious problems. The fact of the matter is that the government which now sits opposite is acting on the same philosophy and pursuing exactly the same policies as the government it replaced, a government which followed them for 16 years and, before that, for 106-odd years, or whatever. It is a dangerous policy. It is one which says government has no place in the board rooms of the nation and, in effect, that the government ought not to interfere in the private sector, that the government ought not to involve itself in economic management. This has created the situation we face today.

I do not think it gives us much comfort when we look at the front benches opposite and see the who's who of the corporate world sitting on those benches. These are the very people who have created the problems in this country. The corporate interests in Canada today are not interested in Canada or the Canadian people. They are not interested in the welfare of

Canadians. They are interested in their own narrow concerns of accruing greater profits and diversification of the industries to which they owe their loyalty. There is no doubt they are prepared to sell their mothers-in-law if the price is right. It seems to me they would sell anything, if anything was for sale in this country.

One has only to look at the latest report of FIRA to see how quickly they would abandon this country, take their profits and run. When we look at the front benches of this government we see the incestuous relationship between government and the corporate world. We have a finance minister who is the scion of an entrepreneurial family in Newfoundland. He used to be a Liberal. He started his own party. He crossed the floor, back and forth three times in the Newfoundland legislature. Today he sits here saying he is a neo-Tory. Sounds to me more like he is a suppository.

Some hon. Members: Oh, oh!

Mr. Rodriguez: We go down the line and we see the "happy hacker", the President of the Treasury Board (Mr. Stevens) and the little hackers around him. He is the man who failed as a potential president of the Bank of Western Canada.

• (1550)

Mr. Symes: That is why he wants to sell off profitable Crown corporations.

Mr. Rodriguez: He is a failed banker, and he talks in this House about selling off—privateering—businesses which Canada was forced to go into in order to preserve Canadian jobs because foreign-owned companies were closing down and laying off Canadian workers.

Then there is the economic adviser to the Prime Minister (Mr. Clark), the *éminence grise*, Jim Gillies, formerly member of Parliament for Don Valley. When he was a member of Parliament he said in a speech in Toronto that there was nothing wrong with our being hewers of wood and drawers of water. That role is being played out on the Tory benches today.

The hon. member for Scarborough West is the Parliamentary Secretary to the Minister of Labour (Mr. Wightman). I received a little notice the other day from the Canadian Manufacturers' Association. The association was congratulating the parliamentary secretary on his appointment. The notice said, "As you all know, Bill was our industrial relations director for many years". It must have been a manifestation of the sense of humour of the Prime Minister which made him appoint the hon. member for Scarborough West to the position of Parliamentary Secretary to the Minister of Labour. Is it not wonderful for labour to know that its future and its interests lie in the hands of a former water boy for the Canadian Manufacturers' Association?

Then there is the Parliamentary Secretary to the Minister of Finance (Mr. Ritchie). He is a former big wheel at Imperial Oil. He sits in the back smiling. He should smile. The profits of oil companies today would put a smile on the face of any parliamentary secretary, especially if he came from Bay Street.

The Minister of Employment and Immigration (Mr. Atkey) was a member of a law firm which acted for Inco. We all know what Inco did to the Sudbury basin and about its commitment to job creation in this country. The minister has hired as his policy adviser Elizabeth Parr Bond, who was a big wheel at Inco.

The Conservative party has among its caucus research staff a chap named Walter Gray, another Inco boy. They are all finding homes now. They have come out of Bay Street or the Toronto-Dominion Centre, and now they are all living here in Ottawa. Thank God that nest across the street burned down.

An hon. Member: Shame.

Mr. Rodriguez: But now they are living on Parliament Hill; God help us!

Someone once told me that the Rideau Club was well located beside the American embassy. In the one building policies were made, and in the other building they were fired. The people making policy for Canadians now are making policy which has a bias. Let me give examples of the kinds of things which take place. I have outlined why hon. members opposite are helpless to do anything. The system needs to be challenged. Those who control the purse strings of the nation, those who are surrogates to those on Bay Street, are in no position to challenge the economic structure. Every day they say that we have to depend on the private sector to create employment.

I have never known of a corporation which was in the business of job creation. On the contrary, the business of business is business. Somebody said that in the House the other day. Therefore, the job of a corporation is not to create employment. Its job is to maximize profits and minimize costs. That is a legitimate undertaking, but what is legitimate for government? A legitimate government undertaking would be to plan the economy so that it expands and creates employment opportunities. There has to be a strategy. There have to be some rules. You either play by the rules or you go away; you do not play on the team any more.

If an immigrant came to this country and did not act in its best interests, he would be deported. That is fair ball. Those are the rules. But we have multinationals which come into this country and behave as if it is their private playground. Whenever a government says anything, they threaten, bribe and cajole. If they are not happy, they put their capital on strike. We saw that when the oil companies wanted an increase about three years ago. They took up their drills and this and that and took them to the Arabian Sea. Then we said, "Oh, boys, don't go away, we will give you a few more billions". Like the swallows returning to Capistrano, lo and behold, they came back because the price was right. The Canadian people paid it, and they still are.

Indeed, as a result of three proposals with regard to the Income Tax Act they can be paid more money to drill dry

holes than actually to discover oil. That is the way it is. They have come into Canada and done exactly what they wanted. Let me give a specific example. Everyone knows the famous IT and T. We have seen that company perform in Chile and throughout Latin America. It came to the north shore of the St. Lawrence at Port Cartier. It was going to build a pulp and paper mill. It was supposed to be a modern operation. The federal government forked over $23 million. The provincial government forked over $100 million. Every time there is a problem, we throw money at it. So, IT and T came. The plant is now six years old. What did the company do? It just shut the plant down. The plant was appropriate for Georgia and Virginia, but it was not very appropriate for the north shore of the St. Lawrence. A whole set of problems was created. The solution was to close the plant down, and 1,300 workers are out of work.

The Minister of Finance is sitting over there with the Minister of Fisheries and Oceans (Mr. McGrath). I would have to call them the odd couple. Both of them are from Newfoundland. I recall the situation at St. Lawrence, Newfoundland where an Alcan fluorspar mine closed down and put 400 workers out of work. That represented the whole working community because that was the only operation in St. Lawrence. They are out of work. They are on unemployment insurance. In the case of the IT and T plant in Port Cartier, 1,300 workers went on to the rolls. There have been other examples of operations being closed down. Multinationals do not like to be pressured. They want to get all the benefits and advantages, so they cajole and threaten and elect their own to the House of Commons so that they can continue. It seems that there is no will to challenge that structure. There is no will to challenge the suggestion that Canada must jump every time multinationals decide they need more for their coffers. That is not acceptable.

Let us consider another example, the shipbuilding industry in this country. I point out that 40 per cent of the workers in the Canadian shipbuilding industry are located in the province of Quebec. The Prime Minister has said in this House that he does not want to get into the referendum debate in Quebec because he thinks actions speak louder than words. I agree with him. In effect, we could say as well that inaction speaks louder than words. Here we have a situation where 1,700 jobs have disappeared in the Quebec shipyards in the last year and another 3,500 jobs are threatened.

● (1600)

I want to say that that kind of situation undermines the interests of Canada. It is more destructive than any rabble-rousing speech by any separatist in the province of Quebec or the province of Alberta. I think that that is a very destructive situation because, in the long run, a person has to decide if there is more benefit to be derived from being part of a united Canada, with all the strength and diversity that that carries, or if it is better to go it alone. They cannot do any worse. It seems to me that the Prime Minister has an opportunity here in assisting the shipbuilding industry in the province of Quebec or, for that matter, in eastern Canada.

There is a lot of talk about having our own merchant marine, and there are some navy ships to be built, but action must be taken now. These cannot just be promises which are going to be held up and recycled election after election. There has to be some action taken to get this going. We certainly saw the demise of the merchant navy under the Liberal party when it formed the government. Now we have Tweedledee out and Tweedledum in, and they are telling us that they will bring back the merchant navy.

So, true to form, they set up a committee to study the matter. They must be the most studious group over there, because everything is being studied. When they were in opposition, they had all the answers. They did not need any studies. In fact, they accused the Liberals of always doing studies on everything. Now they are in government, it turns out they do not have the answers at all. They have embarked on make work projects for all the backbench Tories who did not get cabinet posts. They give out a press blurb that Joe so-and-so from the back benches has been appointed chairman of a committee to study ingrown toenails and, lo and behold, he gets the committee going.

Now they are saying we should have a merchant marine and that is how we are going to stimulate the shipbuilding industry in Canada. As a result of that campaign promise, the leader of our party wrote to the Prime Minister and received the following reply on October 16, 1979:

Dear Mr. Broadbent:

I have your letter of October 1, 1979, regarding the Halifax shipyard and Panamax drydock.

You will be pleased to know this government places a high priority on the improvement of the Canadian shipbuilding and repair industry. The economic development committee of cabinet, under the chairmanship of the Minister of State for Economic Development, is presently reviewing the shipbuilding and repair industry in general, and the Panamax drydock in particular.

Given the urgency of this matter, I expect the committee will bring forward their recommendations at a very early date.

I take this opportunity to express my thanks for your support in our continuing efforts to establish an economically viable merchant marine.

Yours sincerely,

Joe Clark.

"We have set up a study and we are going to study the merchant marine now", they say. When they were in the opposition, they said: "we must have a merchant marine now". I ask, what is the study for? It seems to me that what we have to do now is to look at ways and means. We should lay out a plan. We all saw the leader of the Conservative party meeting with all his minions at some resort around here with lots of books, and those were the blueprints for change. Now we are finding out that all these problems have to be studied as if they had to look at the reason why we need a merchant marine after all. While they are doing that, jobs are going down the tube in this country, jobs are disappearing. In effect, this government sits on its hands and says, "We are studying the problem".

We asked a question today with regard to an order for the construction of a ferry which the CN is placing, a ferry to be used in eastern Canada. Where are they looking to construct the ferry? They are looking to place the order for its construction in the United States. For example, this country needs legislation which would say that if we are going to build a merchant marine and if we are going to spend any money on shipbuilding, the building and the spending should be done in Canada. We should delineate that policy very clearly. After all, Bill Davis, when he discovered that the street cars he was buying would be cheaper in Montreal than Thunder Bay, forced TCC to purchase them from Thunder Bay because there was a need to create jobs in northwestern Ontario in particular. So, in effect, the Ontario government intervened by directing job creation.

It seems to me that we need to have a policy. It is surprising to note—it is not surprising for me and for those of us who live in the Sudbury basin, but it is surprising for people who are not from there—that 50 per cent of the nickel mined in the Sudbury basin leaves the Sudbury basin in a semi-processed state, in matt form. Then it goes to the United States and it goes to Wales and is finished in its final form, following which it is sold back to us. It seems to me that at this point in time we need to have a clearly defined policy to direct that our resources will be refined to their final stage at the place where they are mined. This should also apply to our forestry resource. We are still shipping our pulp in a semi-processed state from the east coast of Canada to Europe, and we buy back fine paper. It seems to me, for example, that our economic strategy should clearly define that Canadian resources must be refined by Canadians in Canada.

It is becoming very clear that the employment factor is in the manufacturing sector, not in the ripping out of resources. The ripping out of resources is capital intensive, but jobs are in the refining and manufacturing of the resource.

The government has done an analysis of research and development. That is another area where we do not have a clearly defined policy. They should no longer be studying what has caused problems in the economy. When they were in the opposition, they knew what the problems were. What we should be doing now is putting in place some policies to achieve full employment.

We have the spectacle of the President of the Treasury Board saying the government are going to sell de Havilland and Canadair, keeping in mind that de Havilland and Canadair came as a direct result of the analysis which I have just given in terms of foreign ownership. Those were two industries whose foreign owners decided they were no longer going to keep them in Canada and so they decided to close them down. It was the fear of all those jobs being lost which caused the Canadian government to step in and take those two companies over and build up these industries, which gave us some expertise in the aeronautical industry. Now that the gang of 138 is in—

An hon. Member: It's 136.

[Mr. Rodriguez.]

Mr. Rodriguez: The gang of 136 is now saying, "We have to privateer these companies." The suffix "ize" should only be added to one noun, and that is "fertile".

● (1610)

It seems that when they are talking like this, saying they are going to privatize or privateer de Havilland, one should remember that the President of the Treasury Board, in a meeting with the United Auto Workers which represents the workers of de Havilland and who are concerned about jobs and Canadians working, and not interested in Canadians going on unemployment insurance and on welfare, said he is not prepared to give them guarantees. Representatives of that union attempted to get some guarantees from the minister that if the government proceeded with the sale it would be sold to Canadian owners and that whoever buys the industry will not be allowed to pick up the plant and put it in some other part of the country, creating a great deal of hardship for the thousands of employees of those operations. The President of the Treasury Board in his usual mild and self-effacing way told them he was not prepared to give those guarantees.

When the minister was pressed to bring the matter to Parliament he got into a great big spiel about how they actually came into public ownership. He mentioned some dollar item in the estimates as though that was relevant. What is relevant is the situation now, not what was done previously. In effect, this government has embarked on the principle that Parliament is supreme and that Parliament is the place where these decisions should be made. Indeed, we had the example of a bill passed in one day just two weeks ago making legal an increase in postal rates which has been in effect now for a year. The argument was that it was done by order in council under the Financial Administration Act, but Parliament should decide the increase in postal rates.

These corporations come under the Financial Administration Act and they are infinitely more important than an increase in the postal rate from 14 to 17 cents, yet we observe the arrogance of the President of the Treasury Board in ignoring Parliament and denying Parliament the opportunity to debate the matter. He now sits there and smiles. This is not a smiling matter, it is an extremely important matter, particularly to the 23,000 workers of de Havilland.

Mr. Stevens: How many?

Mr. Rodriguez: There are 23,000 in all their various operations. They are concerned about what happens if that plant and those operations are sold and relocated somewhere else in the country. That is extremely important to them. The President of the Treasury Board can laugh all he wants. He does not have to worry about where his next pay cheque is coming from because he knows darn well that he can move on to the Senate. He knows that if he was defeated he would go to the Senate. He knows they will find a niche for him somewhere in the corporate structure.

An hon. Member: He will become a bank president.

Mr. Rodriguez: We are coming to the Bank Act in a minute. It seems to me that this is a perfect example of what this government is attempting to do. They are putting us back into the hands of the very people who created the problems. You know what happens when these corporations close down and move on. People go on unemployment insurance when that happens and this government is now tightening up on unemployment insurance.

These fellows to our right did their trick when the Conservatives were in opposition. The Conservatives in opposition opposed the previous Bill C-14, having to do with the latest changes to the Unemployment Insurance Act. The hon. member for St. John's East (Mr. McGrath) carried out a campaign in eastern Canada pointing out how terrible the Liberals were to bring in changes to the Unemployment Insurance Act, changes that would have devastating effects on the poor people of eastern Canada. Now that they have been elected and are sitting in the government benches, one would have thought they would at least have scotched that. But no, what they have done is continue the changes and allow them to come into effect. Those changes are detrimental.

This government has no control over the economy and is allowing these corporations to put Canadians out of work. When that happens Canadians go on the dole, on unemployment insurance. When that happens the government turns around and blames the victims for the conditions in which they find themselves. They start tearing away at the humanity of fellow Canadians, men and women. They start saying things like they are ripping off the unemployment insurance system, they are stealing, they are lazy, they are young people and do not want to work, they are only women, secondary earners, and so on. This is a very dehumanizing thing to Canadians who are unemployed. All this makes these people feel guilty about receiving unemployment insurance. They became unemployed because of unilateral decisions on the part of corporations.

I know the Minister of Labour (Mr. Alexander) is a very nice, hearty, hail and bluff fellow. He gets up and says, through an intermediary, an unknown official in the labour department, that he is concerned that he does not have enough importance in the cabinet. I think he is in the outer ring. Some members are inners and some are outers, and apparently he is an outer. He wants to get to be an inner.

An hon. Member: It's an in and out house.

Mr. Rodriguez: An "in house" and "out house", I get it. That minister wants to enhance his role and that of his department. He says it only has a budget of $40 million and "X" number of man-years of employees, so he wants to take over more of the responsibilities of the Minister of Employment and Immigration. He makes a good argument. He says: "After all, we are both paid the same ministerial salary, allowance and everything else so why should I not share the work?" He does not have to take anything away from the Ministry of Employment and Immigration. He should bring in some legislation that puts some flesh on the labour structure of this country.

For example, there ought to be adequate notice of shutdown. There should not be this business of a company deciding that six weeks from today it is going to close down its plant. In some countries corporations are not allowed to do that. In some countries the notice for a shutdown or layoff in some cases is a year or more, so that if there is something structurally wrong they can look for alternate ways to employ the workers, or to change the operation and retain the workers.

The Minister of Labour has a wonderful opportunity. We have the Bank Act. The banks want some changes. They want security for Canadian banks. They do not like foreign banks. They want security for themselves in respect of operating in this country. However, they will not provide any security for their employees vis-à-vis the efforts to organize bank employees. The banks have fought tooth and nail against the organization of bank workers into unions.

What has the Minister of Labour been doing? He does not have changes to the labour code he intends to bring in to provide the Rand formula which has been accepted in this country for so many years. As a result, we have situations in which the banks refuse to negotiate in good faith. They will not agree to the Rand formula with regard to the collective agreement.

There are many changes that must be made to the labour code to enhance the working place, to make the workplace a more human place. For example, there is much to be done in the field of occupational health and safety. There are thousands of chemicals that come into the workplace in this country every month, yet there is no pre-testing. The only testing is in the acutal use of those materials and the subsequent results years later when we fight a rearguard action to improve the quality of the workplace. There is a whole new spectre with regard to stress in the workplace, a new danger in the workplace, but that whole area has not been looked at by the Minister of Labour.

• (1620)

For example, part IV of the labour code says that the minister may set up health and safety committees in the workplace. There is nothing in the labour code which says that it is mandatory. To date the minister has not set up one health and safety committee in a workplace under federal jurisdiction. It seems that he has so many problems to deal with, such as the question of technological change and the impact of technological change on the work style of workers in this country. There are so many things that should be done, but the Minister of Labour has not touched any of them.

It seems to me, as we take a look at what has been happening in Canada, that there is no reason to have any confidence in this government. It seems that they are carrying on the disastrous policies established by their predecessors. This government is not prepared to challenge the corporate structure in Canada, to place Canada first, to take a firm stand with respect to economic planning or to step in and say

that the government has a role to play in the planning of the economy. All these things must happen, otherwise we will continue to rip out our resources, and to lose, therefore, many job opportunities.

Interest rates are rising, Mr. Speaker. The government says that we are locked into the American interest rate structure, and that if their interest rate rises, so must ours. What has happened is that it has sneaked continentalism in through the back door. The effect of high interest rates on industry is illustrated in British Columbia where the Weldwood plant has had to lay off 700 workers because interest rates have made it uneconomical for the plant to keep these people.

This government has said that things will get worse before they get better. It is the old story, the operation was successful but the patient died. The government keeps saying that raising the interest rates is the way to fight inflation, but in fact it causes inflation. How does one bring inflation down by allowing interest rates to rise? When they were in opposition, it was wonderful to hear the Conservatives make all their arguments against rising interest rates, but now that they are the government, they say that we are locked in.

If one looks at the answers in *Hansard* given by the minister of finance of the previous government with regard to interest rates, one will find that they are exactly the same answers the current Minister of Finance has been giving out. The government does not have a new approach or a new deal. All they say is that we must renew initiatives and let Canadians pull themselves up by their bootstraps. It is operation bootstraps. It is forward into the past. That is the myth today, that somehow or other having a free enterprise system and competition will solve our economic problems. It will not solve our problems.

This government has brought in the supplementary estimates which were introduced by the previous government, but they could easily be the supplementary estimates of this government because they have accepted holus-bolus the basic philosophy on which Canada is run, economically speaking.

Mr. Herb Breau (Gloucester): Mr. Speaker, recognizing that the NDP has decided that they would speak on this motion, I want to put on record the reason my party will not participate in the debate. It is because we would prefer to wait and have our day in Committee of the Whole. We are prepared today to go into Committee of the Whole on the bill with the Minister of Fisheries and Oceans (Mr. McGrath). It is not because we are not interested or that we agree that the House should give passage to this matter of supply without asking any questions of the government about what they have done. Or I should say what they have not done, because they really have not done very much. That is the position of our party.

We recognize that the NDP has decided otherwise, and we do not question that. They see it as their duty to participate in this debate. What we want to do is get at these ministers and bring them before Parliament and the eyes of the public to show the public what this government has not done in the past five months.

[Mr. Rodriguez.]

Mr. Benno Friesen (Surrey-White Rock-North Delta): Mr. Speaker, I would like to add a couple of remarks in response to the remarks made by the poverty-stricken member for Nickel Belt (Mr. Rodriguez). I share his concern that when government contracts are given out, we ought to preserve as many jobs as possible for Canadians. The hon. member referred to the proposed ferry to be built by Canadian National and said that it ought to be built by Canadians if at all possible.

My mind then went back several years when the hon. member for Nickel Belt was on a Commonwealth Parliamentary Association trip to Sri Lanka. The hon. member came back with a Persian rug, much like the Persian rugs found over in the Rideau Club which he eschewed so much. When the hon. member landed in London, he went straight from the airport to the English Channel in order to catch a ferry to France so that he could buy a headlamp for his French car. It was not a Renault or Peugeot but a Citroen. That is the hon. member's way of preserving Canadian jobs. I hope when he hires help to look after his race horse that it is Canadian help.

Mr. Rodriguez: Mr. Speaker, I do not know where the hon. member got this idea. He may have been on some sort of Arabian Night's dream. I do not know on what basis he makes those accusations about my purchasing non-Canadian items. I do not frequent the South African embassy, and therefore do not have an opportunity to enjoy South African wines. I do not know what the hon. member is talking about.

Mr. Lefebvre: Mr. Speaker, on the point raised by the hon. member for Gloucester (Mr. Breau), I would like to make it very clear that I support him completely. We would sooner get into Committee of the Whole and call certain ministers to reply in this Parliament to specific questions, rather than make long speeches and get no answers. The members of the NDP have chosen, which is their right, to filibuster on this bill and not go into Committee of the Whole. As the official opposition we will watch their actions, and if they continue to filibuster we will also put up some speakers.

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, I had not intended to speak on this matter, but then I heard the remarks of the Liberal whip.

Mr. Darling: What is that in your hand?

Mr. Nystrom: I will tell you what it is in a minute. The Liberal whip has said that the member for Nickel Belt (Mr. Rodriguez), by making an eloquent and tremendous speech, is leading my party on a filibuster. I would like to know, as the hon. member for Sault Ste. Marie (Mr. Symes) asked, what the hon. member's definition is of filibuster.

We are dealing with supplementary estimates here which are very important. I think the reason the Liberals do not wish to participate is that they are embarrassed. We are dealing with estimates proposed by the previous Liberal government. The President of the Treasury Board (Mr. Stevens) is nodding

his head. He is now piloting some Liberal goodies through the House of Commons. Perhaps that is why they are embarrassed to speak. They are looking for any excuse to avoid participating in this debate.

• (1630)

I want to say to my Liberal friends that some very important things are happening in this country, and so it does no harm to spend a few hours on this stage of the debate. When government members were in opposition they used to do this quite often.

I should like to refer to one issue which I think is very important, Mr. Speaker, and that is the speech made in Calgary yesterday, by the Minister of Transport (Mr. Mazankowski), who is responsible to the Canadian Wheat Board, to the United Grain Growers. We are dealing today with the estimates that concern transportation, the movement of grain and things that are very important to farmers in the west. I should like to quote one or two things from that speech. The minister said:

I am frustrated—

I suppose he is frustrated at being a member of that cabinet. He continued:

—at present because we are passing up sales—perhaps worth $1 billion per year—because of limitations in our transportation system. I can't help thinking what it would mean to producers and to Canada if we were exporting 50 per cent more grain and oilseeds. There would be a tremendous increase in cash flow and net income for producers. The additional sales would earn Canada $2-$3 billion a year in badly needed foreign exchange. . . . And it would generate an additional $4 billion a year in domestic economic activity.

I want to make the point here that we are dealing with a resolution on the estimates of the old Liberal government. The administration which Otto Lang headed as minister of transport cost this country literally billions and billions of dollars per year for the movement of grain. The Minister of Transport says that about $1 billion was lost last year because the grain could not be moved, and an extra $4 billion was lost as a result of reduced economic activity that would have been attendant upon the movement of the grain.

I think it is important to register our dissatisfaction with the amount of money provided in the supplementary estimates for the movement of grain. I want to make it clear that I expect the Minister of Finance (Mr. Crosbie)—the Ayatollah Crosbie—to include several hundreds of millions of dollars to repair the branch lines on the prairies and to purchase hopper cars when he brings down his budget. The Minister of Transport is complaining that the grain was not moved due to the inefficient system left the country by 16 years of Liberal party rule.

Some hon. Members: Hear, hear!

Mr. Nystrom: I hope the Minister of Finance realizes that his backbenchers are applauding, meaning they agree this should be done. I see him nodding—I can hear him from here! I hope he takes very seriously representations made by the backbenchers of his party and by members of this party. We cannot afford to lose $4 billion per year. It would seem to me good economic sense to invest a few hundred million dollars in order to reap an additional $4 billion per year in economic activity in the west.

I have another concern about the speech made by the Minister of Transport in Calgary yesterday, Mr. Speaker. He spoke of the possibility of getting rid of the Crow rate or changing it. He said that if there is any change of application of the Crow rate it will have to be coupled with adequate service guarantees. This morning, speaking on the CBC, he elaborated on the possibility that the Conservative party may change the Crow rate. I do not know what kind of change they are thinking of, so I think it is important that someone in the Conservative party should make their stand clear as soon as possible.

I should like to take a moment to point out to members of the House how important the Crow rate is to Canadian farmers, Mr. Speaker. Many years ago the CPR was given a lot of land, mineral rights and property. In return for that, they guaranteed to haul the farmers' grain at a set price in the years ahead. That price is set in the statutes of this country, and to the farmers that is very important. If the Crow rate was varied it would cost farmers from 400 per cent to 600 per cent more to haul grain to market, compared to the cost for the equivalent distance in the United States.

During the election campaign last May the Minister of Energy, Mines and Resources (Mr. Hnatyshyn) said that if the Conservative party was elected it would guarantee retention of the Crow rate. The Prime Minister (Mr. Clark) has not given that assurance, however, and now the Minister of Transport is saying that they are considering getting rid of or changing the rate.

I say to you, Mr. Speaker, that the spirit of Otto Lang lives; the spirit of Otto Lang is reincarnated in the Minister of Transport!

An hon. Member: Be serious.

Mr. Nystrom: I am being very serious, Mr. Speaker. Many members of the Conservative party have spoken about abolishing the Crow rate. The Hall commission report, however, recommended the retention and extension of the Crow rate to cover processed raw materials.

Just a week or so ago I heard the hon. member for Lisgar (Mr. Murta) comment on the radio that the Crow rate should be changed. The Conservative governments in Alberta and Manitoba have spoken about altering the Crow rate. The Parliamentary Secretary to the Minister of Agriculture (Mr. Hargrave) has said that the Crow rate should be altered. As well, the newly appointed western grain transportation coordinator, Hugh Horner, brother of the famous Jack, has spoken of the possibility of abolishing the Crow rate.

Where does this government stand, Mr. Speaker? Do they stand behind the Crow rate? Do they stand behind the farmers of western Canada? The member for Lisgar says, "Oh, baloney". I am sure he knows whereof he speaks because he speaks a lot of baloney about Crow rates. I am sure that the

Minister of Energy, Mines and Resources would be one of the first to tell him that.

There are a number of other issues that are important when it comes to moving grain, Mr. Speaker. A few weeks ago the hon. member for Lisgar made a statement to the effect that the port of Churchill should be abandoned; that we should not haul grain to the port of Churchill. I wonder if that is Conservative party policy? During the election campaign the Conservative party advocated using the port of Churchill, and indeed that its use be increased. Where do they stand on the question now?

These are questions that should be answered when we are dealing with the supplementary estimates. Perhaps the great Minister of Finance or the President of the Treasury Board could enlighten us before the debate ends.

I should like to point out to the House, Mr. Speaker, what the effect would be if the Crow rate were abolished. According to the 1977 Snavely report, if the Crow rate were abolished prairie farmers would lose $290 million, and with spin-off effects this would take over $1 billion out of the western economy. We can take the town of Wakaw, in the Prince Albert area, as an example of what this would mean. The Crow rate from Wakaw to Vancouver is 24 cents per 100 pounds of grain. The CN charge for grain on domestic shipments to Vancouver is $3.12 per hundred pounds—or 13 times Crow.

It is important for the government to tell us where they stand on Crow rates, Mr. Speaker, because on November 19 the people of Wakaw will be voting in a byelection. One of the questions they are asking now is where the Conservative party stands on Crow and whether they will have to pay 13 times more than they do now to ship their grain if they keep this government in power. Where do they stand? I ask that question because we have had conflicting stories from ministers across the way. The Minister of Transport wants them reviewed. The minister of energy said that the Crow would be guaranteed. I want the Minister of Finance or someone responsible on the other side to tell us precisely where the Conservative party stands.

● (1640)

There are many more things one can say about the supplementary estimates that are before us. There are many more things that are important to prairie farmers. But on the Crow itself, which is perhaps the most important and emotional issue out there, the Minister of Transport is talking about the possibility of the Crow benefit being extended to farmers in other ways. For example, he said that perhaps the money set aside to maintain branch lines could be used to subsidize the farmers. If he used that money, what happens to the branch line?

These are questions that have to be answered. Is it the intention of the government across the way to abandon these branch lines? In the election campaign we were told that any line would be kept open if the elevator company on that line was willing to provide service and have a decent elevator to handle the farmers' grain. Now we have a one-man task force appointed by the Conservative party, namely, the hon. member for Moose Jaw (Mr. Neil), who is studying rail line abandonment and what to do about that question.

These are important questions because the previous Liberal government has intentionally allowed the grain handling system in this country to become run down over the last 16 years. Yesterday in Calgary the Minister of Transport said that the Crow rate may be abolished, or that the Crow rate in this country may be changed.

Next we come to the Wheat Board. We are dealing here with supplementary estimates, and in that connection I include the Canadian Wheat Board. I want to know what the government's intentions are regarding the Canadian Wheat Board. There are some members who are very powerful in the Conservative party. The hon. member for Lisgar is listened to as the eyes and ears of the Minister of Transport. It has been said that we should have more competition, more free enterprise and more of the open market, and that the port of Churchill should not be utilized. Does that mean we will have less and less for the farmers in the estimates when it comes to the Wheat Board or when it comes to using the port of Churchill?

An hon. Member: Wait and see.

Mr. Nystrom: The hon. member across the way says wait and see. I am very nervous about what I am going to see. That is why I am not waiting before registering my objections to the direction which the Conservative party and the Government of Canada seem to be taking.

The minister who yields a lot of power, the minister in charge of privateering, is privateering almost everything. I want to know what plans there are for the Wheat Board, for the Crow rate and for the Farm Credit Corporation. These are things that are most important to prairie farmers and for which they fought for years and years.

I am sure you will know, being a farmer yourself, that the Hall commission recommended the Wheat Board be given more power to co-ordinate grain transportation and that the grain movement co-ordinator should be a Wheat Board employee. What did the Conservative party do? The government appointed Hugh Horner. As I said, little Jack's brother was appointed to that powerful position of grain transportation co-ordinator.

What about Hugh Horner? I have no doubt the guy is sincere, intelligent and competent. But what is his attitude vis-à-vis the Canadian Wheat Board? I think he is biased against the Canadian Wheat Board. Hugh Horner was quoted by the press as saying that he would like to see the quota system abolished. That is the very system that creates equality of delivery opportunity for farmers, be they small or large. Hugh Horner would like to abolish that system. It seems to me that he now has immense power in his hands.

Where does the Minister of Transport stand when it comes to some important issues like the quota system, the Wheat Board, quarterly marketing, the Crow rate, the Hall commis-

sion report, the Snavely report, the port of Churchill, etc? These things are vital and important to the farmers on the prairies. I ask again, where does he stand? All we have to do to get an answer is look at the supplementary estimates. We know where Otto Lang and the Liberal party stood. The Minister of Transport in a speech made in Calgary said that we probably lost $1 billion worth of sales last year. When I was in China recently the Chinese pointed out that we could transplant hearts, fly to the moon and do all of those marvellous things, yet we could not haul grain on time from the farmer's granary to the ship. The Chinese asked why we could not do that.

Mr. Axworthy: Did you speak in Chinese?

Mr. Nystrom: I know my Chinese is not as good as that of the hon. member for Winnipeg-Fort Garry (Mr. Axworthy), but the Chinese were concerned. The Chinese have now turned to the United States for grain and will sign the first grain contract with them in years. I am very happy the Americans are establishing normal relations with the Chinese, but I am also very concerned that Canada and its farmers will lose potential markets because we do not have a grain handling system.

How can we solve this problem? That is what I am asking the Conservative party across the way. I ask where does it stand on these important issues. I want a definitive statement from the Prime Minister of this country about where he stands on Crow. If the Crow rate goes, so go the small farmers. Some Conservatives have said, "Well, you can pay the Crow benefit." In other words, one takes the cost difference between the commercial cost of shipping grain from point A. I use the example of Wakaw where the cost is 13 times higher than the Crow rate. One can take the difference between that and the statutory rate and reimburse the farmer. Over 100,000 farmers will be reimbursed in the form of a cheque sent in the mail. I think that is a very complicated, bureaucratic and indeed potentially dangerous way of making sure the farmer gets the Crow rate benefit. It is very bureaucratic.

With members such as the President of the Treasury Board who is interested in cutting back on government spending and hacking away at government expenses, who will guarantee that that minister or one of his successors will not decide some day to cut back on the Crow benefit program? There is no guarantee that that will not happen.

The railways are interested in a profit and will charge a higher commercial rate for branch lines than they will for main lines. They will charge a higher rate for a little town such as Wakaw than they will for a city such as Prince Albert. Then we will have *de facto* abandonment of the rail lines and *de facto* abandonment of the branch lines. These issues are important. They are vital to western Canada.

By spending a few minutes this afternoon on the Liberal supplementary estimates before the House and introduced by the party across the way, I have pointed out some of the problems we have had in the past that have not been solved. However, I see in a speech made by the Minister of Transport that the Conservative party may have some solutions, but the solutions may be more of a problem than the existing situation for many farmers on the prairies.

In conclusion, if the Conservative party goes ahead to abandon or change the Crow rate, it will be in for a fight. It will be in for a fight not only from the people on the prairies and the NDP and its federal caucus, but also from the wheat pools, the co-operatives and the progressive farm groups. It will be in for a fight like it has never had from the government of Saskatchewan.

• (1650)

I serve that as notice to the party which sits across the way. They must not tamper with the Crow rate. They must keep the Canadian Wheat Board strong. They must strengthen the board as a co-operative agency so that it will handle the grain of the farmers on an equal basis. They must retain a quota system so that all farmers, rich or poor, close to delivery points or far, with an early harvest or a late harvest, have an equal opportunity to deliver their grain. We must not follow the law of the jungle, first come first served, or the law of capital, the elephant and the mouse, where the big guy outmuscles the small.

These issues are important. I hope that before this debate is over someone in the Conservative party will stand up to tell us where they stand on these issues which are crucial to the people of my province and region of Canada.

Mr. Rod Murphy (Churchill): Mr. Speaker, it is my belief that the supplementary estimates have failed to meet the needs of my constituents and of the people in the rest of the country. Perhaps I can briefly describe my constituency in order to help members better understand my remarks on these estimates.

The Churchill constituency encompasses the northern two-thirds of the province of Manitoba. It has over seven degrees of latitude, over 400 miles, and 12 degrees of longitude. There are many Indian reserves and a number of Métis communities. The Churchill constituency has five mining towns, including Flin Flon and Thompson. The Pas, also in the constituency of Churchill, is a historic community for fur trading and now has some agriculture, the CN and forest products which provide employment for that region.

In The Pas, the Manfor project, formerly called CFI, is an example of what happens when government relies on and gives millions to private enterprise in order to provide employment and develop our resources. An official inquiry and the courts have proven that we were robbed blind. The case was so bad that the present premier of Manitoba forgot that he went to Zurich to sign the original agreement—a very poor memory.

Also within my constituency is the port of Churchill. It is an orphan of Tory and Liberal governments. It has been deserted by its parents. Why has the port not been developed? Why is grain not in the port at the beginning of the shipping season? Why has the CN line to Churchill not been fixed?

Why does the hon. member for Lisgar (Mr. Murta) call the port a luxury we cannot afford? He was appointed by his

government to look into grain handling. Why does he speak to the press about an issue of this nature, presumably speaking for his party and the government? The minister had to correct and deny the allegations and comments of the hon. member for Lisgar.

The port of Churchill is important not only to my constituency but to the prairie provinces and, indeed, the country. We cannot allow that port to be downgraded by this or any other government. Northern farmers as well as those in the south of Saskatchewan use that port because of its benefit to the people and farmers in those regions.

When the hon. member for Bow River (Mr. Taylor) talked about being from the riding of the dinosaurs, and that it is also the home of the Prime Minister (Mr. Clark), I presume he meant to connect those two matters.

Churchill is the fossil of political promises made by members opposite and by members of the Liberal party. The people there were promised heaven but were given hell. These supplementary estimates are just a stopping place, purgatory. They and the main estimates provide to the people of the community of Churchill and the larger constituency of Churchill only a brief respite from the economic domination and damnation provided by these governments. Our resources are developed, our land is scarred and flooded, but the real values of these economic activities are not of benefit to the residents of the north, be they white or native, especially native. The native population is not being employed in the mines, at least in any great number, or at the permanent hydroelectric stations, and the great CFI giveaway limited the access of native groups in terms of harvesting our forests. They are not allowed to harvest certain areas of the north because of the agreement the Conservative government of Manitoba signed with the multinational corporations.

Within the supplementary estimates of fisheries and oceans there is no provision to develop the Freshwater Fish Marketing Corporation. Presently Canadians buy only a very small fraction of the fish caught in northern Manitoba and in the other freshwater areas of the country. This lack of initiative of government and reliance on corporations like Safeway to provide our daily bread has meant that it is virtually impossible to buy fresh fish in my home town of Thompson, yet we are surrounded by a number of communities in which fishermen are trying to make a living. In Thompson we can buy frozen fish that has been imported from other countries but we cannot buy fresh fish. This problem was created by the present government and the previous government.

Instead of providing funds for the FFMC to expand its operations, the government in Ottawa is allowing the Manitoba government to let American buyers back into the market. If this is allowed, the fishermen in the north will again be put into economic serfdom. The FFMC want to keep out the American buyers in order that the fishermen in these communities can have a guaranteed income and be provided with an honest living. If it is allowed to go back to its previous state, the fishermen in my constituency will suffer.

[Mr. Murphy.]

While I am discussing the state of our native people, I would like to turn to the estimates of the Department of Indian Affairs and Northern Development. How can they expect to promote Indian economic development when freezing the Indian economic development fund and centralizing control of these operations? For example, in British Columbia the final control of the Indian economic development fund has been taken away from the regional director and placed in the hands of the ADM in Ottawa. Treasury Board is winning the battle of control. Soon no regional government employee will be able to do anything other than shuffle paper, pick up requests from the natives, say nothing, pass it on to Ottawa, receive it back from the bureaucrats in Ottawa, again say nothing and return it to the native people. This government claims to believe in decentralizing. However, for them decentralizing does not mean providing service on a regional basis but providing a shield to protect those who make the decisions from the people who make the requests. That is not decentralization.

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

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

Mr. Speaker: Order, please. It is my duty, pursuant to Standing Order 40, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Mississauga South (Mr. Blenkarn)—Housing—Request Canadian Home Insulation Program be extended; the hon. member for Etobicoke (Mr. MacLaren)—International Trade—Measures to promote Canadian exports; the hon. member for Ottawa Centre (Mr. Evans)—The Canadian Economy—Election campaign platform of Progressive Conservative Party.

It being five o'clock the House will now proceed to the consideration of private member's business as listed on today's order paper, namely notices of motions (papers).

● (1700)

PRIVATE MEMBERS' MOTIONS FOR PAPERS

[*English*]

REPORT ON FEASIBILITY OF ESTABLISHING CROWN CORPORATION FOR FORESTRY RESEARCH

The House resumed from Thursday, November 1, 1979, consideration of the motion (Mr. Herbert):

That an order of the House do issue for a copy of the latest report on the feasibility of establishing a Crown corporation or other body to carry out forestry research.

Mr. F. Oberle (Prince George-Peace River): Mr. Speaker, thank you for giving me an opportunity to say a few additional words in response to the motion of the hon. member for Vaudreuil (Mr. Herbert) for the production of papers concerning the intention to establish a Crown corporation or, in his words, some other body that would in the interests of all Canadians establish some kind of an effort toward the research and development of technology and techniques which could be brought in to manage our national forests.

In his opening remarks the hon. member spoke of the previous government's efforts to establish a national forests policy. I have followed these efforts with keen interest over quite a number of years now, and I cannot share the enthusiasm the hon. member brought to the House since I have never been much impressed with the efforts which were made. Indeed, since 1963, over the last decade, the efforts of the Canadian forest service have been cut in half. There is roughly about half the manpower in the Canadian forest service today as there was ten years ago. Of course, many of the scientists who carried out the research and development upon which the industry relied so heavily have left the department and what we find here today are administrators and bureaucrats. There is really no major effort at all being carried on in the area of research and development in this important industry.

The results of this kind of deterioration are very noticeable. Our world position, shown by the percentage of world markets which we once enjoyed, has declined by over 20 per cent in the last ten years and the United States' share of the world market has increased by almost the same percentage.

There are very good reasons for this. One American company alone—the Warehouser Company in the United States—spends more money annually in research and development than does the entire Canadian forest service. This has to be a matter of concern to us, particularly when one considers the crucial importance of the forest industry in our economy and its effect on the well-being of the country in general.

The forests generate more income than gas and oil, agriculture, fisheries and mining combined. Forest companies shipped last year $13 billion worth of goods; $8 billion went to export earnings and contributed to our balance of trade. Every man, woman and child in this country shares or owns the equivalent of about 20 acres of productive forest land. We have about 800 million acres of productive forest lands in Canada. Unfortunately, over that ten year period of which I spoke earlier, 60 million acres of this vital resource, this productive forest land, have been left idle. There has not been a sufficient effort to regenerate these important lands and put them back into operation.

There were some efforts made by the former government; the latest took place just before Parliament dissolved. The one we are well aware of, because the subject was raised in this House on many occasions, was the effort to privatize a very important portion of the federal research effort, namely that of the forest products lab here in Ottawa and on the west coast in Vancouver. It was proposed to turn these efforts over to private companies.

The question has to be asked: To what extent can we expect private industry to take over these efforts? I am talking about research and development which needs to be carried out to protect all our forests, to carry on the kind of husbandry which will preserve our forests in perpetuity for future generations. One is faced with this question when one takes into account the fact that last year the federal government took in $1 billion from the forest economy. In the same period of time, on an annual basis, all provinces combined take in about an equal amount, namely $1 billion. This accrues to governments in the form of revenue from taxes, leases, royalties and so on. It makes up a total of $2 billion. And now governments are telling the industry that it will have to carry on its own research and development efforts.

The industry is always prepared to assume these responsibilities providing that governments reciprocate. What the industry would want, in return, is some kind of security of tenure. It would need assurances that if the industry does the research, the regenerating, fertilizing and replanting, the results of such activities would accrue to their benefit in the future. In other words, they would seek longer tenures, ownership of forest lands and so on. It has been the policy of most of the provinces and the federal government not to give industry that kind of control over this vital resource. It is my opinion, therefore, that we should not expect the industry to carry on the research and development that is required to preserve this vital resource in perpetuity.

On this side of the House we are asking ourselves what the former government has done, how far it got in developing a national forest policy. Sadly, sir, we must report that there has really been no advance in the development of such a policy.

What needs to be done, then? Well, the present minister has already taken some important initiatives. There is presently a major review in the terms of reference given to departmental officials. There has to be a concentration and a centralization of the various jurisdictions responsible on behalf of the federal government in the forest policy area. No fewer than 26 different departments of the federal government are in some way responsible for forests. There is the Department of the Environment, DREE, the Department of Industry, Trade and Commerce—I could not begin to name them all. The idea is, as a result of this review, to bring back and re-establish a component of a Canadian forest service which will once again assume the responsibility for a co-ordinating role with the provinces to preserve this vital resource. That may well mean a structural change in the make up of the committees.

I have just come from the committee and I am half out of breath. Even as I speak here the minister is answering a question I posed to him in that committee. Unfortunately forestry is tied in with the important committee on the environment and fisheries and members of this House are having a difficult time running back and forth trying to determine on

what day the chairman of that committee or the steering committee of that committee chooses to talk about forests. There is nothing about forestry in the estimates at all. There is no reference, no mention of forestry in this big blue book. I know the minister is very concerned about this, as I am. Structural changes are required, including the appointment of senior officials in the public service to assume responsibility and advise the minister in these important areas.

• (1710)

The industry is ready and stands prepared to assume and to share in the responsibility. We made recommendations to the former government on how this sharing should take place. If one fifth of the money which is paid to provincial governments in the form of royalties, or 50 cents on every thousand board feet of lumber harvested and manufactured, were returned into an effort which could be carried out by provincial and federal governments, it would mean that the 60 million acres which are presently lying idle could be regenerated over a five-year period. I am talking about a massive infusion of funds, to the tune of $250 million, which would accrue to the two governments in one year. If that amount of money which comes from private industry were matched by the provinces and by the federal government, we could indeed realize a very significant turnaround and a renewal in the commitment and responsibility we have for preserving this vital resource for future generations.

I am confident that the minister who is presently responsible is as serious as I and, I am sure, most members of the House, about bringing about this kind of structural and administrative change and about bringing about once again the pride and commitment our public servants had to this vital resource which they manage for us. I am confident that over a short period of time we will see a significant turnaround and that our industry, which once enjoyed a very unique position in the world in shipping and delivering this resource to world markets, will once again see the kind of stability and confidence they had in their endeavours before.

I am confident as well that the minister is cognizant of the crucial importance the forests have in terms of the environment and the total eco-system that generates our water and our clean air; and I am also confident that the minister is aware of the incredible importance our forests have in social areas and in tourism where forests provide the backdrop for a $250 million industry every year.

I am confident of all these things, but I am not as confident as the hon. member for Vaudreuil, who is well intentioned and who has given us this opportunity to debate this matter, that another Crown corporation or some other agency, as he suggests in his motion, could fulfil this need. People expect significant change from new governments, and I am confident that this new government is committed to recognizing our forests and our forestry efforts in light of what I have said.

[Mr. Oberle.]

ROUTINE PROCEEDINGS

[*English*]

EXTERNAL AFFAIRS

POSTPONEMENT OF VISIT OF PRESIDENT CARTER

Right Hon. Joe Clark (Prime Minister): Mr. Speaker, I rise on a point of order. I want to apologize to the House for interrupting private members' hour.

I have just been informed by the President of the United States, Jimmy Carter, that because of the hostage situation in Iran the official visit to Canada must unfortunately be postponed. The President and I are very disappointed that Canadians will not have the opportunity to welcome President Carter in Ottawa tomorrow, and we are hoping to be able to reschedule the visit for early in the new year.

[*Translation*]

In the meantime, various issues of urgent nature will be discussed over the next few weeks and months between certain Canadian ministers and their American counterparts.

[*English*]

I know that all hon. members will recognize the enormous pressure on the President and the American people in these difficult days and join me in assuring the President and the people of the United States of the hopes and prayers of all Canadians for a successful resolution of a most difficult situation.

Mr. Thomas H. Lefebvre (Pontiac-Gatineau-Labelle): Mr. Speaker, on behalf of the official opposition I would like to extend thanks to the Prime Minister (Mr. Clark) for having come into the House today to inform us as quickly as possible of these sad developments.

We understand that the situation of the American citizens in Iran must be President Carter's first preoccupation. We wish him well in trying to find a solution to this grave problem and pray that his fellow citizens will find safety and peace in very short order.

We trust that this important visit can be rescheduled in the very near future, as a visit from the President of our closest neighbour and friend, the United States, is an event to which I am sure all Canadians were looking forward. We hope President Carter and his family can come soon, as we know that he would have received a very warm welcome from all Canadians.

[*Translation*]

Mr. Speaker, as I have said, I trust that the Prime Minister of Canada (Mr. Clark) will indicate to Mr. Carter that all Canadians are praying for him and hope that he will be able to find a rapid solution to this most serious problem.

[*English*]

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, we of the New Democratic Party join in expressing our regret that the visit of the President has had to be postponed but, in common with the Prime Minister (Mr. Clark) and the

whip of the official opposition party, we fully understand the situation and that it is necessary for President Carter to remain at home. We join in the fervent hopes which have been expressed that the situation in Iran may soon be resolved.

We are pleased to note that the Prime Minister is already making arrangements with the President for a visit some time early in 1980.

* * *

BUSINESS OF THE HOUSE

Mr. Baker (Nepean-Carleton): Mr. Speaker, you will recall that because of our anticipation of the visit of the President of the United States arrangements were made to adjourn the House tomorrow at one o'clock so that this chamber could be used for an address to us and to our colleagues in the other place. This is now unnecessary, regrettably, so I wonder if I could have unanimous consent to move a motion. In order to indicate the extent of the motion I move, seconded by the hon. member for Pontiac-Gatineau-Labelle (Mr. Lefebvre):

That the order adopted by the House on Tuesday, November 6, 1979, as follows:

"That the House adjourn at one o'clock p.m., on Friday, November 9, 1979;

That the address of the President of the United States, Mr. Jimmy Carter, to be delivered in the House chamber on Friday, November 9, 1979, before members of the Senate and the House of Commons, together with all introductory and related speeches, be printed as an appendix to the House of Commons *Debates* of that day and form part of the records of this House; and

That the President's speech, attendant and related remarks be made available to the media for transmission in the usual way by the House of Commons broadcast system."

be discharged.

I hope I have unanimous consent to move that motion and that it will be agreed to so that the House can carry on tomorrow.

Mr. Speaker: Is it agreed that the President of the Privy Council (Mr. Baker) shall have the leave of the House to introduce that motion at this time?

Some hon. Members: Agreed.

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

Some hon. Members: Agreed.

Motion agreed to.

Mr. Breau: Mr. Speaker, I wonder if the President of the Privy Council (Mr. Baker) could confirm what the business of the House will be after two o'clock tomorrow, at the time we normally would come to orders of the day.

M. Lefebvre: You mean twelve o'clock.

Mr. Breau: I understood that the time of the House would be taken up with announcements on motions until one o'clock.

Mr. Lefebvre: Oh, yes.

Mr. Breau: Could the President of the Privy Council confirm what the business will be under orders of the day?

Mr. Baker (Nepean-Carleton): Mr. Speaker, my anticipation is that we will be carrying on with the matters which were before us today just before private members' hour.

PRIVATE MEMBERS' MOTIONS FOR PAPERS

[*English*]

REPORT ON FEASIBILITY OF ESTABLISHING CROWN CORPORATION FOR FORESTRY RESEARCH

The House resumed consideration of the motion of Mr. Herbert:

That an order of the House do issue for a copy of the latest report on the feasibility of establishing a Crown corporation or other body to carry out forestry research.

Mr. Chas. L. Caccia (Davenport): Mr. Speaker, the motion in the name of the hon. member for Vaudreuil (Mr. Herbert) has very clearly proved one point: there is evidently in this House a very keen interest in and a consensus on the matter of forestry conditions in our country and perhaps even as to how those conditions could be dealt with by the federal government.

● (1720)

I suppose that other interventions will clarify this point further, but it seems to me that at least it can be said fairly at this point that there is a deep concern on the part of members, who in turn reflect the views of their constituents, that our forests need attention. It is surprising to some of us to be told by experts that the picture of seemingly limitless forests and woods is in good part an illusion. The national forest regeneration conference, which was held in Quebec city in October of 1977, concluded that adequate forest renewal was nothing less than an urgent economic need. The conference was attended by some 250 representatives of government, industry, the forestry profession, universities and environmental protection organizations. These representatives agreed unanimously that, as they put it in their communique, inadequate forest regeneration is:

—indeed a serious and fundamental forestry problem. This concern is not yet felt by the general public or by politicians, and there is a real need—as demonstrated by the conference—to "spread the bad news".

Studies released at the conference indicated that only about half of the statistical surplus is "economically accessible". This means that it can be harvested at a low enough cost to enable the producer to sell the end product at a viable price on the world market.

The communique went on to say that:

The new forests which are developing in areas which have been harvested or affected by natural disasters are frequently poorer than the forests they are

replacing. They are often inadequate in terms of preferred species, quality, density of stocking, insect and disease resistence or location suitable for economic wood supplies to existing mills.

The expert consensus was that up to 20 per cent of the land harvested every year does not and will not regenerate properly.

Let me remind hon. members that that was said about two years ago.

The communique goes on:

When areas where regeneration was been blighted by insect infestations, fires, and wind damage are added, a total of 647,000 acres is lost from the nation's potentially productive forest stock every year.

This is being added in turn to a backlog of unproductive forest land accumulated over many years which the Canadian Forestry Association estimates at a staggering 60 million acres. Large parts of this wasteland are to be found in every province. In fact, no province can claim that regeneration within its boundaries is even keeping pace with the yearly cut.

Also, according to the association:

Inadequate attention to forest regeneration is responsible for restricting expansion possibilities in some regions, has reduced employment in others, and will result in a continuing decline in future forest based jobs and revenues.

Some experts predict really critical shortages by the end of the century if large scale forest management and renewal programs are not put into effect.

The question therefore arises as to whether or not Canada can catch up. Some of our leading forestry consultants say yes, and I will quote from a report prepared for the Canadian Pulp and Paper Association which states the following:

A more intensive program of forest management is imperative if market opportunities are to be realized and emerging timber deficits offset.

What needs to be done, and we have the know-how and the means, is to develop or apply improved species that grow faster and have more resistance to insects and disease than those seeded naturally. It will take, of course, a deliberate commitment on the part of governments, industry, and indeed the public at large, to ensure that our forests meet our future needs. There are difficult problems of cost, responsibility, ecology and the claims on the forest of industry and recreation which will have to be resolved.

All these elements put together lead to the conclusion that the provinces have demonstrated that they alone cannot achieve this important economic goal as it relates to our forest industries. I submit to the House that Canada needs a national forestry policy. We have evidence, as demonstrated by reports, conferences and statistics which have been published in many quarters, that not only do we need a national forestry policy but we must have such a policy soon, taking into consideration the limitation imposed by our constitution. This policy would offer terrific opportunities.

I would summarize today's problems and opportunities with regard to our forestry industry in this way in submitting the urgency of and the necessity for this policy, which I would like to impress upon members of this government, on the minister responsible and on the government backbenchers who, as we have already seen in the course of this debate in their interventions, feel strongly and positively about this issue.

First, a national forestry policy will have to deal with the deteriorating competitive position of the industry. The industry needs attention and needs certain incentives. Second, it will offer a challenge and an opportunity to the industry in the provision of adequate forest replacement. Ottawa, in co-operation with the provinces, could launch a program to double the present rate of plantation to 400 million trees a year. This is an investment for future generations of Canadians in the regeneration of our forests to provide for the needs of our consumers and for maintaining our capacity to export this commodity to foreign markets, thus improving our balance of payments.

There is a third aspect which demands enunciation in the launching of a national forest policy, and that is the recent development of the slowing down of the regrowth process which is apparently caused by acid precipitation. This has become a very serious problem which, if not dealt with effectively, could result in the lengthening of the growing cycle of the forest.

Fourth, a national forestry policy would give a coherent approach to the better utilization of wood as a renewable resource, particularly because of the potential it offers to replace fuel. Wood can be used for the production of methanol to replace gasoline. The industry would develop and create jobs in Canada if we were to start a national effort to exploit and use wood for this purpose. This cannot be carried out by an individual province. It is a function that rests squarely on the federal system and on the facilities and resources that the federal government has at its disposal through the National Research Council and other departments.

• (1730)

Another facet of this national forest policy has to do with the environmental impact of forest fires and pests. We are told that over two million acres of forests have been burned over annually for the past ten years. We are also told that insects and other pests damage large tracts of timber each year, the spruce budworm being just one example.

Again, since the causes of these diseases and damage do not really know provincial boundaries, and since the federal government has a fairly sophisticated Department of Agriculture and Department of the Environment, it also has the capacity and the ability to address itself to this particular facet. A national policy, in my view, cannot be developed by ten provinces acting on their own. In the field of forestry we have a classic example where federal leadership is not only needed but is most desirable.

I would, therefore, commend the hon. member for Vaudreuil (Mr. Herbert), and those who have spoken before me in such positive terms, for having emphasized the importance of this issue and for having given us an opportunity to register with the government the urgency of this matter and the hope that the government will address itself to an announcement in the field of launching for Canadians and for future generations of Canadians a national forestry policy.

Mr. Cyril Symes (Sault Ste. Marie): Mr. Speaker, I welcome the opportunity to participate, in the limited amount of time that is left, in this debate on the need for enhancing a

national forest policy. In my riding of Sault Ste. Marie there is a federal government forest research centre that is doing splendid work in terms of trying to control the problem of the spruce budworm, as well as research into other areas of interest to our national forests.

In the last Parliament I spoke out very vigorously against announced cutbacks by the former Liberal government in the budget of the forestry service, and pointed out the necessity of enhancing research and development in this vital sector of our economy. To that extent I was supported by my friend, the hon. member for Prince George-Peace River (Mr. Oberle), who also argued for enhancement of this important research sector of the federal service. I hope he is effective in convincing the Postmaster General and Minister of the Environment (Mr. Fraser) not to proceed with some of these cutback policies initiated by the former government, but to establish a more vigorous profile in the forestry section of the department of the environment in expanding the good work it has been doing.

There have been repeated warnings that we have not been taking the necessary steps to ensure the future of this vital sector of our economy, namely, our nation's forests. Some 12 per cent of our productive forest land is inadequately stocked, and another 500,000 acres are being added to the backlog annually. The plain fact is that neither the federal government, the provincial governments nor private industries concerned are taking the initiatives required in reforestation so that we will have the trees for our lumber and pulp and paper industries in decades ahead. The warning clarion has been sounded, yet I fail to see either at the provincial or federal level a recognition that we have a serious problem and that we have to mobilize funds and manpower to redress what is happening to our forests here in Canada.

Indeed, in my part of the country in northern Ontario we are dependent on the forests and, unfortunately, they are not being restocked. The good timberland is being used up too rapidly, and if we do not replenish these valuable renewable resources it will mean a severe, if not disastrous blow to many communities in northern Ontario and, of course, in Quebec and British Columbia as well.

When we look at what has been happening in the forestry service we have to be alarmed. The strength has been cut drastically, by 1,000 man-years since 1968. These are highly qualified scientists and technicians. We have lost them, and as a result many experimental programs in long-range research, so vital to finding solutions to a number of the problems, have not been going on to the degree necessary. Our forest service budget is one quarter of that of the scientific and technological fields of fisheries, energy, mines and resources, or agriculture. I think it is high time the new Conservative government recognized that forestry must have a higher priority, not only in funds but in terms of staff. Indeed, I would argue that a separate ministry of forestry should be established so that this sector of our economy can get the kind of attention it so richly deserves.

In the last Parliament I spoke against the privatization of the forest products laboratories which the Liberal government undertook, and which I understand the Conservatives are still following through. This, in my opinion, will not fulfil the goals the government has proposed. We opposed this privatization because we know that the kind of research the private sector carries on is short-term in its outlook. It is quite naturally designed to try to improve the present product situation in terms of new methods of developing and selling products. The private industry does not have the long-term kind of research goals the federal government can have, and this is where we are falling down if we rely on the private sector.

We need more, not less basic research. We need more of an indication from the private sector, which is being subsidized by the taxpayers through all the various forms of government research, that the private sector in turn will reinvest some of its profits in this vital area of research, and that it will really support and do work parallel to that being done by government laboratories.

We need an impartial agency to supply data to foreign powers. I do not think this will be served by private laboratories as there will be a suspicion that the figures are self-serving, particularly because the industry has always performed development work on products and processes, but not the kind of basic research I have described that is so vital to the forestry sector. What we need to find are the technical innovations required to maintain a competitive position, or the Canadian forestry industry will start to deteriorate.

Indeed, we have a morale problem in the Canadian forestry service as a result of the cutbacks initiated last spring. Many of the scientists are moving off to other countries or into the private sector, and those remaining in the federal domain are, as I say, suffering a severe morale problem, wondering to what end is their scientific research.

It seems to me there are four key areas where the federal government must assume some responsibility. We need a continuous statistical survey of resources, and the federal government, looking at the nation as a whole, can carry this out in a way the provinces or private industry cannot. We must have up-to-date information so we can assess the areas where we need to improve forest rehabilitation. We need a program of intensive forest management.

● (1740)

I think we can learn a lot from the Scandinavian countries. For to say, that we have vast acreages of forest in Canada that we need not worry about the future, flies in the face of all the most recent reports that this so-called renewable resource is dwindling. I would like to see a crash program initiated by the federal government, with some kind of financial assistance to the provinces, in order to begin reforestation to the degree that it is necessary. Indeed, we need an industrial strategy—and how often have we heard that word—for long-range planning to make a stable environment for investment in this sector of our economy.

For example, a report prepared by F.L.C. Reed and Associates about a year and a half ago for the federal government points out that although provincial legislation has been in

place for the last 20 to 30 years, forest management is not practised at acceptable levels and Canada lags far behind her major competitors in management of her forest industry. For example, production of seed trees in Ontario nurseries between 1972 and 1976 decreased from 77 million to 51 million, despite increased requirements. We are in an emergency situation and the times demand action.

Mr. Deputy Speaker: Order. I regret to interrupt the hon. member but the time provided under Standing Order 48(2) for the consideration of this motion has now expired. There is a provision in that Standing Order which allows a minister of the Crown to contribute to the debate for five minutes and which allows the mover of the motion an additional five minutes to close the debate, whereupon the question could be put. I do not see any ministers of the Crown in the House.

Mr. Joe Reid (Parliamentary Secretary to Postmaster General and Minister of the Environment): Mr. Speaker, on a point of order, the minister is not present because he is engaged this afternoon before the standing committee which is considering the estimates involved with his particular department, including that of forestry. The motion of the hon. member for Vaudreuil (Mr. Herbert) has presented members of this House with an opportunity to debate the forestry issue and matters relating to forestry. It has given the minister an opportunity to present the government's side of this very important aspect. The motion by the hon. member deals with the production of certain documents which the minister has stated do not exist.

Mr. Deputy Speaker: Order. The parliamentary secretary is going beyond the bounds of a point of order. He is debating for the minister what the minister might have said. I would refer the hon. member to the wording of the Standing Order which is very clear, and on which the Chair has already ruled on different occasions, and which has not been contested. Standing Order 48(2) reads:

> When debate on a motion for the production of papers, under the order "Notices of Motions (Papers)", has taken place for a total time of one hour and thirty minutes, Mr. Speaker shall at that point interrupt the debate, whereupon a Minister of the Crown, whether or not such Minister has already spoken, may speak for not more than five minutes, following which the mover of the motion may close the debate by speaking for not more than five minutes —

Of course, the parliamentary secretary may feel that parliamentary secretaries should be allowed at different times in our proceedings to replace ministers. If the Standing Order had meant to allow someone to speak in the name of the minister, it would have been stated in the Standing Order. The Standing Order does say that even though the minister has already spoken, he is allowed to speak again for five minutes. I do not think that that opens the door to his parliamentary secretary, however.

I have in front of me a ruling made by the learned Deputy Speaker of the time on March 15, 1979, on the same point. He referred to a previous ruling made on April 17, 1975, when the Acting Speaker at that time mentioned that the only way the parliamentary secretary could speak after the 90 minutes had expired would be by unanimous consent. There seems to be a disposition to act quickly on this matter and perhaps, to save time, the parliamentary secretary could seek the unanimous consent of the House. By doing so we would not be creating a precedent or forcing the Chair to permit him to speak. Would there be unanimous consent to allow the parliamentary secretary to say a few words?

Mr. Lefebvre: Mr. Speaker, I have no objection to the hon. member speaking. He is a new member and a new parliamentary secretary. You have explained the rules, and I hope that this will not set a precedent.

Mr. Knowles: Mr. Speaker, for this occasion we are quite prepared to let the parliamentary secretary speak on behalf of the minister.

Mr. Deputy Speaker: By unanimous consent then, the parliamentary secretary will be allowed to speak for no more than five minutes.

Mr. Reid (St. Catharines): Mr. Speaker, I thank this House for the consideration hon. members have given to the minister who, by reason of his other duties which he feels take priority at this particular moment, is absent. Basically the motion called for the production of certain documents, and particularly a report relating to the feasibility of establishing a Crown corporation or other body to carry out forestry research matters. We submit that that report does not exist.

In the opening comments of the hon. member for Vaudreuil (Mr. Herbert), he referred to certain other documents which constitute a report entitled Forestry Imperatives for Canada—A Proposal for Forest Policy in Canada, and which was prepared for the Canadian Council of Resource and Environment Ministers and presented at their annual meeting in Kelowna, B.C. in June of this year. I would like to table these documents now with the unanimous consent of the House. With that tabling, we submit that the motion has been fully answered.

Mr. Deputy Speaker: The parliamentary secretary is seeking unanimous consent for the tabling of the documents to which he has referred. Is there unanimous consent?

Some hon. Members: Agreed.

Mr. Hal Herbert (Vaudreuil): Mr. Speaker, we have been through quite an interesting exercise last week and again this week. In my opening remarks I referred to this particular study which was presented to the Canadian Council of Resource and Environment Ministers in June. It was from remarks made by the previous minister of the environment that I learned that such a study existed.

I can only say in these few minutes left to me that I found it quite interesting that the parliamentary secretary and other representatives of the government seemed to get very up tight about the words "Crown corporation" included in the motion. The motion refers to the latest report on the feasibility of establishing—and if we ignore the words "Crown corpora-

tion"—some body to carry out forestry research. That is exactly what was being considered—somebody to carry out forestry research in order that a proposal could be made to this meeting of the ministers of the environment in June of this year.

• (1750)

Obviously the need for that was underlined by the parliamentary secretary, when he commented on the fact that in the province of Quebec shortages are occurring, especially for saw logs. He speaks also of Nova Scotia and New Brunswick experiencing deficits in soft wood supplies, and he goes on to say that the existing industry in New Brunswick could utilize 25 per cent more wood than can be produced on a sustained yield basis, under existing standards of management. Obviously, what is being emphasized is the need for something to be done, presumably additional research, because of the difficulty that is being experienced in one of our major industries.

It is rather interesting that the then minister said that he would seek to find the document referred to and that, if it existed, it would be made available. I suggest that it might have saved a lot of time if a more thorough search had been made for this document originally, in which case it could have been tabled, instead of there being a denial that it existed. I hope, as a result of this example, that in future, instead of being anxious to stand up in this House and say "documents refused"—I do thank him very seriously for tabling the document—but despite the fact that it has been very pleasant to air this important subject, maybe it will not be necessary to go through a similar exercise.

Mr. Deputy Speaker: Order, please. I am faced with a dilemma—to put to the House a motion that an order do issue for a copy of the latest report to be made available, when that document is already on the table. Maybe the best thing I could suggest is that the motion be withdrawn and that the order be discharged.

Is it agreed that the motion be withdrawn and the order discharged from the order paper?

Some hon. Members: Agreed.

Order discharged and motion withdrawn.

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

Mr. Deputy Speaker: Order, please. It being six o'clock, and the time provided for consideration of private members' business having expired, I do now leave the chair until eight o'clock tonight.

At six o'clock the House took recess.

• (2000)

AFTER RECESS

The House resumed at 8 p.m.

GOVERNMENT ORDERS

[*English*]

BUSINESS OF SUPPLY

CONCURRENCE IN SUPPLEMENTARY ESTIMATES (A)

The House resumed consideration of the motion of Mr. Stevens that Supplementary Estimates (A), 1979-80, laid upon the table Thursday, October 11, 1979, be concurred in.

Mr. Rod Murphy (Churchill): Mr. Speaker, it is again a great privilege to speak to the "whole" House this evening. Co-operation and consultation are words we learn about daily from the government benches. But how do the native people feel about this government? Do they feel they are being consulted?

This week the ITC heard about the development of the Arvik mine. They did not hear about it from the minister, or the government, but from the press. In the Yukon, the Council of Yukon Indians heard about the minister granting *de facto* responsible government on Friday before the announcement was made. That is not consultation. That is not co-operation. It is a *fait accompli*.

The unilateral decision of the minister of Indian affairs to allow mining and pipeline construction before native land claims are negotiated is pure folly. The government is denying the native people any say on land on which they have lived for generations. These developments will have an adverse effect on the life, the culture and the economic livelihood of the native people. This has certainly been the case elsewhere in Canada.

Last week when the minister refused to ratify the already concluded COPE agreement, it again proved that the government is not interested in the concerns and rights of native people. The assumption by Tories, southern Canadians, and even a few northern Canadians, that responsible government is always just and progressive and will always protect the rights of minorities is just not so. The Manitoba school question and the treatment of the Metis people in Manitoba has proven that this is not the case.

Governments based on cultural identity were accepted before Confederation. For example, the creation of the province of Quebec accepted this very principle. Before that, Upper Canada was created for the United Empire Loyalists. Treaties have always recognized native government and the creation of geographic territories called reserves. Manitoba, in becoming a province, allowed for the ethnic composition of its population. Unfortunately it also demonstrated that the rights of a minority cannot always be left to the goodwill of the majority.

As long as we are talking about the duty of government to protect minorities, why has the federal government continually stalled in selecting an arbitrator for the northern flood agreement? The initial agreement was signed over two years ago. This government and the former Liberal government could have worked faster and harder on this item.

Many questions regarding compensation that northern residents should receive for the flooding of their land cannot be

settled and, as usual, it is the natives who suffer. The land is flooded, the fishing affected, and the natives still do not have adequate compensation.

I understand that the native people and the provincial government have agreed on an arbitrator. It is only the federal government's lack of action that prevents an appointment from being made.

The housing of native people is deplorable and a national disgrace. How does the government expect Indian people to build a house for $12,000? Why does CMHC not provide funds for native people? These are only a few items which these supplementary estimates do not touch. If these estimates dealt with national health and welfare, Mr. Speaker, I would cite a number of examples of neglect and federal-provincial buck passing—and I mean the pun—that are also a mark against this country, and matters that the minister of external affairs would be speaking about in the UN if some other country was perpetrating this disgrace.

The actions of the Minister of Employment and Immigration (Mr. Atkey) have further decreased employment in northern and native communities. The elimination of the Canada Works Program in a number of provinces was both conservative and cruel—the words have become synonymous. The addition of some dollars to the LEAP program did not come close to what Canada Works formerly offered. In my constituency $3.9 million was spent last year on the Canada Works Program. This year there is nothing.

Mr. Breau: A good Liberal program.

Mr. Murphy: A good Liberal program which the Liberals wanted to cut back. The only difference is that the Conservatives reduced it by a further $1 million.

Mr. Breau: We never cut it back; we added to that.

• (2010)

Mr. Murphy: The hon. member does not know what he is talking about.

The Minister of Employment and Immigration talked about flexibility guidelines for the LEAP program. He said these flexibile guidelines would allow for some of the damage done by the ill-planned actions in cutting Canada Works. The minister announced this, announced it again, and announced it again. The only thing we do not have yet is the flexible guidelines. Perhaps the minister should announce those guidelines before he is denounced.

These estimates, and we all know they are Liberal estimates which the Conservatives have blindly accepted, just like they blindly accepted high interest rates, unemployment insurance cutbacks and other measures, prove that at best they are creating economic stagnation in this country. These estimates prove that the Conservatives have no economic policies of their own except a stupid and lemming-like desire to ruin PetroCan. By doing this, they reject the voice of the Canadian voter.

[Mr. Murphy.]

The proof of the success that PetroCan has already demonstrated, and the logic of the Canadian government keeping the last instrument of control it has on the oil industry, and the shameful state of foreign domination of our natural resources, are a result of the past blindness of Liberal and Conservative regimes.

The blindness of the past is not irreversible, but this Conservative government cannot see that. The Conservatives are out to prove that hindsight is not 20-20, certainly not for those who believe that economic leadership means let the corporations run the country and let the people of Canada suffer the consequences.

As I look at these supplementary estimates I have trouble telling the difference between Liberal and Conservative governments. I believe that on the matters before us, like on the devastating increases in interest rates, there is no difference between these two old line parties. Both parties sound progressive when in opposition, and conservative when in government. The only difference is that in the choice of a name for their party the Progressive Conservatives are honest; well, at least half honest.

Both parties have forgotten the unemployed, and the small businessmen, especially when it comes to advocating and accepting high interest rates. Both have failed, as is evident in these estimates, to prepare a development plan for northern areas. Instead they have relied on large multinationals and allowed them to create a boom and bust cycle, to ignore the needs of northern residents, to let small business fail when these multinationals desert our northern towns, allowed them to pollute our fish and forests with acid rain, and to fail to employ the indigenous people of northern areas, despite all the promises given when these corporations start up.

If government is to take the reins and provide economic leadership, then it must have a northern development plan, a plan made by northerners within the framework of a national economic strategy, a plan which allows the north to develop its own goals and recognizes the cultural and environmental factors in operation in northern regions, a plan which will help northern residents to benefit from their resources, and a plan which will allow northern residents to become more self-sufficient and to assist in the development of all of Canada.

It is the lack of a northern development plan by the Liberals and the Conservatives that helped in part to have me elected to this House. It has helped to elect a number of other members of my party at the provincial and federal level. In this House there are four members, including myself, who lived in the Churchill constituency during the seventies. They are all New Democrats, and all lived in the riding and saw the effects of Liberal and Conservative neglect. Now they are here to change that.

In conclusion, I would remind the members opposite and the members to my right—before they, like the member from Bow River's dinosaurs, become politically extinct—I remind them that there were 10,000 Manitobans who had to leave their province last year because of the lack of economic planning, the economic devastation that the Lyon Conservative govern-

ment is causing there. Those 10,000 people are going to go to the constituencies of each and every one of you. In the future there will not be four members from the Churchill constituency in this party in this House, there will be 283, and that includes the seat of each and every one of you, unless something is done. Those economic exiles from Manitoba will be elected to this House unless the government provides the economic leadership it should.

Motion agreed to.

INTERIM SUPPLY

Hon. Sinclair Stevens (President of the Treasury Board) moved:

That a sum not exceeding $16,407,550,945.50 being the aggregate of:

(*a*) nine-twelfths of the total amounts of the items set forth in the Estimates for the fiscal year ending March 31, 1980, laid before the House of Commons on Thursday, October 11, 1979, $15,930,016,225.50;

(*b*) an additional three-twelfths of the total amount of Energy, Mines and Resources Votes 15 and L75, Industry, Trade and Commerce Vote L30, National Defence Vote 10, Public Works Votes 35, 50 and 80, Secretary of State Vote 65, Solicitor General Vote L30 and Transport Votes 20, 30 and 40 (Schedule A) of the said Estimates, $214,537,939.50;

(*c*) an additional two-twelfths of the total amount of Consumer and Corporate Affairs Vote 5, Energy, Mines and Resources Vote 1, Finance Votes 5 and 20, Indian Affairs and Northern Development Votes 15, 35, L40, L45, 60, 65 and L70, Industry Trade and Commerce Vote 55, Justice Vote 5, Public Works Vote 25, Secretary of State Votes 15, 20, 45 and 95, Transport Votes 5, 25 and L55 and Treasury Board Vote 10 (Schedule B) of the said Estimates, $189,717,458.83;

(*d*) an additional one-twelfth of the total amount of Agriculture Vote 50, Energy, Mines and Resources Vote 30, Indian Affairs and Northern Development Vote 25, Justice Vote 40, National Health and Welfare Vote 35, Privy Council Vote 1, Public Works Votes 10, 30 and 85, Supply and Services Vote 1 and Transport (Schedule C) of the said Estimates, $73,279,321.67;

be granted to Her Majesty on account of the fiscal year ending March 31, 1980.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I rise to ask whether we can now be given an answer to the question that was first raised this afternoon by the hon. member for Drummond (Mr. Pinard). As that hon. gentleman pointed out, it is understood around here that when interim supply is granted, the government always leaves at least one-twelfth to be considered when the main estimates are passed, yet in this motion we have a proposal that nine-twelfths of every item in the estimates be granted, plus an additional three-twelfths of the number of the items set out in paragraph (b). As I said this afternoon, in my simple comprehension of arithmetic, nine-twelfths plus three-twelfths adds up to twelve-twelfths. Even my banker friend who is now the head of the Treasury Board will agree that that arithmetic is pretty hard to challenge.

When the question was asked this afternoon by the hon. member for Drummond, supported by some of the rest of us, there seemed to be a bit of fluttering on the government side as to what to do about it. I realize we are not in committee at this point and therefore not in a situation where we can have questions on a back and forth basis. However, it seems to me that before this resolution passes and before we get the bill to be based on the two resolutions, we should have an answer to this question.

As I say, I do not recall in the time I have been in this House that any government ever asked for the total amount of supply before we reached the point of passing the main estimates. That, Mr. Speaker, is one point we would like to be sure about before we agree to this resolution.

Hon. Sinclair Stevens (President of the Treasury Board): Mr. Speaker, I am very willing to give assurance to the hon. member that I will give a full explanation of the twelve-twelfths requested that he has rightfully mentioned that is now before us.

The short answer at this stage is that in all cases the funds on which we are requesting authorization have literally been spent or it is anticipated they will be spent by the end of next month. In other words, in the time frame that we are looking at, the funds have either been expended already or certainly it is anticipated will be spent roughly by the end of the year.

• (2020)

Our dilemma in this connection is, for example, that the oil compensation amount appearing in the supplementary estimates is the additional amount to what was previously mentioned in the main estimates, and we find that the original amount has already been expended because the oil compensation payments have been so high compared with what was originally anticipated in the main estimates that it is literally all gone. So we are asking for the twelve-twelfths, as the hon. member has quite correctly indicated, because it is the only thing that makes sense; it is no use asking for eleven-twelths because all the money is gone.

I would suggest that this situation has arisen because of the unique situation in which we find ourselves. The main estimates were tabled in February. We have gone through the electoral process, and this is the first opportunity Parliament has had to actually review those estimates and finally approve both interim supply and the main estimates. I should like to assure the hon. member that when we reach report stage I will give an explanation on each occasion when we are asking for twelve-twelfths, and I shall be pleased to try to answer any question which may be raised at that time.

Mr. Knowles: Mr. Speaker, I appreciate Your Honour's generosity in allowing me to ask my question and letting me have the floor again for a minute or two. It seems to me this is one of those occasions when one has to fall back on the old saying that two wrongs do not make a right. It strikes me it is wrong for all the money to be spent before it was approved, and that it does not make it right to come along now and break the rule about interim supply, which is that some portion is always left for discussion on the main estimates.

It is all very well to have an explanation about what the minister has done, but the hon. gentleman has been so high and mighty about the things he has discovered, about the mess he and his friends have inherited from the previous govern-

ment, that it is surprising he should ask the House to approve this new departure under which the full amount of the estimate is put forward on an interim supply basis before we get to the main estimates. It is so long since we have gone through this kind of procedure—only because we have gone through an election and we are facing something unusual—but back in the so-called old days, every time there was a request for interim supply the government gave an assurance that some money was being left for discussion on the main estimates. If it failed to give such an assurance, one was soon sought by the opposition parties.

The main estimates are before the various committees right now, and in those committees some of the members will be discussing the amounts of estimates which, after the bill based on these estimates goes through, will have been entirely spent. I appreciate the assurance from the President of the Treasury Board (Mr. Stevens) that he will tell us the story of each individual case when we get into Committee of the Whole on the bill, but I register a very strong protest against this "holier-than-thou" government over there which was going to do things right making this kind of departure from the accepted practice of the House for a great many years, if not for 112 years.

Mr. Stevens: If it would assist the hon. member I would give him an assurance that the main estimates in all respects will remain before the various committees. If there is any question on any of these items with which we are dealing on a twelve-twelfths basis, we in no way intend not to answer those questions. This is a rather technical point we are involved in, as I shall be indicating later when we go into Committee of the Whole.

With regard to the 12 items we are dealing with involving the twelve-twelfths, the funds have been expended, or it is anticipated they will be expended very shortly. The only meaningful way to get proper authority is through Parliament, which we are endeavouring to do. The funds have been expended through warrants of the Governor General—that type of thing—and in effect we are trying to get parliamentary authority retroactively for some of the expenditures which were initially anticipated in the main estimates.

Mr. Knowles: I do not approve.

Mr. Breau: I admit I am not a specialist in these matters but it seems to me that the hon. member for Winnipeg North Centre (Mr. Knowles) and the hon. member for Drummond (Mr. Pinard) have a good argument. While the minister appears to have a relatively good explanation I am wondering, since these funds would be approved in any case next month, on December 7 or thereabouts when the appropriation bill is expected to be brought down, why the hon. member, in the spirit of open government and the participation of members of Parliament—two parties here are concerned about this even if it is only a technical matter—it does not give rise to any legal problems because the money will be approved in the main estimates in the appropriation bill right after December 7—does not agree to change his position and not ask for twelve-twelfths at this time but just ask for what has been asked for traditionally and leave one-twelfth open.

[*Translation*]

Mr. Yvon Pinard (Drummond): Mr. Speaker, my question also concerns the same problem. I rose on this point of order earlier today. The President of the Privy Council (Mr. Baker) is in the House now and I would like to know whether he definitively intends to amend paragraph (b) of motion No. 5 to change—

[*English*]

—an additional three-twelfths to an additional two-twelfths.

[*Translation*]

If you were willing to amend the text of the motion to avoid arriving at twelve-twelfths as we have asked three times at the various meetings of the House leaders, perhaps we would not have to consider introducing an amending motion at this stage, because if we present a motion to amend the motion and this is put to a vote, the President of the Treasury Board (Mr. Stevens) is well aware that this will become a motion of non-confidence in the government if it is refused.

Of course, I do not want to raise the possibility of a new motion of non-confidence today, but I would like the President of the Treasury Board to give a serious explanation to the House and tell us why, in spite of the representations that we have made repeatedly to the President of the Privy Council, he now insists on keeping paragraph (b) of motion No. 5 in its present form, that is twelve-twelfths of the appropriation, when we say that we could avoid the problem by a simple change which would consist in a reduction of one-twelfth at paragraph (b) of motion No. 5. However, I must say quite frankly to the President of the Treasury Board that I will not introduce a motion to amend the main motion, but that it is quite probable that we shall reserve the right to introduce an amendment to the bill to achieve what we want in the Committee of the Whole when the bill is introduced later on and after unanimous consent for second reading is given today, tomorrow or Monday. However, it would be very simple for the President of the Treasury Board to give us a valid argument to justify going against the wishes expressed at the meetings of House leaders and insisting on maintaining the three-twelfths mentioned in paragraph (b) of motion No. 5 instead of amending this paragraph by putting in two-twelfths.

It seems to me that this would avoid the problem, that it would not put him in an embarrassing situation, and that it would be in accordance with all the provisions of our Standing Orders concerning the business of supply.

• (2030)

[*English*]

Mr. Stevens: Mr. Speaker, I certainly welcome the hon. member's suggestion as to whether I can in effect get by with eleven-twelfths as opposed to twelve-twelfths, and I can certainly keep an open mind on that. I think in Committee of the Whole on every explanation I give I can ask the officials if there is any technical or legal reason why, if we revert to eleven-twelfths, we will be creating a problem. My understanding is that in all 12 instances, however, there are in fact legal problems, and that is my dilemma. It is not just as easy as saying, "Let's have eleven-twelfths because there will not be some type of an ongoing problem".

To give the House an idea of the explanations I would be willing to give at Committee of the Whole stage, I could start indicating them now. I just felt it would be more constructive to wait until we got to the report stage.

Mr. Knowles: You mean Committee of the Whole stage.

Mr. Stevens: I am sorry, Committee of the Whole stage.

Mr. Knowles: There is no report stage on this bill.

Mr. Stevens: Thank you, "Your Honour".

Mr. Knowles: No charge.

Mr. Stevens: However, Mr. Speaker, I am in the hands of the House. If hon. members would like me to go through all twelve explanations, I could go through them at this stage. I felt that a more constructive suggestion would be to go through each explanation at Committee of the Whole stage and if there was some questioning I could deal with it at that time.

Mr. Deputy Speaker: Because of the fact that the minister has already spoken, he could give the explanations at this stage only if he received the unanimous consent of the House. Otherwise, this would have to be done in Committee of the Whole. The problem is not for the Chair. It is for members of the House, who have to decide whether they are ready to go as far as what the government is proposing.

Mr. Knowles: Mr. Speaker, if I need to call a point of order to get to my feet again, I remind the government House leader that he told us at our meetings that in no case would we be asked for more than eleven-twelfths. He told us there would be lots of eleven-twelfths, but here we are with twelve-twelfths. Since the motion does go beyond what we were asked for, I think that the explanations should be given now.

Mr. Deputy Speaker: Is there unanimous consent to allow the minister to speak again for the purpose of giving those requested explanations?

Some hon. Members: Agreed.

Mr. Stevens: Thank you, Mr. Speaker, and I thank all hon. members for facilitating these explanations. If I may, I will read the formal explanation for each item.

The proportions requested in this bill are intended to provide not only for all necessary requirements of the Government of Canada up to December 31, 1979, but also to approve the granting of full supply for some 12 votes which received more than eleven-twelfths under the authority of special Governor General's warrants due to the seasonally oriented nature of the programs and other special circumstances.

The following is a listing of the twelve votes including the reason we are suggesting that we must exceed the eleven-twelfths in each case:

Energy, Mines and Resources—Vote 15—Oil Import Compensation Payments. Higher than anticipated price increases of imported petroleum and petroleum products. Additional amount of $835 million for 1979-80 was included in Supplementary Estimates (A), 1979-80.

In short, the overrun is being reflected in the supplementary (A) amounting to $835 million, which brings the total oil import compensation plan payments to something exceeding $1.5 billion.

Energy, Mines and Resources—Vote L75—Loans for the purchase of Port Hawkesbury Heavy Water Plant. Full draw down to Canadian General Electric was due April 1, 1979.

Industry, Trade and Commerce—Vote L30—Advances to Canadian defence industry. All advances expected to be made before December 31, 1979.

National Defence—Vote 10—Contributions to NATO Agencies. By agreement, funds are due on or before October 31, 1979.

Public Works—Vote 35—Marine Capital. Seasonal operation—most work carried out before December.

Public Works—Vote 50—Canada Mortgage and Housing Corporation—Home Insulation contributions. Full amount expected to be spent before December 31, 1979. Additional amount of $15 million for 1979-80 was included in Supplementary Estimates (A), 1979-80.

Public Works—Vote 80—Public Works Lands Company Limited—Operating—Gross amount paid pending approval of authority to spend revenues which are to be credited to the vote.

Secretary of State—Vote 65—Canadian Film Development Corporation. Seasonal activity—most of feature film work done in the summer.

Solicitor General—Vote L30—RCMP Mess Operations—Working Capital Advance Account. Full amount required to finance new mess in Winnipeg.

Ministry of Transport—Vote 20—Atlantic Pilotage Authority. Full amount paid in April, 1979 to meet the Authority's urgent cash requirements.

Ministry of Transport—Vote 30—Great Lakes Pilotage Authority, Ltd. Full amount paid in April, 1979 to meet the Authority's urgent cash requirements.

Ministry of Transport—Vote 40—National Harbours Board—Redevelopment of Old Port of Quebec. Full amount will be paid by mid-November to meet urgent cash requirements for construction.

As I indicated earlier, if there is any questioning on any of those items, I would be very willing in the Committee of the Whole stage to attempt to answer them, but those are our explanations as to why we have unfortunately, in our view, had to get into the twelve-twelfths concept at this stage.

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

Some hon. Members: Agreed.

Mr. Knowles: On division.

Motion agreed to.

Resolutions reported and concurred in.

Mr. Stevens thereupon moved that Bill C-23, for granting to Her Majesty certain sums of money for the public service for the financial year ending March 31, 1980, be read the first time and be printed.

Motion agreed to.

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

Mr. Knowles: By leave, now.

Mr. Stevens thereupon moved that Bill C-23, for granting to Her Majesty certain sums of money for the public service for the financial year ending March 31, 1980, be read the second time and referred to the Committee of the Whole.

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

Mr. Knowles: Mr. Speaker, may we have copies of the bill? After all, if we have given it first reading and we are about to give it second reading, we should at least see the bill.

Mr. Deputy Speaker: Copies of the bill are to be distributed immediately.

Mr. Knowles: Let's just sit for a minute, then.

Mr. Stevens: You are going to like it.

• (2040)

[*Translation*]

Motion agreed to, bill read the second time and the House went into committee thereon, Mr. Laniel in the chair.

[*English*]

On clause 2—*$17,409,059,663.50 granted for 1979-80.*

The Chairman: Shall clause 2 carry?

Mr. Knowles: Mr. Chairman, I rise on a point of order. I wonder if there could be some understanding, or perhaps some direction from the Chair, as to how we are going to handle this bill which consists of a number of routine clauses that always make up a bill of this kind. It also has four different schedules with different departments under those schedules. Are we just going to allow each member to take up whatever subject he wants, or can we organize it by calling schedules and calling departments? I have no bill of goods to sell in this respect and I am not trying to get something, but it seems to me that it would be simpler, if we were on fisheries that we stayed on fisheries for a while, or if we were on national defence, that we stayed on national defence, instead of jumping all over the waterfront. Perhaps I will put the question to you, Mr. Chairman. How do you intend to call the bill? Having called the clauses, do you intend to call schedules A, B, C and D, or do you intend to bring them down by the various departments?

Mr. Pinard: So far as we are concerned, we were ready to let the different clauses of the bill be approved, but when you would call the schedules, we would intervene with regard to any of the departments. We were ready not to discuss the clauses but to make our points on any item under any department in the schedules. That is what we would suggest. If that suits members of the House, we would be willing to go along those lines.

Mr. Baker (Nepean-Carleton): Mr. Chairman, that seems reasonable to us. As a matter of fact the opposition House leader and I had a discussion about that. He was going to indicate the areas in which he was interested so that we could have our ministers here in order to answer questions. If that is agreeable to you, Mr. Chairman, it is certainly agreeable to us. It seems like a reasonable and sensible way of handling it.

The Chairman: Order, please. If we are to proceed in the normal way and according to the practice followed in Committee of the Whole, we could approve the clauses first, or we could stand clauses 2 to 6 inclusive and then, if the committee is agreeable, go on to the schedules and only then come back to the clauses.

Mr. Knowles: Mr. Chairman, I think that is a happy compromise. There are items in clause 2 which might be discussed after we have considered the individual departments. Clause 2 is where we get this twelve-twelfths business. I would go along with the proposal that we stand clauses 2 to 6 inclusive—of course we stand clause 1 until the end of the show—and that we proceed to call the schedules.

Mr. Pinard: We would be agreeable to that, Mr. Chairman.

Mr. Baker (Nepean-Carleton): So would we, Mr. Chairman.

The Chairman: Is it agreed by the committee that clauses 2 to 6 inclusive be stood and that we proceed directly to schedule A?

Some hon. Members: Agreed.

On schedule A—

Mr. Rompkey: Mr. Chairman, we have some suggestions for the minister of fisheries, but before we start with those questions—and we will have questions in the hours, days, and weeks ahead here—I want to sketch in some context for those questions.

The context was really begun by the hon. member for Nickel Belt this afternoon when he set the scene in his remarks by indicating the direction in which this government is going. Some people maintain that the government is directionless. That is not true. There appears a certain clear direction and it is the direction of business in this country. We want to show that that direction is being maintained in the fisheries policy as well as elsewhere. Indeed, there is already evidence to show that this is a fact. I am not putting the blame for that policy line at the door of the minister of fisheries. We on this side

have a high regard for the minister as an individual, but the government party is now in the hands of the corporate interests represented by Bay Street, and the President of the Treasury Board is becoming known in the Atlantic provinces as "the slasher". I believe the hon. member for Broadview-Greenwood had another name for him, but that is the name by which he goes in the Atlantic provinces.

Let me point to some of the evidence for the direction that is taking place in small craft harbours, for example. If that is the government that claims to be on the side of small boat fishermen—which I know the minister of fisheries is—then why was $11 million cut from the small craft harbours' budget this year? We questioned this in the standing committee, and it was quite clear to all of us that $11 million less will be spent on small craft harbours than was going to be spent last year. Those of us from the Atlantic area, not only from this side of the House but also the hon. member for Carleton-Charlotte on the other side, will remember the time we spent in the committee on public works improving the small crafts harbours budget, in fact tripling it. The hon. member for Westmorland-Kent, when he was the minister of fisheries, continued the practice that the minister had started before him, and improved it.

● (2050)

This year $11 million less will be spent on small craft harbours. I do not know how many members are aware of the importance of this facility in the Atlantic provinces, but there is no point in trying to catch fish if you do not have boats, and you do not have boats if you do not have protection for those boats in the form of wharves and breakwaters, and if you do not have something to pull those boats up on in the wintertime. That is the importance of this to small boat fishermen and that is the importance of it to the Atlantic provinces, but that is the direction this government is taking, and that is the kind of policy line we are getting from this government.

Before I leave the subject of small craft harbours let me say this. Right now the Minister of Employment and Immigration has on his desk waiting for approval certain Canada Works projects in the Atlantic provinces. Whatever other members may think of these particular programs, they have been God-sends for the inshore fishermen in the Atlantic provinces and Quebec. They have had facilities built that would have been built no other way and with no other funds.

Right now ready for approval are Canada Works projects for building wharves, breakwaters, haul-outs, slipways and fishing stages. However, there needs to be complementary money from the small craft harbours budget, and that money is just not there. Those projects will not be approved. In addition to the $11 million of small craft harbours money in the main estimates that will not be spent, these Canada Works funds will be unspent because of the lack of money in the small craft harbours budget. This is a sad situation in the Atlantic area, and I hope I can make clear to the House how serious it is.

The second piece of evidence relates to fishing vessel subsidies. The previous government and, indeed, the present government, have been encouraging small boat fishermen to improve their boats, their catching capability, their technology and their gear, but since June we have not had any fishing vessel subsidies.

A 53-foot longliner in the Atlantic provinces and Quebec costs $500,000. Can you appreciate the difficulty of small boat fishermen, small entrepreneurs, raising that kind of money? The federal government normally pays 35 per cent of the cost of such a vessel, or at least in my province it does. That money has not been there since June. This means that boats that were supposed to have been built have not been built, and this means that fishermen have gone without, in spite of the fact that groundfish are coming back and stocks are being rejuvenated. The fishermen have not got boats with which to prosecute the fishery. This is, indeed, a sad situation.

In addition to that, the shipyards which normally build these vessels and provide additional employment to people in that area have been lying idle. If this is a government of small boat fishermen, where is the small craft harbours money? If this is a government of small boat fishermen, where are the fishing vessel subsidies? They are not available in my province which has the highest unemployment rate in Canada. That province is represented by two ministers in the federal cabinet, and the present premier won his election by saying we had two stars in Ottawa now, and suddenly the heavens were going to open and rain gold. We are still waiting for that gold to rain. Six, seven months have gone by, and still we have not seen the evidence of the work of the two hon. gentlemen in the cabinet. I am not laying this at their doors; I am laying it at the doors of the people who are controlling this present party in government at the present time, and back of that party the interests of the large corporate organizations in this country.

The real issue that is developing in the fishery, at least on the Atlantic coast, and I suspect on the Pacific coast as well, is not a conflict between the provinces, and not a conflict between the provinces and the federal government. Richard Cashin, the president of the Newfoundland Fish, Food and Allied Workers Union, in a statement yesterday in Newfoundland defined it very well. He said that the real issue that is developing is not so much a constitutional conflict between the provinces and the federal government or, indeed, between the provinces, but a conflict or a power struggle within the fishing industry, a struggle between the large corporate interests and the small boat fishermen. That is the struggle that is emerging, and that is the struggle we want to address ourselves to on this side.

Let me make it quite clear where we in this party stand, as we have stood before. Whatever the hon. member for Nickel Belt may say about the lack of difference between the parties on both sides of the House in policy, it is quite clear that at least in respect of fisheries the policy of this party has been to favour the disadvantaged, the powerless, the people with the least economic and political powers in the fishing industry, and that has been the fishermen.

If there is one thing that the hon. member for Westmorland-Kent was known for it was as the minister of fishermen, not so much as the minister of fisheries.

Some hon. Members: Hear, hear!

Mr. Rompkey: The struggle that is going on within the fishing industry is indeed that struggle between the corporate interests in the fishing industry and the small boat fishermen.

Let me make it quite clear where we stand. We, as a party, want to defend the people whom we have represented over the years and whom we continue to represent in our ridings, and they are the small boat fishermen; the inshore fishermen. We do so not simply because we want to improve their economic position but, indeed, because the small boat or inshore fishermen are tied up in a very integral manner with the way of life in the Atlantic provinces and Quebec. Our communities and our families exist because of the inshore fishery and because of the small boats fishery. We want to protect that way of life, not simply the fishery, and not simply to improve their economic position. That is the issue in the fishery today. The question is: who will get the power and the control, and how will that power be shared among those various sections of the fishery?

I am not going to deal with the issue that has come up most recently, that issue in the Gulf of St. Lawrence. I am going to leave that to my friend, the hon. member for Gloucester, who championed that issue from the beginning, assisted by the hon. member for Westmorland-Kent and, indeed, by my colleague, the hon. member for Gaspé. They will deal with that issue in some substance. However, that is further evidence of the direction that is being taken in the interests of the corporate powers within the fishing industry.

The issue of freezer trawlers will be the next important issue we want to debate on this side. We think the minister has been premature in discussing with the Fisheries Council of Canada the issue of freezer trawlers within the fishing industry, because here again a conflict takes place. If we increase the number of licences in the fishery for large vessels with freezing capacity to take large amounts of groundfish, in addition to unutilized species, and there is no way they can be economic unless they take a certain amount of groundfish, and I doubt that they can be economic anyway, that is going to have—

Mr. McGrath: Mr. Chairman, I rise on a point of order. I am sure my friend would not want to mislead the House. I just want to refresh his memory. When the estimates were before the committee I indicated to him that I had not in fact discussed the question of freezer trawlers with the Fisheries Council of Canada.

Mr. Rompkey: I accept that from the minister, Mr. Chairman. All we are saying is that before any decision is made we on this side want consultation. We want to be able to debate that whole issue because it is of paramount importance. It is another sub-issue growing out of the one I have been trying to point out. We want to be consulted on that. We want a full debate on it. We want all the facts laid on the table, and we want adequate consultation with the inshore fishermen whose very livelihood is threatened by this issue of freezer trawlers.

When referring to the struggle between the corporate interests and the small fishermen I would suggest that my colleague, the hon. member for Cape Breton Highlands-Canso, who is not here today, would raise the issue of the squid fishermen of Chedabucto Bay and the Canso area. It is true that the freezers of the companies are full at the present time. The shame of it is that squid in the areas I have indicated is being thrown overboard because the fishermen cannot get rid of it. The companies say they already have their freezers full and they cannot sell it.

• (2100)

The minister is saying that over-the-side sales will not be approved in this area and that he will not allow foreign vessels to come in and take the squid as they have in the past. If the companies are saying that they do not have a market for their squid, will the minister of fisheries speak to the Secretary of State for External Affairs and tell her that there is a dire situation in Cambodia at the present time and we as the government have approved $15 million for that area?

I would remind the minister that the main market for squid which is emerging now is the Japanese market. Would the minister tell the Secretary of State for External Affairs that we have this situation in Chedabucto Bay and Canso, and would he arrange, through whatever means necessary, to ship this product overseas to the people who are in dire need of it at the present time? We in Canada have so much of so many other things. There are people who need that product, and I am sure that something can be worked out in the interest of the squid fishermen in that area so that they can get rid of that product that they are catching and having to throw away at the present time.

I understood the minister to say earlier that he was not against over-the-side sales in principle. I thought I saw in his press release that they probably would continue next year. I hope that the minister will clarify his position on the matter because I think that he has to do something about that situation. It is an important situation for these fishermen in that area and, once again, the people who are affected are the small boat fishermen who cannot get rid of their product. The large corporations are not affected because their freezers are already full with that product.

Another issue which I would like to bring to the attention of the minister of fisheries in the hope that he will pass it on to the Minister of Public Works or possibly the Minister of Transport is the issue of navigational devices on the east coast, and specifically the Loran program. The previous government earmarked $14 million for the installation of new Loran facilities on the Atlantic coast. That has now been put aside, and the project will not go ahead even though all the ground work was laid. The Fox Harbour, Labrador area, was to have a Loran station. It is very important to the fishermen in that area and, indeed, to the U.S. coastguard.

I understand that not only are the Canadian fishermen upset, but so is the U.S. coastguard because they cannot navigate in the Atlantic area due to the lack of those Loran facilities. The possibility of oil discoveries off the Atlantic coast is further evidence of the need for these navigational facilities at the present time. Both the present government and the previous government have been encouraging fishermen to get the most up-to-date equipment. That technology will use the Loran navigational equipment for fixes at sea. If the government is encouraging the fishermen to get into that kind of boat and that kind of technology, it must have the proper kind of navigational equipment. It would not make any sense at all to leave that money unspent because one goes hand in hand with the other. I implore the minister to speak to his colleagues, the Minister of Public Works and the Minister of Transport, to see if he could have reinstated that $14 million to provide those very necessary Loran facilities on the Atlantic coast.

There are other issues that we would like to raise during the course of this debate. We would like to ask the minister what he intends to do about the Atlantic salmon. He must make a decision on that matter soon. We now know that the stock is in a great deal of trouble and that the decision will not be easy. There are five or six different factors, and during the course of the debate we will be going into this matter in more detail. I hope that the decision on that matter will be in the interest of those who need that salmon most and, again, in our opinion that is the small boat fishermen.

One option open to the minister is to reduce or possibly eliminate the salmon catch at the present time in Newfoundland. Certainly, the policy taken by the government of New Brunswick would suggest that it has not brought the stocks back, and I doubt very much if implementing that kind of policy with regard to Newfoundland would make any more sense. I think that there are other ways and means to go about solving the salmon problem.

The difficulty we on this side see is the direction in which we are heading in fisheries policy. It is a clear departure from the policy followed by the previous minister of fisheries. If the hon. member for Nickel Belt is looking for a difference in philosophy or approach, then let him look at the fishery policy because, from our point of view, there is a clear difference which we do not like and which we would like to see changed.

Mr. Stevens: Mr. Chairman, as I understand it we are on Schedule A at the present time. The hon. member directed his comments I think to the Department of Fisheries and Oceans, which is referred to in schedule D. For purposes of good order, I would suggest that each speaker deal with the schedule before us, and in that way we can proceed in a more orderly way with any questions that may be raised. The reason I say this is because schedule A is really where my hon. friend's points are going to come up on the twelve-twelfths. Schedule A deals with the three-twelfths that we are asking for in addition to the usual nine-twelfths that are dealt with in the bill.

Schedule B deals with the request for two-twelfths, the final schedule is the request for one-twelfth, and schedule D deals with the supplementary estimates A. It is supplementary estimates A that have the provision with respect to fisheries and oceans. I could suggest that we come to the various fisheries and oceans discussion points either in schedule D, or when we revert to some of the clauses which we have stood. For example, clause 2(a) is the general nine-twelfths provision which includes, of course, fisheries and all the other departments. I am suggesting that perhaps if we could deal with schedule A we could get that behind us and then schedules B and C, and hopefully we could get to schedule D quickly.

Mr. Breau: In view of the fact that we agreed with the government House leader that we would be discussing the fisheries estimates, we were prepared to go to that on clause 2. We stood the other clauses in order to be co-operative. In view of that, would it not be acceptable to the President of the Treasury Board, and to you Mr. Chairman, if we stood schedules A, B and C and went to schedule D, because we are prepared to discuss it?

We thought that we would be dealing with clause 2 and that we could do everything on that clause. That is why we would rather stand the others and go to schedule D. Would that be acceptable?

The Chairman: I have no objection. I had the same preoccupation as the President of the Treasury Board, but by stretching schedule A with regard to marine transportation, I found a way to accept the remarks of the hon. member for Grand Falls-White Bay-Labrador, although at times he referred more to fisheries than to wharfs and shipbuilding. I also recognize the difficulty of hon. members and I have already discussed the possibility of having a further, detailed discussion on fisheries. I have no objection to that, but to stand schedules A, B, C, and go to D, would need the consent of the committee.

• (2110)

Mr. Rose: From the point of view of this party, Mr. Chairman, we are not prepared to stand this clause at the moment. We still have a number of speakers on it and I think we need its generalities in order to bring up things that are of great concern to those members who are present tonight and who will be present tomorrow, immediately after question period.

Mr. Breau: Mr. Chairman, I am not sure if the hon. member who just spoke was here when his House leader agreed to stand clause 2. We have prepared ourselves to discuss clause 2. If they want to discuss something else, we have no objection to the Chair recognizing them proportionately, for the evening. I think it is unfair of the hon. member to bring this up now, when we have agreed to his leader's suggestion to stand clause 2. We are not saying they cannot discuss whatever they want to discuss, if they want an equitable share of the time for debate, but it is very unfair of the member from the New Democratic Party to refuse us the opportunity to discuss what we want to discuss.

We have no objection, Mr. Chairman, if you recognize them equitably this evening—as you always do, of course—but I

wish the hon. member would not refuse consent for us to discuss what we want to discuss. We were ready to go ahead on clause 2. It was only in order to be co-operative that we decided to stand the clause and go to the schedules. I appeal to hon. members to be a little more co-operative, Mr. Chairman.

Mr. Rose: Mr. Chairman, it is true I was out of the House so I do not want to contradict any commitment made earlier that we would prefer to stay with schedule A, standing the various clauses. That is what I heard when I came into the House. I am not aware that we have any objection to that, as long as we stay with schedule A.

The Chairman: I will try to be helpful. I do not want to get involved in the essence of the bill. In schedule D there are votes 15a, and L36a which deal with energy, mines and resources and payments to refiners. Would that be enough to allow the minister and hon. members to discuss the questions they want to discuss on schedule A? I am not learned enough to answer the questions that I ask myself.

Mr. Stevens: Mr. Chairman, certainly we have no objections to standing schedules A, B, and C. If hon. members want to speak on the fisheries and ocean item, it does most appropriately come under schedule D. As you have indicated, schedule D is pretty wide anyway. I think our friends in the NDP can probably bring their remarks in under schedule D.

Mr. Rae: Mr. Chairman, would it not be possible to allow us to raise questions involved in all four schedules? I do not see what the problem is, if the gentleman to my right wants to speak to schedule B and we want to speak to schedule A.

The Chairman: The problem arises when amendments are offered. The Chair has to help the committee to proceed in an orderly way, so that we do not end up with confrontation or differences of opinion among members who are talking on one schedule or on another schedule. As far as schedule D is concerned, I do not see any difficulty in the minister answering questions that seem to occupy hon. members in the NDP on the subject of energy, if that is what they want to discuss at the same time.

Mr. Nystrom: Mr. Chairman, it seems to me there is really no problem. If we accept the advice you gave the committee in the first place, we can talk about fisheries under the marine transportation program and we can ask the questions that we want to as well.

The Chairman: The committee will have to decide for itself. Right now I am faced with a decision that has been made to stand clauses 2, 3, 4, 5 and 6. We are on schedule A now. If hon. members cannot agree among themselves, we will have to proceed with schedule A and I shall try to keep the debate as orderly as I can.

Shall schedule A carry?

Mr. LeBlanc: Mr. Chairman, if I understood your last remark it means there will be a fairly free-ranging discussion. That is probably the way most hon. members would like it.

[Mr. Breau.]

This is a new experience for quite a few of us and I suspect the wise and learned views of some of our colleagues would have been useful in the last few minutes. However, we shall muddle through.

Any discussion on fisheries must take place in a rather bizarre context for those of us who remember the period of 1974-75. Most of the tensions and the debate taking place in regard to fisheries matters at the moment are caused by a problem of riches. There is an abundance of fish. It is because the fishery has become so attractive to so many that a lot of discussion is taking place. I modestly take some slight credit for this abundance of riches, although I suspect the oceans are mainly responsible for creating the biological wealth. The Minister of Fisheries and Oceans now finds himself approached on many sides by those who want to get in on the action.

The first time we took issue with him was on the decision to allow the larger vessels back into the Gulf of St. Lawrence which came about as a result of conflicting fishermen's interest groups competing for the same fish. The hon. member for Gloucester will have more to say on this issue a little later. I suspect a whole series of issues of the same nature are pending. Reference was made to freezer trawlers. If these vessels are to receive additional licences and not replacements, we will want to know who is to get that next generation of licences. If it is those who can afford them because they already have large fleets, then we will want to know the criteria under which the licences were issued.

We will also want to know if the minister has abandoned the policy enunciated in 1977, to the effect that the holders of fishing licences should not also be the processors or marketers of fish, that there will be a separation of the fleet to create a clientele, if I can use that word, of fishermen who own their boats individually or collectively and who go into the business of fishing while others go into the business of processing and marketing.

When I held that portfolio I concluded that the system whereby large trawlers could transfer some cost other than the cost of catching the fish, created unfair competition for a lot of small boat owners.

In any discussion about the next generation of licences, I would be interested in hearing the minister's views on an idea which I suggested and which the Premier of Newfoundland espoused at an open federal-provincial conference. It was a matter of public record that the idea of the next generation of licences, or the increase in the licences, should not be in the hands of those who already have them, but should be distributed or put in the hands of a consortium. This consortium could be comprised of a company in which government, present processors possibly, and fishermen, would be represented and in which they would have a say. Fishermen will certainly want to have something to say about the allocation of what I call the next generation of licences.

• (2120)

There are a number of other areas in which the sources of conflict between competing groups, not only fishermen but of processors and fishermen, are coming to the fore. Look at the situation on the sale of squid. It is possible that that market has slowed down. Have the companies, before asking the minister to intervene on their behalf, made available to fishermen through their organization all information which would allow fishermen to make a reasonable judgment? The fishermen of British Columbia in the herring roe know the market can bear roughly 90 thousand tons. Way beyond that figure market conditions and their income as fishermen would be in danger. This knowledge is shared among companies and fishermen and they arrive at a reasonable decision.

Those companies which were at my door when I was minister and must be at my successor's door in order to get access to the offshore squid have created very little employment. Squid was caught by freezer trawlers. These ships were chartered. The squid was then transferred to carrier or reefer vessels and taken to the Japanese market. Those companies at that time were not overly worried about the glut condition of the market. I suspect that having their freezers full and having served themselves very nicely, thank you, then the fishermen who would like to sell fish to Japanese freezers in bays like St. George's Bay—the Minister of Regional Economic Expansion knows very well what I am talking about—find themselves prohibited by this minister whose instincts I am sure are repelled by having to make this sort of decision.

The minister will have to learn one thing, that he will have to resist a popularity contest with the large processors in the fishing industry who have traditionally exercised pressure and who have resisted some of the policies I advocated to allow fishermen to come home as equal partners. He will have to resist the blandishments of those who spoke yesterday to the committee that one had to exploit the fish on what one had to call an economic basis, that is, the fastest buck for the fewest possible. Then things are closed down and the government is left to worry about the rest.

Obviously this is a resource which belongs to the people of Canada and in which there has been almost no investment by large processors. The only investment has been in vessels acquired, accompanied by good tax write-offs, to capture the fish.

An hon. Member: A Liberal write-off.

Mr. LeBlanc: If the hon. member to my left listened, he might learn a few things.

Mr. Breau: Like the difference between cod and herring.

Mr. LeBlanc: The principle of saying to fishermen that when companies do not like it, one must not be allowed to sell fish directly to a foreign freezer, is one that will be hotly debated. We cannot hold the fishermen of this country as hostages to the sort of rhetoric we heard this week in the House of Commons Standing Committee on Fisheries and Forestry.

If the minister wants to be on the side of the fishermen he will have to take his lumps from those who can advertise in *The Globe and Mail*—

An hon. Member: At the taxpayers' expense.

Mr. LeBlanc: Yes, at the taxpayers' expense, because obviously this is written off. These are the people who were so poor a few years ago that at one point they asked me to take over the fleet. They were telling me they could not afford to run it any more. Now that the government has bailed them out with millions and millions of taxpayers' dollars, they are right back to where they were a few years ago.

They are not interested in long term policies like market consolidation for the foreign market effort of Canada. They are not very much interested in developing new markets as long as they can make a fast overnight dollar in some quick chartering operation. The minister will have to come down on one side or the other. I hope that he is brave enough to resist these ideological neo-conservatives who are developing some new altars on which we are supposed to sacrifice in the next few years. As the minister from Nova Scotia said, the fishermen of Cape Breton have been suckered in when trying to defend their interests as small inshore fishermen.

The minister will have to decide if he will speak on behalf of the fishermen or if he will speak on behalf of those he called good corporate citizens the other day. I suspect at some point he will not be able to speak comfortably for both.

I had intended to say a few more words, but I will conclude by saying that I think fishermen's organizations must not be prohibited, as they are in certain provinces, where by law fishermen do not have the right to organize—I am embarrassed to say that my own province of New Brunswick is one of those—

Mr. Breau: Under a Tory government.

Mr. LeBlanc: Yes, under a Conservative government. The fishermen of this country must be given a chance to defend their interests as every other group of society is allowed to do. Not only that, but they must be actively encouraged by being heard and listened to. I intend to speak on some other items, but for the moment those are my general remarks.

Mr. Rae: Mr. Chairman, I do not intend to talk about fish.

Mr. Breau: Do you know what cod is?

Mr. Rae: I want to ask a particular question of the President of the Treasury Board. It will take only three minutes and it arises from discussions I have had today. Can he tell us whether it is the intention of the government to announce before Christmas further sales of additional Crown corporations?

Mr. Stevens: Mr. Chairman, I am not sure whether or not that comes under schedule A but I will answer the hon.

member in this way: it is likely that the privatization candidate list with respect to Crown corporations will be increased, and an announcement will be made sometime between now and Christmas.

Mr. Breau: Mr. Chairman, I am glad that the Minister of Fisheries and Oceans is here in committee. In the last few weeks there have been many subjects that we have wanted to raise with him and he has been good enough to make himself available in the committee on fisheries and forestry. We appreciate that.

I want to say, as have my friends, the hon. member for Grand Falls-White Bay-Labrador, and the hon. member for Westmorland-Kent, that it is nice to see the Minister of Fisheries sitting with the President of the Treasury Board. One could not exemplify better the problems that are happening with fisheries now. Because this is the start of the session, we want to be nice; we are not going to be difficult right away. As I have said many times in this House to the hon. member for St. John's East, we hope he will be able to do those things that he wants to do.

I wish the President of the Treasury Board would forget his ideology and his blanket cutbacks and slashing on discretionary spending, and realize that what he is doing is humiliating all his colleagues whose departments have, as a vocation, spending and development. After four or five months I do not understand how the Minister of Fisheries and Oceans can sit at the same desk as the President of the Treasury Board, considering the difficulties he has caused. I do not understand how the minister can go back to Newfoundland and the rest of the Atlantic provinces to give an explanation to the fishermen, town councils, village councils, chambers of commerce and all kinds of industrial companies. You know what I am talking about, Mr. Chairman. It must be extremely difficult for the Minister of Fisheries and Oceans to explain why, for philosophical reasons, changes were made on a certain date, June 1.

● (2130)

I want to take this opportunity to say what a good job was done by the former minister of fisheries and oceans. Everyone in the Atlantic provinces who knows anything about fisheries agrees with that. Yesterday or the day before in the regional development committee none other than the present Minister of Fisheries and Oceans was saying how prosperous rural Newfoundland had become. He stated how economic activity in rural Newfoundland and in fact all over the Atlantic provinces was really alive. That is only because the former minister had influence on the government, something we hope this minister will have before too long.

As I said, we will be nice for a while and give him the benefit of the doubt. The previous minister had influence in the government because our party thought that fisheries was important. That is because external affairs and the diplomatic infrastructure of this country pushed at the Law of the Sea Conference to get the 200-mile limit settled. I was present at many discussions where the former minister pushed the government into unilaterally declaring the 200-mile limit.

[Mr. Stevens.]

It was not only because of the 200-mile limit the fisheries began to prosper. It was because we had a minister, a government and a party which believed we should put our money where our mouth was. That was what we did.

The hon. member for Grand Falls-White Bay-Labrador stated that the budget for small craft harbours last year was about $41 million on a yearly basis. It is now being cut to something like $32 million. That is shameful. We have lost a building season in small craft harbours.

This is the first time in 20 years in my constituency that the traditional construction companies had to lay off men in the month of July. I cannot speak for all of New Brunswick, but I know that in northern New Brunswick, which encompasses three constituencies, not one contract has been signed by the Department of Public Works for any marine structure for fisheries paid for under the small craft harbours program since June 4. That is shameful.

The fishery is an important sector. It is important to the culture and the life of our communities. For a government to accept a fiscal policy to freeze discretionary spending is not only humiliating for members like the Minister of Fisheries and Oceans but it is a policy that does not make any sense. In the past three or four months I have met with fishermen and development associations. They cannot believe the Government of Canada wants to follow a policy of freezing discretionary spending for small craft harbours.

My friend from Grand Falls-White Bay-Labrador mentioned that the Canada Works program brought in by the Liberal government was a good program. We have worked with officials and community organizations in our constituencies with regard to making as much use as possible of this program to repair wharves and build small structures, something that can be done by those in the communities. This too was initiated by the hon. member for Westmorland-Kent while minister of fisheries. He convinced Treasury Board and the bureaucracy that it would not only provide employment for fishermen but would be more economical and efficient. As my friend said, hundreds of thousands of dollars had been approved under Canada Works.

The Minister of Fisheries and Oceans and his officials will have to tell the community organizations that they are sorry, they have no money. That is shameful. I wanted to emphasize what was said by the hon. member for Grand Falls-White Bay-Labrador, because the President of the Treasury Board is in the chamber.

I wish to discuss a subject that I am sure we will have ample time to discuss with the Minister of Fisheries and Oceans in the days before this bill is approved. On August 22 the minister announced a decision to increase the quotas for cod in regions 4T and 40 in the Gulf of St. Lawrence. He also announced he would provide 6,000 metric tons off that quota to fishing vessels, trawlers 100 feet or more. He permitted them to come back to region 4T of the Gulf of St. Lawrence for the first time since 1975, at which time they had been asked by the then minister, the hon. member for Westmor-

land-Kent, not to do so. I spoke to the minister since that time. We raised the matter in the House.

[*Translation*]

The minister has been told, I do not know how many times, that if he really made a mistake, we would understand that: it is quite possible for a man who has been a minister for only about ten weeks to make an error; there is so much material to be gone over and assimilated in so short a time that a mistake would be understandable; but, Mr. Chairman, what this minister did was to make an irresponsible decision. He decided to allow trawlers of 100 feet or more to enter the 4T zone in the Gulf of St. Lawrence without consulting anyone but the owners of those trawlers. The minister has replied several times in the House, and I have a few answers here in my hand which I would like to quote because I think that the minister, though he may not want to mislead the House deliberately is trying to be "tortuous". And just in case someone does not understand what I mean by that, I want to say that—

[*English*]

—the minister has been devious.

[*Translation*]

Mr. Chairman, on October 17, in reply to my colleague from Gaspé the minister said, and I quote:

[*English*]

Mr. Speaker, that decision was taken after scientific advice had come to us—

[*Translation*]

The quotation can be found on page 296 of *Hansard* for October 17.

[*English*]

—that we could take an additional 13,000 metric tons in the Gulf. On the basis of that advice, consultations were held with the Atlantic Groundfish Advisory Committee. There was consultation, and on the basis of that consultation it was agreed that 4,000 metric tons would be assigned the Gulf-based vessels, which left an additional 9,000 metric tons. We decided—

When he answers he is very clever. He just spoke about consultations on the increase of the quota.

We decided that on the basis of that new TAC, we would assign 6,000 metric tons to the 100-footers, or the offshore fleet which had fished in the Gulf prior to 1976.

Again, yesterday, in the House of Commons the Minister of Fisheries and Oceans and the Prime Minister, in answer to a question from the hon. member for Gaspé, said there had been consultations on the question of the entry of the 100-footers. The Minister of Fisheries and Oceans should come clean with the House and tell us if he did consult with the governments of New Brunswick, Prince Edward Island, Newfoundland, Quebec and Nova Scotia on the question of entrance into the Gulf of St. Lawrence in region 4T of these large trawlers. If the minister wants to clear this up right now, I am ready to yield him the floor.

● (2140)

The hon. gentleman always answers by saying there was consultation with the Atlantic Groundfish Advisory Committee. I have read the minutes carefully, I have spoken to the people who were here, and I have evidence here that would suggest that on the question of the 100-foot trawlers there was no consultation. An official of the Prince Edward Island government appeared before the Standing Committee on Fisheries and Forestry this week and said there had been consultation only on the increase of the quota.

Before I go further I want to ask the minister whether he did, or did not, consult with anyone except the owners of the 100-foot trawlers or the plant owners? Did he consult with anybody whose fishery was based on the Gulf on the issue of 100-foot trawlers entering region 40 or not?

Mr. McGrath: This question has been raised in the House on a number of occasions. I have answered it. The hon. member has just quoted one of my answers from *Hansard*. He is now implying, whether inadvertently or deliberately, that I misled the House. I have given my answer in the House and I am prepared to put it, now, before the committee and to substantiate it when I reply to the hon. member. There was consultation. That consultation was explained in committee when the matter was before the Standing Committee on Fisheries and Forestry. It was repeated on numerous occasions in reply to questions in the House. There was consultation. I intend to demonstrate, with evidence, that in fact there was consultation. I am saying to the hon. member, for whom I have the greatest respect, I am sure it is not his intention to imply that I have misled the House. That is the course on which he is setting out tonight. He has to accept my word.

Mr. Breau: I did not imply anything. The reason I asked the minister to stand up and answer the question before I went further was precisely because I respect him, too. I give him the benefit of the doubt. But I have evidence to show that on the question of the entry of the 100-foot trawlers some people say there was no consultation, and I am ready to quote, for example, the minister of fisheries for New Brunswick, Mr. Jean Gauvin who, in *L'Évangeline*—

[*Translation*]

I would like to quote from an article published on page 5 of *L'Évangeline* of September 21 under the title:

Large trawlers authorized to enter Gulf. Gauvin—

That is New Brunswick Fisheries Minister Jean Gauvin.

—surprised and concerned by the McGrath decision.

The Minister was surprised not only by the lack of consultation, in his view, but because he did not even know that this action was being considered. The reporter then describes the problem, Mr. Chairman, and I come immediately to Mr. Gauvin's statement. He said he was surprised, and I quote:

That the federal minister did not consult him prior to taking this decision, although Mr. McGrath may have tried to get in touch with him.

Now I can translate that:

[*English*]

I can translate that. The minister of fisheries of New Brunswick, Mr. Gauvin, said he is surprised that the federal minister did not consult him before making a decision.

Mr. McGrath: I said in the House there was no consultation at ministerial level. I said that yesterday.

Mr. Breau: Now we are starting to get more facts. Why does the minister not come out and say there was consultation on the increase of the quota at the Atlantic Groundfish Advisory Committee meeting in July but that the question of the 100-foot trawlers being permitted to enter the Gulf was not discussed? Why doesn't he come clean and say that? I don't want to imply anything. I don't want to say he misled the House but I want the minister to tell the whole story and I want the record to show that when the minister says there has been consultation, there has been consultation at AGAC on whether the quota should be increased or not, but that on the crucial question of whether the quota should be taken by the large trawlers or not there was no consultation at all.

I wish the minister would admit he made a mistake, that he proceeded too quickly on an issue of great importance. He might, for example, tell us that he moved too quickly—that he was a new minister and did not have time to consider properly the briefs the officials prepared for him.

I have here the ministerial briefing note that the minister should have read and which explains very clearly what the problems were. It explains that the problems were not only scientific, not only related to establishing the total allowable catch, not only to whether the quota should be increased or not. The question is one of direction.

[*Translation*]

Mr. Chairman, this is a question of philosophical approach to fishery development. That is the question. Some members suggested we are questioning the competence of scientists. Such has never been our aim. Scientists deal with facts and data. The important thing here is that an area and a sector, coastal fishery—either near or further away from the coast—does not accept the minister's philosophy. It cannot accept that the minister should allow, two or three large companies owning some 50 trawlers 100 feet long or over to reap an extraordinary volume within the 200-mile limit.

I have figures here, Mr. Chairman, showing that this year—I have asked officials for figures for this year, and they are going to supply them later. But it is now my feeling, Mr. Chairman, that 100-foot or over trawlers will be catching this year, in 1979, about 120,000 metric tons of cod—only cod, 120,000 metric tons; by the end of August they had already taken 83,000 metric tons of cod. It is a matter of determining whether the Government of Canada which is responsible for managing a resource for all Canadians is going to decide to continue to give more to those who have a chance to operate elsewhere and endanger coastal fishing in all Atlantic provinces.

It is not only a matter affecting the Gaspé area, New Brunswick and Prince Edward Island, because if the philosophy of the minister is that all he is going to do is accept the recommendations of his scientists on some data and say, "There is an allowable catch of X thousand pounds, let those who have the boats"—and those happen to be the big companies, two or three big companies—"go and get that fish." Well, areas in the Atlantic provinces depend on coastal fishing, depend on smaller boats where there are hundreds of independent fishermen who are not good corporate citizens, as the minister suggested in the fisheries and forests committee as well as in this House when he asked what could be done against those companies because they were good corporate citizens. Mr. Speaker, hon. members know as well as I do that coastal fishermen of Canada, New Brunswick, Quebec, Magdalen Islands, Prince Edward Island, Nova Scotia and Newfoundland are good Canadians: the only difference is that they are not corporate citizens.

But, Mr. Chairman, they are citizens, people who have been trying for many years to earn a better living and who see that, in this country, in the area of fisheries, with the 200-mile limit, they now have a better chance and they can go and fish in that 200-mile limit. Why? Because of those 400,000 to 500,000 boats, and they own boats 45, 50, 65 or 80 feet long, Mr. Chairman, it is not economical to go and fish off Labrador or Newfoundland or between Nova Scotia to the south, and Newfoundland, in zones 4X, 4W and 4VS in the Atlantic ocean. That is not economical for them. So they have to depend on fishing in the Gulf of St. Lawrence and plants which depend on the Gulf for their fish supplies are also curiously underutilized. The minister says that they—

• (2150)

[*English*]

Mr. Chairman, I see that my time has expired. I would like to give an opportunity to the minister to come clean before we go further on this question and to admit that he did not consult anybody who was interested in the Gulf fisheries on the question of permitting 100-foot trawlers and longer to enter region 4T of the Gulf of St. Lawrence. I would like the minister to admit that he made an error and to say that he will not do that again.

Mr. McGrath: Mr. Chairman, it was not my intention to reply. I wanted first to hear from my friend, the hon. member for Gaspé. I listened to the speech of the hon. member for Grand Falls-White Bay-Labrador and the speech of the hon. member for Westmorland-Kent, but I do not want the record to suggest that the hon. member feels that he has me over a barrel in any way. Just to correct the record, I am going to quote the minutes of the Atlantic Groundfish Advisory Committee meeting which was held in St. John's July 11, 1979.

The representation at that meeting is listed here, and it shows, for example, that there was a representative of the government of the province of New Brunswick. It is not my

fault if that representative did not report back to his minister, but that is in fact what happened. There was a representative from the province of Quebec. There was a representative from the provincial government of Newfoundland, and there was a representative from the provincial government of Nova Scotia.

Mr. Breau: I have read all that.

Mr. McGrath: There was no representative from the province of Prince Edward Island.

Then the minutes list industry representatives as well, and I quote from the minutes as follows:

> Members generally favoured an increase in the current TAC; however, conflicting views were expressed over a possible TAC increase and allocations to vessels under 100 feet and over 100 feet.

It was discussed at that meeting, and on the basis of these discussions there were consultations.

As a result of these consultations regarding Gulf-based vessels it was determined that they could use an additional 4,000 metric tons of the 13,000 metric tons that we were allowed to allocate over the existing TAC. So we allocated 4,000 metric tons to Gulf-based vessels because that was all they could use. That left 9,000 metric tons. Of that 9,000 metric tons 6,000 metric tons were allocated to the over 100-footers or the trawler fleet based outside the Gulf, primarily in Nova Scotia and southern Newfoundland. They are now in the southern Gulf taking advantage of that allocation.

My friend, the hon. member for Grand Falls-White Bay-Labrador, might be interested in knowing that as of today there are 16 trawlers in there, and the 16 of them are from south coast of Newfoundland fish plants providing good work for Newfoundlanders, and he opposes that. I am going to have more to say about that later on, but these are the facts, and I cannot help it if the hon. member does not read or does not understand what he reads. The facts speak for themselves.

Mr. Sargeant: Mr. Chairman, during this week there have been a number of comments made in this House to the Prime Minister and to the Secretary of State for External Affairs regarding the Garrison diversion project. Some of the comments were directed to the Prime Minister with regard to his discussing this with President Carter tomorrow. Unfortunately, President Carter will now not be visiting us tomorrow, and this matter will not be brought up, so I would like to direct some comments to the Minister of Fisheries and Oceans.

In the province of Manitoba there is a very large freshwater fishing industry. This fishing industry will be seriously affected by the Garrison diversion project. I urge the minister to make representations to the Prime Minister on behalf of fishermen in Manitoba, in other provinces, in northwestern Ontario and parts of Saskatchewan who will eventually be adversely affected by the environmental pollution caused by the Garrison project.

Essentially the danger Manitoba is afraid of is that the Garrison diversion is causing a link-up between the Mississippi River and the Missouri River basin and the Red River, Lake Winnipeg, Nelson River or really the Hudson Bay basin system in Canada and parts of north central United States.

By making this link-up, certain species of fish will be brought into the Hudson Bay watershed which have not been in the Hudson Bay watershed for some 8,000 years. Among these are the gizzard shad, the rainbow smelt, and a number of others. The gizzard shad and the rainbow smelt in particular will cause serious and irreparable harm to the freshwater fishing industry in Manitoba. The gizzard shad particularly is a rather ugly and voracious little thing.

An hon. Member: Probably a Conservative.

Mr. Sargeant: Someone has noted that he might be a Conservative fish. There is probably a strong resemblance between the gizzard shad and the happy hacker. The gizzard shad will eat all of the natural feed of the Lake Manitoba white fish, the Lake Manitoba pickerel, the sauger and the northern pike. It will also kill the eggs of Lake Winnipeg fish.

The rainbow smelt is an incredibly rapid multiplier. He will also affect the food supply for the natural fish of Lake Winnipeg, Lake Manitoba and Lake Winnipegosis, and will also foul up the nets of Lake Winnipeg fishermen. Their nets will be filled with rainbow smelt and cause an incredible amount of work, while the rainbow smelt has no value itself. The rainbow smelt cannot be commercially used. Fishermen will spend hours emptying their nets of rainbow smelt.

Figures from studies by the IJC and recently a study undertaken on behalf of the Manitoba Indian Brotherhood show that $3.1 million worth of Manitoba freshwater fishing will go down the drain. The fishing industry is somewhat larger than that, but the Garrison diversion will cause $3.1 million in annual damage, in today's dollars. This is something the people of Manitoba cannot accept. It is something which will affect native fishermen and non-status native fishermen in Manitoba. There are communities in the northern part of my riding and in the riding of the hon. member for Churchill which will be completely shut down if the fishing industry is lost. There will be nothing left for those communities.

I have a number of comments to make regarding freshwater fishing. I would like to make them at some other time. At this time I would just like to wrap up my comments by urging the minister once again to make representations to the Prime Minister and to do all he can on behalf of Manitoba fishermen to ensure that Garrison does not—

The Deputy Chairman: Order.

Progress reported.

Adjournment Debate

• (2200)

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

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

HOUSING—REQUEST CANADIAN HOME INSULATION PROGRAM BE EXTENDED

Mr. Don Blenkarn (Mississauga South): Mr. Speaker, on November 7 last I put a question either addressed to the Minister of Energy, Mines and Resources (Mr. Hnatyshyn) or, as it turns out, the minister in charge of Canada Mortgage and Housing Corporation, with respect to the home insulation program. The program has laudable objectives. The main objective, of course, is to encourage people who own private homes to insulate them and therefore reduce the amount of energy they are consuming in order to heat their homes.

Originally the program provided financial assistance to those people who owned homes erected prior to 1946. In the middle of the last federal election, on April 20, the then minister of energy, mines and resources all of a sudden came out with a new plan. He extended the program to homes built prior to 1961 and arranged for people to obtain up to $500, a real scoop, in order to assist them in their home insulation.

What concerns many of my constituents is that the standards of home insulation for houses built during the 1950s and 1960s, indeed until the early 1970s when our energy problems became apparent, were virtually the same. The same type of standard of insulation was required in my municipality and, I suspect, in most municipalities across Canada. Yet the program was extended to provide for assistance to those persons who own homes that were built prior to 1961.

There are people in my constituency who live on the same street, and some of them have houses built prior to 1961 or in 1961. In both cases the houses are virtually the same in terms of design and insulation, yet what this package does is to make fish of some people and fowl of others.

Second, there are a great number of people in subdivisions who, being good and intelligent citizens of Canada, insulated their homes prior to April of this year. Some of them have written to me complaining bitterly that they paid for their insulation with their money and now it is their taxes that are being used to help their neighbours insulate.

It is not a question of a program to assist the poor. This is not a program to assist the deprived in our society. It is a program to assist home owners, a program to assist only certain home owners who happen to own houses built prior to 1961. It is not a program that is designed to conserve fuel oil. Indeed, that is the major energy resource of which we are short. We have lots of electricity, presumably we have lots of natural gas because we are exporting more of it, and we have lots of coal. Indeed, we have a surplus on the energy account of over $1.008 billion in trade. What we are short of is petroleum.

• (2205)

The program does not differentiate between electrically heated homes, oil heated homes, gas heated homes, or wood heated homes for that matter. It is a program that gives certain people for undisclosed reasons the benefit and the right of going to the treasury and saying, "Give me 500 bucks, please;" a program that says to others that they can pay the taxes to cover its cost.

I have raised the issue with the Minister of Energy, Mines and Resources, though I must admit I have not raised it with the minister who is struck with administering the program, that is, the minister in charge of the Canada Mortgage and Housing Corporation.

The matter has been brought home forcefully in the committee where the Minister of Finance (Mr. Crosbie), in talking about the fiscal problems of Canada, has said that the program is costing a fortune and we do not know what the end to it will be. In looking at Supplementary Estimates (B) I see that there is another $120 million for this program in addition to the original $47,300,000 in Estimates (A). I am told, in talking with people more familiar with how to read these estimates, that buried somewhere else is another $15 million or $20 million, and the amount goes up and up. Where are we going, and why should some people get this and some people not?

The Acting Speaker (Mr. McCain): Order, please. I regret to inform the hon. member that his time has expired.

Hon. Elmer M. MacKay (Minister of Regional Economic Expansion): Mr. Speaker, I welcome the opportunity to continue this discussion about this interesting topic in the House of Commons. Let me say to my friend, the hon. member for Mississauga South (Mr. Blenkarn), that he is quite right, it is an expensive program and a program that has been changed since it was first instituted in September, 1977. It is very widely utilized, and in the last few weeks applications have been averaging about 10,000 per week, and the payments represent a charge of $3.5 million to $5 million per week on the treasury. There have been about 800,000 kits made available to Canadians and there have been 289,000 applications received. There have been over 200,000 cheques sent out representing about $62 million spent so far in this fiscal year.

It is a matter of debate as to whether the program should be extended and made more universal. I am sure my friend realizes that if this is to be done, bringing houses built up to two or three years ago into the eligibility category, it is going to cost the treasury a lot of money.

The hon. member is also quite right in saying that CMHC only administers the program for the Department of Energy, Mines and Resources. It may well be, if it meets with the approval of the House and members generally, that there is something to be said for making the program more universal. That would also be very expensive. I will undertake to the hon.

member to get some statistics on just how expensive it would be.

One hon. member opposite, the hon. member for Regina East (Mr. de Jong), made the suggestion that it might be a good thing for some members of Parliament to look into this whole question of insulation on an objective basis. As we all know, architectural and climatic conditions are quite different across this country. The House might benefit from input from members of Parliament from different regions in this respect, in order to determine whether this program might be usefully combined with another type of program under CMHC, and to see whether it would be useful if an energy package could be devised to generate more revenues and to spend some of those revenues to make the program more universal.

I want to thank the hon. member for keeping this matter before the House. It is a very pertinent issue at a time when energy issues are among those most paramount in the minds of the public. I look forward to continuing dialogue and input in the House on this subject by the hon. member and other colleagues.

• (2210)

INTERNATIONAL TRADE—MEASURES TO PROMOTE CANADIAN EXPORTS

Mr. Roy MacLaren (Etobicoke North): Mr. Speaker, in addressing a question to the Minister of State for International Trade (Mr. Wilson) on October 24, I had in mind the fact that governments today are everywhere more active in promoting exports. This is hardly surprising in a world where reduced tariff and non-tariff barriers offer additional opportunities. Canada is more dependent than most nations upon trade for its prosperity, and being outside the great trading blocs will feel this competition all the more.

In the past, our search for additional markets has been global. However, the combined impact of geography and investment has ensured that almost three quarters of our trade—much of which is in fact inter-company transfers—is today with one country, the United States. This involves additional constraints on our export opportunities. On two occasions recently the Minister of State has deplored the limitations placed by parent companies on the exports of certain foreign-controlled subsidiaries in Canada. The minister has, however, said nothing yet of what he intends to do.

With further reference to the United States, the minister announced some months ago that Canada's search for new overseas markets has failed. He urges that we must now concentrate on the United States. I would in turn urge the minister not to give up so easily. Both patience and determination are essential to develop new markets. Canadian initiatives in Europe, Japan and the Third World need not imply any slackening of our efforts to sell in the United States. We can do several things at once—and do them all well—if we but have the determination to do so.

In addition to the constraints on Canadian exports resulting from the high degree of foreign investment, another arises from a variety of barriers to internal trade. To achieve an internationally competitive industry generally requires a domestic launching pad. Various provincial purchasing, labour and investment policies are a self-inflicted handicap in creating such a domestic base, as well as contributing to inflation. What measures does the government intend to take to reduce or eliminate such barriers to industrial rationalization for the enhancement, *inter alia*, of our export capacity? While on the subject of federal-provincial relations, what does the government intend to do to encourage the elimination of the wasteful duplication in export promotion between the two levels of government?

My comment on our self-imposed barriers to trade within Canada leads to an observation about the continuing absence of an industrial strategy, a strategy that must focus on sectors, including their export potential, and provide a greater degree of consultation and planning among business, labour, and the federal and provincial governments. Without such a strategy much of the work of FIRA and the Canada Development Corporation must necessarily continue in a sort of vacuum. And so must some of our export promotion activities.

I hope that in replying, the minister will not merely refer to the national economic conference which the Minister of Industry, Trade and Commerce (Mr. de Cotret) is reported to be planning. We do not need another conference to recognize that yet further improvement in formal consultation and planning among the major players in our economy has become a pressing necessity.

One more point about the need to relate export promotion to an industrial strategy is that, as a result of recent GATT agreements, we shall in eight years reach virtual free trade with the United States. If we fail in the time ahead to increase Canadian control of our own industries, and their ability to compete abroad, I am not confident that we shall be able to retain our remaining economic independence in what will virtually be a free market between Canada and the United States.

• (2215)

In raising a few fundamental questions about export promotion, Mr. Speaker, I do not want to overlook the shorter term techniques. In a recent speech, the Minister of Industry, Trade and Commerce urged the private sector to do more for themselves in seeking export markets. The Canadian Press reported that the minister subsequently added, and I quote, that "government intervention on their behalf has ended . . . including market surveys and trade negotiations".

Is this a statement of new government policy, or has the minister been misquoted? Apparently, in way of explanation, the Minister of State for International Trade said in this House on October 24, as reported at page 549 of *Hansard*:

> There is no intention on the part of this government to remove itself from assistance on trade promotion or trade negotiations where it is appropriate for the government to be involved.

Does this mean that certain past trade promotion practices are now considered by the government to be inappropriate public sector activities? If so, what specific public sector

activities does the government hope that the private sector will now assume? There is no point in the government lecturing the business community on their alleged shortcomings when the government itself does little more than confuse the observer about its intentions.

Does the government, in fact, intend to reduce or eliminate market surveys, as has been reported, at a time when the Canadian Export Association has made clear its dissatisfaction with both the quality and distribution of market intelligence? If the government does not intend to continue to engage in trade negotiations and somehow to leave these to the private sector, does it mean all trade negotiations or only certain ones? If so, which ones? Any withdrawal would seem especially paradoxical when the government itself forecasts a record trade deficit.

Against this background, how does the government intend to provide Canadian exporters with services equivalent to those available to our competitors? Let me cite two areas of concern. In export financing, Canadian exporters face disadvantages in competing with Europe and the United States.

The Acting Speaker (Mr. McCain): Order, please. I regret I have to advise the hon. member that his time has expired.

Hon. Elmer M. MacKay (Minister of Regional Economic Expansion): Mr. Speaker, the hon. member for Etobicoke North (Mr. McLaren) has raised questions of fundamental interest, and it is a pleasure for me to represent my colleague, the Minister of State for International Trade (Mr. Wilson), this evening in order to respond to him.

The Department of Industry, Trade and Commerce has in place a series of export support programs and marketing services which have an excellent success record and have wide support in the export community.

The trade commissioner service, which has been in existence for over 80 years, enjoys a reputation as one of the world's finest overseas trade promotion organizations. This organization is the main focal point for the preparation of market surveys, to which the hon. member referred, and the question of information on trade opportunities abroad. Their efforts are supported in Ottawa by a number of sectoral and geographical specialists who provide marketing expertise as well as advising direction on trade negotiations.

Among the direct marketing programs administered by the Department of Industry, Trade and Commerce is our program for export market development or, as it is known, PEMD. This program has been increasingly utilized by the exporting community. For example, there has been a 60 per cent increase in appplications for PEMD assistance in the last year.

I would also point out the current government initiative known as Export Canada "79". This is a $1.6 million initiative, aimed at assisting small and medium size manufacturers and processors, many of whom are new in export business.

In the area of overseas trade missions and trade fairs, I would point out that spending for 1979-80 for the promotional project program will be over $7 million and increased for $5 million in 1978-79.

The importance of export promotion is further underscored by the government's initiative in creating the cabinet position of Minister of State for International Trade. For the first time in history there is a minister whose principle mandate is to promote international trade. This appointment has again been most welcomed by the business community and, more specifically, the export business community.

While several of the aforementioned programs have been in existence for several years, the government is currently undertaking a review, under the direction of the Minister of Industry, Trade and Commerce, with a view to making these programs more accessible to Canadian firms, more streamlined, and more cost-effective.

This review will include the final report of the private sector task force, which is examining the export promotion apparatus. This task force is studying how government can most effectively and efficiently support the private sector in its effort to sell Canadian goods and services abroad.

It is certainly not the intention of this government to simply maintain the status quo but rather to expand these programs so as to capitalize more fully on the efforts of the Canadian exporters.

● (2220)

THE CANADIAN ECONOMY—ELECTION CAMPAIGN PLATFORM OF PROGRESSIVE CONSERVATIVE PARTY

Mr. John Evans (Ottawa Centre): Mr. Speaker, my questions were raised on October 30 and November 2 with regard to an attempt on my part and on the part of my colleagues to uncover the validity of the government's favourite response to every question that has been posed by the opposition regarding economic issues, a response that indicates that no action is now possible and that the election promises made by the "now" government cannot be kept due to the terrible state of the economy left by the previous government.

My question was intended at that time, to show what I believe to be the facts, that the current government knew full well the state of the economy, and in spite of that knowledge made promises to the people of Canada that could not be kept after the campaign. They knew full well at the time that these promises could not be kept without creating economic chaos.

What response was provided to me? The response was precisely the same response that we had received for the previous four weeks. We were told that no action was possible due to some hidden factors that were only discovered by this government after taking office. We asked on another occasion in the same vein to specify in which area these hidden factors were to be found. Were they to be found in inflation? Were they to be found in economic growth? Were they to be found in the current account deficit, in investment, or in savings? Where were these hidden factors to be found? We have not to this day received even a semi-adequate response to any of these questions of an economic nature.

Mr. Speaker, the responses we have been getting in this House with regard to economic issues are pure and utter rubbish. Contrary to what people were led to believe, this government has no concrete policies in the area of economics. This government has wasted its years in opposition, years that an opposition should be using for reflection and policy formulation. This government wasted its time with vacuous criticism and the creation of what it knew at the time to be unrealistic promises.

I am certain that this government had clear knowledge of reality during those months prior to the election campaign. The evidence is there. The facts are well documented from comments made by the Minister of Finance (Mr. Crosbie), and the President of the Treasury Board (Mr. Stevens). These can be found in *Hansard*, and in the proceedings of the Standing Committee on Finance, Trade and Economic Affairs, and other committees of an economic nature. The questions that were asked and responses given in the House and in the committees indicated quite clearly that the government of this day knew full well what the economic situation was that they were getting into prior to the election. But they were more concerned with destroying the government than with developing policy alternatives. The result is what we see now: six months of inaction, six months of ad hockery, with no sign of well thought out priorities.

This government made promises during the campaign which they had no intention of keeping, no intention whatsoever. Let me cite examples. First, the embassy move. This was a clear case of crass political opportunism, one that has and will continue to cost Canada dearly. Second, the mortgage and property tax credit bill is another example. This is a costly, unaffordable, inequitable, ineffective and unnecessary election goody which the Minister of Finance admits is a millstone around his financial neck. This is crass political gimmickry of the worst sort and people are beginning to see the light.

The government says it has no options with regard to monetary and fiscal policy. That is nonsense, Mr. Speaker. There are options. The problem is, and it is becoming clearer each day, that this government does not understand the nature of the problems we face. It has not considered the alternatives and it has not produced any new thoughts in this area.

This is a time for new initiatives. Instead of new initiatives, we are getting a stall game. The government has no new ideas for restructuring the ailing Canadian economy. It never did, and I contend that it is defrauding the Canadian public. The stall game will not work much longer. People are getting wise. I have heard it said in my riding and in my travels throughout Ontario that people are beginning to realize that this government is on the ropes. It is bankrupt. It is bankrupt, not financially, but intellectually and morally. The members of the government know that I am right.

We already hear of rifts in the Tory ranks, rifts which indicate that they never were firm on any major new policy directions before the election and are now frantically trying to find a consensus. Members on the other side are in for a rude awakening. The public is starting to demand action and answers. From what we have been hearing over the past few weeks, this government is going to be hard put to deliver either.

• (2225)

Mr. Thomas Siddon (Parliamentary Secretary to Minister of Fisheries and Oceans): Mr. Speaker, I am pleased to respond to the hon. member for Ottawa Centre (Mr. Evans) on behalf of my colleague, the Parliamentary Secretary to the Prime Minister (Mr. Bosley). I will try to confine my response to the question the hon. member asked and not to the other references he made. The question related to financial surprises that this government encountered after taking office on May 22. I would like to recite four or five examples of such surprises that we encountered.

First, the Liberal regime had never publicly forecast federal revenues, expenditures and the deficit more than 18 months in advance. On July 20, 1979, however, the Minister of Finance (Mr. Crosbie) and the President of the Treasury Board (Mr. Stevens) released to the public four-year forecasts to fiscal 1983 that had been prepared during the previous administration. What we discovered was most astonishing.

These forecasts showed a steadily increasing budgetary deficit from $11.8 billion in fiscal 1980 to $14 billion in fiscal 1983, and a doubling of the federal net debt from $51.5 billion in fiscal 1979 to $104.7 billion in fiscal 1983. The forecasts were in sharp contrast to the Liberal claim last year that the federal deficit problem was a temporary phenomenon.

Second, in his last budget the former minister of finance, the hon. member for Saint-Maurice (Mr. Chrétien), had spoken of a "sustained expansion" of the Canadian economy. According to the former minister, the expansionary forces already at work suggested that he should not stimulate the economy further. The new government found the U.S. and Canadian economies sliding toward recession. The official forecast on which the former minister's fiscal policy was based was wrong and known to be wrong by that government. Less than three months after it had been made, the former minister was already making changes to it.

Third, and most important, when it looked at the assets and debt of Canada, the new government discovered that the accounts of Canada did not properly represent the financial position of this country. In the Accounts of Canada Adjustment Act, the government proposed to write off more than $3.9 billion of assets, the carrying value of which was questionable. While the hon. member for Thunder Bay-Nipigon (Mr. Andras) was quite correct in noting that such adjustments do not affect the cash requirement, such adjustments increase the net debt of Canada by the amount of the write-off, almost $4 billion.

Further distortions were found in the treatment of some Crown corporation borrowing. Such borrowing, which exceeded $1.15 billion in fiscal 1979, does not appear in the accounts of Canada.

The Acting Speaker (Mr. McCain): A motion to adjourn the House is now deemed to have been adopted. Accordingly, this House stands adjourned until tomorrow at 11 a.m.

Motion agreed to and the House adjourned at 10.29 p.m.

HOUSE OF COMMONS

Friday, November 9, 1979

The House met at 11 a.m.

• (1105)

[*English*]

REMEMBRANCE DAY

TRIBUTES TO MEMBERS OF CANADIAN FORCES WHO SERVED IN WARTIME

Hon. Allan B. McKinnon (Minister of National Defence and Minister of Veterans Affairs): Mr. Speaker, on Sunday at 11 a.m., this nation will officially observe a day of remembrance for the 115,000 Canadian men and women who gave their lives in the defence of freedom in two world wars and the Korean conflict.

Their sacrifice is remembered, not only at the National Memorial in Ottawa, but all across this great land and in many other parts of the world. Our allies also keep the eleventh hour of the eleventh day of the eleventh month sacred to commemorate the war dead. It is the time that our country stops to pay its respects in cities, towns and villages to those of our countrymen and women who paid the supreme sacrifice.

Three times during this century, young Canadians from the Atlantic provinces, from Quebec and Ontario, and from western and Pacific Canada went by sea and air to distant lands to defend freedom—France, Italy, Belgium, Holland, Hong Kong and Korea were their destinations. Many of these brave young Canadians died in places far from their homes, places such as Vimy Ridge, Passchendaele, Dieppe, the Hochwald, Ortona and Kapyong.

It is their heroism that we commemorate today. We remember them with pride, for they served with distinction. We remember also with sorrow, for they forfeited their lives in the service of our country.

To those of us who remain, the legacy is clear: we too must dedicate ourselves to the service of our country. We must ensure that it remains "glorious and free", as they would want to see it if they could.

On this Day of Remembrance, let us resolve to live in peace and harmony with one another. Let us ensure that the tragic price paid by more than 115,000 young Canadians has not been paid in vain.

All hon. Members: Hear, hear!

Mr. Leonard Hopkins (Renfrew-Nipissing-Pembroke): Mr. Speaker, I am deeply honoured to rise to pay respect, on behalf of the official opposition, to the more than 100,000 Canadians who died in the defence of freedom. These were young men and women with their whole lives ahead of them. By their sacrifice we have been allowed to live in peace in a country untouched by the physical ravages of war. For hundreds of thousands of Canadians the memory of loved ones lost remains vivid and painful. Those who returned have memories of the buddies they left behind, memories of joyous comradeship and of grievous, sudden loss. Once each year, Canadians gather at cenotaphs in every community to remember those who paid the ultimate sacrifice.

• (1110)

As Canadians, and especially as members of the Parliament of Canada, we should also remember those who returned with handicaps that have made it difficult or impossible for them to enjoy all that life has to offer. There are patients in veterans' hospitals across this country who have been there since the end of the first world war, over 60 years ago. Let us not forget these veterans who also paid a heavy price.

We can also honour the memory of those who perished by maintaining our commitment to the preservation of peace today by supporting our Canadian Armed Forces at home and abroad, in NATO and in their useful role as peacekeepers. To many who have no concept of the horrors of war, our present peaceful existence seems "permanent". We must never let down our guard. For citizens of a free country, every day should be a remembrance day, and by giving support to those who now defend Canada today we show respect and gratitude to those who served and died to ensure our freedom.

The last major world war came to an end over 34 years ago, but no one can deny that we have lived in times of almost constant turmoil with war remaining an every day part of life for millions throughout the world.

Let us in all seriousness realize that if we, along with other member nations of the free world, do not have the determination, the courage and the will to meet the challenges of our times, then we will not, in fact, be keeping faith with those who died.

I would like to quote a poem by Pearl McGinnis entitled "Today" which I feel is very appropriate.

> I have no yesterdays,
> Time took them away,
> Tomorrow may not be,
> But I have today.

We have today to honour those 100,000 Canadians who proved their dedication to Canada and who gave their tomorrows to us. Let us think constantly about these words as we attend various services this weekend.

There is a saying that those who fail to bear their own arms will eventually bear someone else's. Today we are honouring those who not only bore arms in the name of Canada, but

indeed distinguished themselves in doing so. They answered the call of duty, and we will remember them.

Some hon. Members: Hear, hear!

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, it is probably one of the most fitting and appropriate things that we as Canadians do when on November 11 of each year we pause to remember those who gave their lives on our behalf for this country and for peace and freedom throughout the world in the first great war, in the second great war, in Korea and in other engagements, particularly in peacekeeping operations. So it is equally fitting and appropriate that in this House of Commons on this last sitting day before November 11 we take this moment to remember all of them.

We pledge ourselves not only to remember with respect those who gave their lives, but to remember those who are still with us, and indeed do everything we can for them. We pledge ourselves to remember their families and their survivors. We also pledge ourselves to do everything we possibly can to build the kind of world in which it will not happen again.

Some hon. Members: Hear, hear!

[*Translation*]

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, memory is a faculty which too easily forgets. This is why special days have been designated to enable people to recall their past; among them Remembrance Day is set aside to remember that if we are living today in a free country which provides us so much solace, it is because at a given moment in our history some people lost their lives to guarantee ours.

Thousands of soldiers died on the battlefields of Europe. Thousands of others were wounded. All fought bravely and courageously. Passing years make us forget many things, but never the sacrifice of a life. They died so that others may live. Referring to that ultimate gift, Winston Churchill said: Never in the field of human conflict was so much owed by so many to so few.

It is therefore quite in order, if not to show respect for life itself and for the example given us by those men, that we show our gratitude. If we really want to preserve that freedom guaranteed by those brave soldiers, let us not abuse it but always show due respect.

● (1115)

[*English*]

Mr. Speaker: Proceedings pursuant to Standing Order 43, and questions, will continue until ten minutes past twelve.

[Mr. Hopkins.]

ROUTINE PROCEEDINGS

[*English*]

INQUIRY OF THE MINISTRY

SUGGESTED MOTION UNDER S.O. 43

Mr. Mark MacGuigan (Windsor-Walkerville): Mr. Speaker, in view of the fact, as reported by the press, that the hon. member for Beauce (Mr. Roy) was successfully able to demand from the Prime Minister (Mr. Clark) a ticket for the state banquet tonight in honour of President Carter for services to be rendered, even though many members of the cabinet were not invited to that dinner, and in view of the fact the dinner has now had to be cancelled, I move, seconded by the hon. member for Trinity (Miss Nicholson):

That this House direct the Prime Minister to table the choice of consolation prizes he is now offering the hon. member for Beauce.

* * *

REMEMBRANCE DAY

THE LATE SGT. TOMMY PRICE, PRINCESS PATRICIA CANADIAN LIGHT INFANTRY—MOTION UNDER S.O. 43

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

In keeping with the tributes this House has today paid to Canada's war dead, and in light of the fact that few Canadians are aware that one of Canada's most decorated soldiers in the Second World War and Korean war was an Ojibway Indian from the Brokenhead Reserve in Manitoba, I move, seconded by the hon. member for Winnipeg-Birds Hill (Mr. Blaikie):

That this House honour the memory of all Canadians who have served their country in time of war by paying its respects to the late Sgt. Tommy Price of the Princess Patricia Canadian Light Infantry.

Mr. Speaker: No matter how worthy the subject, the hon. member will realize that I have consistently ruled this kind of motion out of order with respect to Standing Order 43.

* * *

YOUTH

REQUEST THAT AGE OF DRIVING BE RAISED TO EIGHTEEN—MOTION UNDER S.O. 43

Mr. Duncan M. Beattie (Hamilton Mountain): Mr. Speaker, I rise, under the provisions of Standing Order 43, on a matter of urgent and pressing necessity—urgent because of the alarming number of deaths and injuries in traffic accidents across Canada, particularly in the 16 to 18 age category, and pressing in the interests of energy conservation. I move, seconded by the hon. member for Lincoln (Mr. Higson):

That the Prime Minister and/or the Minister of Energy, Mines and Resources take the initiative at the first ministers'conference next week to urge the provinces to raise the requirement age of driving from 16 to 18 years of age.

Mr. Speaker: Order, please. I have very grave reservations as to whether or not that subject is within the administrative competence of this House.

* * *

NATURAL RESOURCES

JURISDICTION OVER RESOURCES—TAXATION OF MUNICIPALITIES—MOTION UNDER S.O. 43

Mr. Russell MacLellan (Cape Breton-The Sydneys): Mr. Speaker, I rise, under the provisions of Standing Order 43, on a matter of urgent and pressing necessity.

Whereas the Prime Minister (Mr. Clark) has pledged to hand over control of offshore resources to the provinces, and the Minister of Justice stated in the Standing Committee on Justice and Legal Affairs that he saw no reason why municipalities could not now assess, for purposes of taxation, resources that lie under the ocean and adjacent to the municipality, I move, seconded by the hon. member for Nipissing (Mr. Blais):

That the government instruct all their Crown corporations of this change so that the municipalities concerned can include these resources in their assessments for 1980.

Mr. Speaker: This motion can be presented for debate at this time, pursuant to Standing Order 43, only with unanimous consent. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

● (1120)

[*Translation*]

NATIONAL UNITY

REQUEST THAT PRIME MINISTER TAKE QUESTION MORE SERIOUSLY—MOTION UNDER S.O. 43

Mr. Yvon Pinard (Drummond): Mr. Speaker, pursuant to Standing Order 43, I seek the unanimous consent of the House to move a motion on a matter of urgent and pressing necessity.

In view of the statement which the Prime Minister (Mr. Clark) made this morning to the Canadian Press concerning his attitude regarding sovereignty-association, and I quote:

[*English*]

My approach is easily subject to caricature. I could conceivably be hurt politically if I shook my fist and acted like a tough guy.

[*Translation*]

I move, seconded by the hon. member for Lachine (Mr. Blaker):

S.O. 43

That the Prime Minister withdraw his insulting remarks and consider more seriously the Canadian unity issue which must of course prevail over his purely political and partisan interests.

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

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

LABOUR CONDITIONS

SUGGESTED ESTABLISHMENT OF FORESTRY TERMINAL AT QUEBEC HARBOUR TO INCREASE EMPLOYMENT—MOTION UNDER S.O. 43

Mr. Louis Duclos (Montmorency): Mr. Speaker, I rise under the provisions of Standing Order 43 and ask for the unanimous consent of the House to discuss a motion relating to a matter of urgent and pressing necessity.

Given the fact that the Cossette report on the employment situation in the port of Quebec city recommends, first, eliminating one third of the jobs of the 365 longshoremen working in the port, second, reducing the number of working hours guaranteed each year to these workers and, third, lowering the retirement benefits of these men; and also given the fact that these recommendations have been rejected unanimously by the longshoremen gathered last Monday night in general assembly, I move, seconded by the hon. member for Matapédia-Matane (Mr. De Bané):

That the House ask the Minister of Labour to ignore the recommendations of the Cossette report and urge the federal government to take all necessary steps to facilitate the establishment of a forestry terminal in the port of Quebec city which would give jobs to all the longshoremen now working in that port.

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

Some hon. Members: Agreed.

Some hon. Members: No.

S.O. 43

[*English*]

TREASURY BOARD

AUDITING OF AGENCIES RECEIVING PUBLIC FUNDING—MOTION UNDER S.O. 43

Mr. Rod Murphy (Churchill): Mr. Speaker, I rise on a matter of urgent and pressing necessity under the terms of Standing Order 43.

In light of the fact that the National Indian Arts and Crafts Corporation receives considerable government funding, and since, after numerous complaints by native groups, the government ordered audit services to investigate NIACC; bearing in mind, also, that proper administration of these funds is important in the promotion of the native arts and crafts industry and that the government, though it received the completed audit in August, has consistently refused to present the audit to concerned groups despite all the rhetoric about freedom of information, I ask leave to move, seconded by the hon. member for Vancouver-Kingsway (Mr. Waddell):

That this House insist on the tabling of the audit in question concerning the use of public funds and that the government live up to its promises of freedom of information and, in future, immediately present to the House reports prepared by audit services of agencies receiving public funding.

Mr. Speaker: Presentation of such a motion at this time, under the terms of Standing Order 43, requires unanimous consent. Is there such consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

[*Translation*]

SOCIAL SECURITY

INQUIRY WHETHER GOVERNMENT INTENDS TO RESPECT UNIVERSALITY OF OLD AGE PENSION—MOTION UNDER S.O. 43

Mrs. Thérèse Killens (Saint-Michel): Mr. Speaker, I rise under Standing Order 43 to ask for the unanimous consent of the House to introduce a motion on an urgent and pressing matter.

In view of the fact that there are six senior citizens' homes in the riding of Saint-Michel, that I have received numerous phone calls and letters from people concerned over rumours that universal old age pensions may be abolished and that these senior citizens are very vulnerable, anxious, troubled and almost panic-stricken, I move, seconded by the hon. member for Laprairie (Mr. Deniger):

That the Minister of National Health and Welfare (Mr. Crombie) inform the House this afternoon, provided House rules allow it, whether his department intends to continue universal old age pensions, so as to reassure millions of Canadians.

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

Some hon. Members: Agreed.

Mr. Speaker: The House has heard the terms of the motion. Is it the pleasure of the House to adopt the said motion?

Some hon. Members: Agreed.

Motion agreed to.

• (1125)

ORAL QUESTION PERIOD

[*English*]

EXTERNAL AFFAIRS

STEPS TO ENSURE NO DANGER TO CANADIANS IN IRAN—OIL SUPPLIES FROM IRAN

Hon. Marc Lalonde (Outremont): Mr. Speaker, my question is addressed to the Secretary of State for External Affairs. Bearing in mind the serious damage done to our political and economic relations with Arab countries by the government's policy on the Canadian embassy in Israel and by the irresponsible and foolish statements made by the Minister of Employment and Immigration last summer, and more recently by the policy adviser to the Prime Minister, can the minister tell us whether she has personally been in touch with our ambassador in Iran in order to ascertain that there is no danger to Canadians who are presently in Iran, and that there is no danger of an interruption of oil supplies from Iran to Canada in the months to come?

Hon. Flora MacDonald (Secretary of State for External Affairs): Mr. Speaker, I trust that the hon. member will have the same concern about the grave situation which exists in Iran at the present time as do we on this side of the House.

I would like to assure the hon. member that my department has been in touch with our ambassador in Tehran on a continuing basis in order to be assured of the safety of the situation in Tehran and to ascertain how the situation affects Canadian nationals in Iran.

I can assure the hon. member that at the present time there is no real cause for concern. That information has been conveyed to us both by our ambassador in Iran and also by the chargé d'affaires of the Iranian embassy here in Ottawa.

Mr. Lalonde: Mr. Speaker, I thank the hon. lady for her answer to the first part of my question. I noticed that she ignored the second part. I would, therefore, like to turn to the Minister of Energy, Mines and Resources.

He gives us cold comfort when he states that there is no danger of interruption of supply because there is at sea one tanker from Iran. He knows, or he should know, that the problem of security of supply does not concern just our rela-

tions with Iran, but also with all the other oil suppliers. Last year, Exxon—the owners of Imperial Oil—on the occasion of the Iranian crisis diverted supply destined for Canada coming from Venezuela.

Has the minister been in touch with multinational oil companies, and particularly with Imperial Oil, either directly and personally or through his personal advisers, or the director-general of the Conservative party, who all come from Imperial Oil—

An hon. Member: Come on.

Mr. Crosbie: You are a jerk.

Mr. Lalonde: —as to whether we can be assured by these companies that there will be no diversion of oil supplies coming to Canada from any country, to other destinations?

• (1130)

Hon. Ray Hnatyshyn (Minister of Energy, Mines and Resources): Mr. Speaker, I want to assure the hon. member right away that this government will not regard very well and treat very seriously any attempt, on any account, by any company to act to the detriment of this country. I can assure him of that in no uncertain terms, and assure him that we will be watching the matter very carefully with respect to any diversion that is detrimental to our country.

I want to tell the hon. member that according to my information—and I want to bring him up to date with respect to Iran—loading is proceeding in the normal fashion. There are reports with respect to a 5 per cent cutback by Iran, but this should not have a serious effect with regard to international supply.

I want to advise the hon. member, with respect to Canadian supplies, that Gulf Canada—which is the principal importer from Iran in Canada—unloaded a tanker of 2.3 million barrels on November 3 in Canada. Gulf loaded a tanker, the *Vanpet*, on October 15, and this is due to unload in Canada on November 20. Gulf loaded another tanker, the *Vanoil*, on November 6, and this is due to unload on December 14—

Mr. Speaker: Order, please, I wonder if the minister could keep his reply short.

Mr. Hnatyshyn: Mr. Speaker, this is very important.

Some hon. Members: Oh, oh!

Mr. Lalonde: The minister has not been in touch with the multinationals to obtain from them an assurance that they will not divert from Canada to other countries to Canada the supply of oil. I urge him to get going and to get those assurances from the multinationals. My question has to do with the situation with regard to the supply in Canada over the winter. Last summer we urged the minister to get going, and he told us there was no problem. Lask week he told us the situation was fragile—

Some hon. Members: Order.

Mr. Speaker: Order, please. I must be fair to both sides. If I cannot permit the minister to give long answers, I cannot permit long questions.

Mr. Lalonde: In view of the statement by the minister's own department yesterday that the situation was now extremely fragile and tight, when will the minister set up the Energy Supplies Allocation Board? He said he would, but we are still waiting for a firm decision on when it will be set up. Is it true that he is delaying appointing that board because he wants to amend the act in order to remove the representative of Petro-Canada who is supposed to be on that board, according to the legislation?

Some hon. Members: Hear, hear!

Mr. Hnatyshyn: Mr. Speaker, if I may complete my answer to the hon. member's question, let me say that I wanted to point out to him that the next loading from Iran for Canada is due on January 1 and is due to unload on February 5 of next year. This should put the situation in perspective.

The second matter I want to put into perspective for the hon. member is the fact that when I assumed this responsibility, I must say I found the circumstances very unsatisfactory and I immediately moved with respect to other initiatives. If the hon. member had been doing his job in the former government, he would have acted much sooner in connection with the reduction of our exports to the United States from 55,000 barrels a day to provide Canadian sources with additional domestic supplies.

So far as independants are concerned, I have also initiated an investigation on the part of the National Energy Board and they have been in touch with Interprovincial Pipe Line. Interprovincial Pipe Line have now made arrangements to free some space on the line. I have taken initiatives that the previous government refused to take—

Mr. Speaker: Order, please. I have to keep reminding the House—I am not laying the blame at the feet of the two participants here, but the House can recognize the fact that it has taken ten minutes to complete the first round of questions, consisting of three questions and three answers.

If we are to continue that on a daily basis, it will be impossible for there to be much participation, and if members later in the question period can ask questions and give answers of a shorter nature, I do not see why it cannot be done in a co-operative way at the outset of the question period.

* * *

ENERGY

OIL IMPORTS FROM MEXICO AND VENEZUELA

Mr. John Evans (Ottawa Centre): Mr. Speaker, I will try to be brief. My question is directed to the Minister of Energy, Mines and Resources. Yesterday, in response to the hon. member for Sault Ste. Marie, the minister indicated that

negotiations with Venezuela and Mexico were proceeding satisfactorily, yet it is becoming clear that due to the government's inaction over the summer, and due to the successes that Japan and other countries have had in their negotiations with Mexico and Venezuela, the chances of our receiving supplies this year are very slim indeed.

Will the minister confirm that despite the awareness of potential energy shortages in Canada in the winter, the government only started to negotiate with Mexico in late August, and with Venezuela only in September? Will he also confirm that it is this neglect that is the cause of the probability of our getting any extra supplies from these countries to be very slim indeed?

Some hon. Members: Hear, hear!

Hon. Ray Hnatyshyn (Minister of Energy, Mines and Resources): Mr. Speaker, I reject out of hand any suggestion that we did not act directly and with some effect with the two countries to which the hon. member referred. In the case of Mexico, pursuant to the memorandum of understanding which was arrived at in May, we are proceeding with the negotiations. A delegation will be proceeding to Mexico again in December to continue negotiations and to determine availability arrived at under the memorandum of understanding. The fact is that it was not contemplated, under the original memorandum, that we would have commencement either by the end of 1979 or during 1980, even under the arrangement entered into by the previous government.

With regard to Venezuela, the Leader of the Opposition has indicated there is some agreement. That is incorrect; it is not true. The fact is that we have carried on negotiations and will continue to carry them out in order to arrive at a settlement with them as well.

Mr. Evans: Mr. Speaker, I take it from the lack of response that the dates that I have suggested in my question are correct.

I have a supplementary question for the Minister of Energy, Mines and Resources with regard to another issue. Yesterday, his department gave an excellent briefing on the energy situation to all members of Parliament, and I congratulate the minister on that; but in that report, a report on taxation and revenue-sharing was produced which said that required price increases over the next period of time will mean massive increases in revenue to the multinational oil companies, which will be sufficient not only for research and development in energy but beyond that. This morning, the Prime Minister, in his press conference indicated that he felt a significant—

Some hon. Members: Question.

Mr. Speaker: Order, please. Will the hon. member come to his question, please.

Mr. Evans: My question is as follows: In view of both these facts, is the minister prepared to make a commitment to the House that the multinational oil companies will not be allowed to receive any greater revenues than they have been under existing arrangements?

[Mr. Evans.]

Mr. Hnatyshyn: Mr. Speaker, I want to assure the hon. member that we are very much concerned with respect to the appropriate taxation regime, and we want to make sure that it is a fair and equitable one to allow the bringing in of new supplies and to do it in a way which would be fair and equitable to the Canadian people as well as to the industry.

I can assure him that these factors are under active consideration by me and by the Minister of Finance, and we will move ahead on a policy of energy self-sufficiency whether or not the official opposition wants to come along.

* * *

INDUSTRY

GOVERNMENT ACTION TO AVERT LAY-OFFS—MEETING WITH WELDWOOD REPRESENTATIVES

Mr. Mark Rose (Mission-Port Moody): Mr. Speaker, this morning I would like to address my question to the Prime Minister. Massive lay-offs are being reported and predicted in this morning's press in both the lumber and the automotive industries in Canada.

In view of additional and significant lay-offs in the B.C. forest industry related directly to our high interest rate policy, when does the Prime Minister intend to meet with the union and management of Weldwood as he promised this week, and what specific action will he be bringing forward to stop the current nosedive in both construction in Canada and lumber sales, particularly in British Columbia?

Right Hon. Joe Clark (Prime Minister): Mr. Speaker, I thank the hon. member for his question. I have received some communication from representatives of various unions, particularly in the lumber industry in British Columbia. I intend to have a meeting, either myself when I am in British Columbia or to have ministers of this government meet with the representatives of industry and the unions involved.

The problems are not confined to Canadian rates of interest, they are much more complex than that, as the hon. member will, in all fairness, acknowledge. But we think it would be useful for there to be an opportunity for representatives of the government to meet directly with representatives of the industry and the unions involved to see what we can do about a situation which is very serious for Canada.

● (1140)

Mr. Rose: Mr. Speaker, I think the Prime Minister would agree that the high interest rate policy and the relationship between that and lumber sales is because both the United States and Canada are pursuing the fallacy and the folly of a high interest rate policy.

I have a further lay-off question for the Prime Minister. General Motors indicated that there will be more than 11,000 lay-offs in its plants in Ontario and Quebec, which will cause

extensive economic hardship. When does the Prime Minister intend to call in the executive of General Motors of Canada and obtain some kind of assurance that this country will no longer accept an unfair share of North American production, investment, research and development, so that such lay-offs can be avoided?

Mr. Clark: Mr. Speaker, the hon. member will know that the problems in the automotive industry exist on both sides of the border. That is of no comfort to Canadians whose jobs are threatened, but it indicates the broad nature of the problem we are facing. I have noted his representation, that it might be useful for me or the ministers of this government to meet with representatives of the automotive industry. We would be prepared to consider that. If we think it would be useful to do that, we would be prepared to. Also, naturally, we would extend that to see whether it would be useful for us to meet with representatives of the unions and the industries involved.

Mr. Rose: Mr. Speaker, I have a final supplementary question. Since the government's high interest rate policy is a major reason for extensive lay-offs taking place throughout Canada, particularly in the industries I have mentioned and in small businesses as well, will the Prime Minister make a statement on motions indicating what specific actions his government intends to take to develop an effective industrial strategy for Canada, so that we can increase, rather than decrease, employment for Canadians?

Mr. Clark: Mr. Speaker, the hon. member will understand that I and most people do not accept the premise of his question. Regarding the development of a national industrial strategy, the hon. member will know that after real decades of neglect the government has indicated its intention, through a conference to be called by the Minister of Industry, Trade and Commerce and Minister of State for Economic Development, to bring together representatives of all aspects of the Canadian economy.

An hon. Member: Another study. Study, study, study!

Mr. Clark: We hope, probably in early January, to start a process of planning and establishing a national industrial strategy which will serve the longer-term interests of the country. We do not intend to pretend that that can be done by government alone, nor do we intend to talk about industrial strategy, as members opposite have, and do nothing about it.

We are taking a concrete step for which preliminary plans are already under discussion with the provinces, the private sector and organized labour, that we hope will move the country toward an industrial strategy which will find support among all elements and all partners in the Canadian economy.

[*Translation*]

AGRICULTURE

REASON CANADA IMPORTS POULTRY FROM UNITED STATES

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, given that my question is related to the agricultural sector, and that several ministers are responsible for that sector, I will therefore ask my question of the Prime Minister.

This morning over 100 poultry producers came here to Parliament Hill for the visit of the American President which has been postponed. These people are here anyway, to protest the fact that the Canadian government has signed an agreement to import a large quantity of poultry from now to December 31, namely 8,750,000 pounds, plus 48 million pounds in 1980 and 52 million pounds in 1981. Would the right hon. Prime Minister tell the House whether such importation of poultry is due to a shortage, or to the inability of Canadian producers to meet the needs of the Canadian market?

Right Hon. Joe Clark (Prime Minister): Mr. Speaker, as I said recently and as the Minister of Agriculture said, we have managed a reduction in the importation of poultry. Today the Minister of State for International Trade met with the producers to whom the hon. member referred and the minister told me that it was a very useful consultation as far as the government is concerned and, I think, for the producers as well. It is in such spirit of co-operation that we intend to approach such an important question for Canada's future.

RELATIONS AMONG MAPLE LODGE COMPANY, GOVERNMENT OF ONTARIO AND THE FEDERAL GOVERNMENT

Mr. Fabien Roy (Beauce): Mr. Speaker, in view of the fact that an Ontario company called Maple Lodge is said to be largely responsible for the difficulties and fears expressed by poultry producers and also, to a certain extent, for the current sharp drop in prices, could the right hon. Prime Minister indicate, first, whether he is aware of the fact that this company has a close relationship with the Progressive Conservative Party of Ontario and, second, what is the exact nature of the relationship which may link the company and the federal Progressive Conservative Party?

Right Hon. Joe Clark (Prime Minister): Mr. Speaker, I am not aware of any relationship between the Progressive Conservative Party of Ontario, the Progressive Conservative Party of Canada, the Social Credit Party of Canada or any other party with this company. If the hon. member has concrete information to give me, I will gladly look into it.

[*English*]

STATISTICS CANADA

TREATMENT OF EX-EMPLOYEE, DR. CELOVSKY

Hon. Robert K. Andras (Thunder Bay-Nipigon): Mr. Speaker, my question is for the President of the Treasury Board. As stated in a motion under Standing Order 43 by the hon. member for Ottawa-Vanier yesterday, there appeared to be very serious allegations contained in a letter dated November 6 from Boris Celovsky to the Chief Statistician which implied some doubt about the competence and integrity of Statistics Canada. Of course, this is extremely important in terms of economic decisions.

I must say that I have not had the opportunity to fully corroborate this, and that I am not offering it in any flamboyant sense, but today I am informed that Mr. Celovsky was grilled yesterday by security people in Statistics Canada and is now in the Queensway-Carleton Hospital under intensive care. Of course, this episode is alarming to all of us.

I would appreciate it if the President of the Treasury Board could enlighten us as to the treatment of Mr. Celovsky and the situation in that regard. Of course, there are other serious economic implications to explore.

Hon. Sinclair Stevens (President of the Treasury Board): Mr. Speaker, I am not aware of the comment made by the hon. member concerning the grilling of Mr. Celovsky, I understand, yesterday. Certainly, I am most sorry if anything of that nature took place, and particularly if the gentleman is in hospital.

When I heard of this incident yesterday, I indicated that I would like personally to meet with Mr. Celovsky to hear first-hand his concerns with respect to the operation of Statistics Canada. I have so advised Mr. Peter Kirkham, the Chief Statistician. I was hoping, if not today, that certainly at an early opportunity I would be able to have that meeting and judge from that personal meeting what action should be taken, if any, as a result of any discussions I had with the gentleman.

PREPARATION OF BUDGET—EFFECT OF SUSPECT ECONOMIC INFORMATION

Hon. Robert K. Andras (Thunder Bay-Nipigon): Mr. Speaker, I hope that there will be a thorough look at the treatment of Mr. Celovsky. I should like to move to the economic implications and pose my question to the Minister of Finance.

Most certainly, for everybody's sake—Statistics Canada and everyone else—it seems to me that there must be an immediate, factual and public assessment of this situation. For instance, how can the Minister of Finance prepare a budget in confidence if the economic information base is now suspect? Indeed, that is the result of these allegations. What confidence can there be in the economic decisions which he takes, or the economic decisions of the government, unless this matter is cleared up?

[Mr. Clark.]

• (1150)

I would, therefore, ask the Minister of Finance, since those many important economic decisions are based upon the reports of Statistics Canada on the economy, what immediate and public steps will the Minister of Finance insist upon in order to correct this situation and clear away this serious doubt?

Hon. John C. Crosbie (Minister of Finance): Mr. Speaker, quite obviously, what was reported in Mr. Celovsky's letter yesterday were matters which occurred during the past two or three years in connection with Statistics Canada. These are matters which unfortunately were not cleared up by the last administration, and they permitted millions of dollars to be wasted.

I am as concerned as the minister of finance of the previous government should have been concerned, and as is the President of the Treasury Board, about this suggestion that there are wrong procedures being followed. The President of the Treasury Board has been looking into this matter and is looking into it now. If anything can be done about the situation, hon. members can depend on the fact that he is the man to do it.

STEPS TO RESTORE CREDIBILITY OF STATISTICS CANADA

Mr. Donald J. Johnston (Saint-Henri-Westmount): Mr. Speaker, my question is directed to the President of the Treasury Board. We often hear expressions of concern, as we just have, from the Minister of Finance. Undoubtedly, the President of the Treasury Board is very concerned about the cloud that has been cast upon the credibility of Statistics Canada. What immediate steps will the President of the Treasury Board take to remove that cloud from the credibility of Statistics Canada and re-establish it as being a credible instrument for economic planning and other matters upon which so many of us depend?

Hon. Sinclair Stevens (President of the Treasury Board): Mr. Speaker, I would point out to the hon. member that I was the first minister in 11 years to actually visit the premises of Statistics Canada.

Some hon. Members: Hear, hear!

Mr. Stevens: I also have a person on my exempt staff who has been given the assignment of keeping proper liaison between the ministerial office which I now hold, and Statistics Canada. This, incidentally, has been welcomed by Statistics Canada.

In direct answer to the hon. member's question, I think it would be most unfortunate if members of the opposition were to distort what was said yesterday. The comments yesterday were concerning personnel questions and certain programs within Statistics Canada which the gentleman felt were not properly conceived and had caused unnecessary expense.

Mr. Andras: He talked about the cooking and fudging of the economic reports.

Mr. Stevens: There is no over-all suggestion that Statistics Canada is not still the credible institution that it has been for many decades.

Mr. Johnston: Mr. Speaker, I am pleased to hear that the President of the Treasury Board has actually gone to visit the premises, but he should know that the material can be delivered directly to his office.

Some hon. Members: Oh, oh!

Mr. Johnston: My question to the President of the Treasury Board is, would it not be appropriate to appoint a special committee of this House to examine the circumstances of Statistics Canada and remove this question of doubt once and for all?

Mr. Stevens: Mr. Speaker, I will certainly take that suggestion—I think it is a representation—of the hon. member into consideration. I felt that the first task of our new government was to get a good in-House view of what is, in fact, the situation with respect to Statistics Canada. I have been meeting with various officials and I intend to have more meetings. If it would be helpful to have a committee review the situation, then certainly I will consider it.

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ENERGY

FUTURE RANGE OF OIL PRICES

Mr. Ian Waddell (Vancouver-Kingsway): Mr. Speaker, my question is to the Prime Minister. I believe he said in his press conference this morning that the federal government and the Alberta government had an agreement on, to use his words, the range of price increases in oil.

Could the Prime Minister confirm for the House that the increase will be at least $4 per barrel this coming year, which in our view will mean serious unemployment and a recessionary economy? If so, can the Prime Minister tell us—in his calm, honest and slightly Mackenzie King way—why it is necessary to bring this hardship down upon the Canadian people; and would he tell us what specific measures he proposes to introduce to cushion this increase to the average person?

Right Hon. Joe Clark (Prime Minister): Mr. Speaker, there are some insults that are just too excessive.

Some hon. Members: Hear, hear!

Mr. Munro (Hamilton East): You will not be around as long as he was, Joe.

Mr. Lefebvre: You could do worse, Joe.

Mr. Clark: I would like to assure the House and the hon. member that there is no agreement in terms of any final resolution even on a range, although my conversations with various provinces—including, importantly, the producing province of Alberta—have given me a view as to the range within which we can find some agreement. I am not in a position to indicate exactly what that agreement will be.

I am in a position to say that it will be the stand of this government that there should be an increase, because if there is no increase we will be leaving Canada in a position of reliance in the future upon offshore resources that are very unstable.

Mr. Waddell: Mr. Speaker, I apologize if I insulted the Prime Minister, but at least it is better than being called, as the previous prime minister was, a reader of Machiavelli.

Mr. Lalonde: At least he read.

Mr. Waddell: The Conservative treasurer of Ontario, Mr. Frank Miller, said yesterday that the federal government and the Alberta government could not be trusted with increased oil revenues until, to use his words, "an agreement on redistribution of oil money is worked out"; and he doubted the ability of the governments to get the increase in oil prices back into the consumers' pockets.

Would the Prime Minister tell me whether or not he disagrees with the treasurer of Ontario and, if so, what are the specific measures which he will propose? The Americans have proposed, as I understand it, an excess tax on the multinational oil companies.

Mr. Clark: Mr. Speaker, I have not seen Mr. Miller's statement so I cannot comment specifically on what he is alleged to have said. We are concerned about two aspects of any energy price increase and intend to act on them, although I cannot tell the House at this stage exactly how we will do that because that has not been decided.

One aspect which concerns us very much would be to avoid the creation of excessive profits for the oil companies. We have a proposal that we will be discussing with the premiers, and which we will probably bring into place, that will ensure that significant portions of that money help to enlarge the proportion of Canadian investment in Canadian energy development, while leaving enough operating capital for existing oil companies to carry on the expansion of Canadian supply.

Secondly, having regard to Canadians who will be particularly—

Mr. Speaker: Order, please. The question begs a lengthy answer and I can understand the Prime Minister's attempt to give one, but I think I have to cut it off in the interest of other members.

* * *

CN MARINE

PROPOSED MOVE FROM MONCTON TO HALIFAX

Mr. Gary F. McCauley (Moncton): Mr. Speaker, my question is directed to the Minister of State for Transport who is

responsible for marine transport in this country. It concerns information that CN Marine is planning a move from Moncton to Halifax. I am also informed by my colleague, the hon. member for Gander-Twillingate, that CN Marine made a commitment in April, 1978, to move parts of its administration, at least—if not all—to St. John's, Newfoundland.

I know that the minister is as concerned about this matter as I am, and would he tell the House if he has any information with regard to this corporate insensitivity by CN Marine with regard to the people and the economy of Atlantic Canada?

Hon. J. Robert Howie (Minister of State, Transport): Mr. Speaker, the headquarters of CN Marine are in Moncton, as they have been for a number of years, and there is no foreseeable move. CN Marine has a number of sectional offices to allow for more effective management of its responsibilities. The only recently proposed change will result in the establishment of a legal insurance section in Halifax, which requires the transfer of seven employees from Moncton. The legal department is in Halifax and the claims department is in Moncton. When the seven people in the claims department were hired, it was made known to them that they would go to the legal department in Halifax for a more functional operation.

● (1200)

The operational base for the Newfoundland coastal services and the dockyard is St. John's, and has been for some time and no proposed changes in the structure or numbers of employees have been modified. I think this probably answers the hon. member's question.

Mr. McCauley: A supplementary question, Mr. Speaker. I should like to ask the minister if it is a fact that the president of CNR, Mr. Bandeen, made a commitment in a standing committee meeting of the House in April, 1978, that part of the administration, if not all, would move to St. John's, Newfoundland; and is it not a fact that further intended moves from Moncton to Halifax were stymied by the minister's intervention?

Mr. Howie: Mr. Speaker, I had representations from the hon. member and I heard rumours of the total move of CN Marine from Moncton to Halifax. I investigated and was assured that CN Marine was not planning on moving. As I say, they have sectional offices and there will from time to time be transfers of employees. I am not aware of the Bandeen statement because I was not at that particular committee meeting.

* * *

URBAN AFFAIRS

MEASURES TO PROVIDE JOBS IN CONSTRUCTION INDUSTRY

Miss Aideen Nicholson (Trinity): Mr. Speaker, my question is for the Prime Minister. In view of the serious slowdown in construction in metropolitan Toronto, with many hundreds of people likely to lose their jobs and their homes, is the government prepared now to implement the plan prepared by the previous government, in consultation with metro Toronto and the province of Ontario, to free-up federal land and give financial assistance in order to provide an Ontario congress centre which would provide 2,500 construction jobs immediately, with the potential 10,000 jobs in the hospitality industry, as well as making a significant contribution to reducing the trade and tourism deficit?

Right Hon. Joe Clark (Prime Minister): Mr. Speaker, I thank the hon. member for that question. It is a matter that is under very active review by the government. I would hope we would be making an announcement quite soon.

* * *

[*Translation*]

EMPLOYMENT

INQUIRY WHETHER MINISTER AGREES WITH COSSETTE REPORT ON QUEBEC LONGSHOREMEN

Mr. Louis Duclos (Montmorency): Mr. Speaker, my question is for either the Minister of Transport or his colleague the Minister of State for Transport. In view of the fact that the Cossette report recommends the elimination of one-third of the 365 jobs for the longshoremen in Quebec harbour, could the minister indicate whether he agrees with this recommendation and what action the government will take to protect the jobs of these workers?

[*English*]

Hon. Don Mazankowski (Minister of Transport): Mr. Speaker, I have not seen the report, but it is a matter that will be discussed with my colleague, the Minister of Labour. I think that is the spirit of the motion presented by the hon. member to the House earlier today under Standing Order 43.

* * *

[*Translation*]

LABOUR CONDITIONS

INQUIRY WHETHER GOVERNMENT FAVOURS ESTABLISHMENT OF FORESTRY TERMINAL AT QUEBEC HARBOUR

Mr. Louis Duclos (Montmorency): Could the minister indicate to the House whether the government will encourage the establishment of a forestry terminal in Quebec harbour to make sure that all longshoremen in this port can keep their jobs?

[*English*]

Hon. Don Mazankowski (Minister of Transport): Certainly, Mr. Speaker, we will consider any move or any proposal that would ensure the continuance of jobs. That will be something I will discuss with my colleague, the Minister of Labour.

THE ENVIRONMENT

DEVELOPMENT OF LEAD-ZINC MINE ON LITTLE CORNWALLIS ISLAND

Mr. Peter Ittinuar (Nunatsiaq): Mr. Speaker, my question refers to a recent announcement by the government about allowing development of a lead-zinc mine by Cominco on Little Cornwallis Island in Canada's High Arctic. My question is directed to the Postmaster General and Minister of the Environment.

In May, 1976, Cominco withdrew its bid to develop this mine because of social and environmental conditions imposed by the government. Since that time there have been no new environmental studies and no further consultation with northern people. Has the government, therefore, adopted a more lenient approach to this mine or has Cominco, in fact, agreed to meet all the conditions which they previously found so stringent and oppressive.

Hon. John A. Fraser (Postmaster General and Minister of the Environment): Mr. Speaker, I am not fully familiar, I am sorry to say to the hon. member, with the matter he raised. I will immediately find out what the status is and report back to the hon. member and to the House.

* * *

NATIONAL UNITY

QUEBEC REFERENDUM—INVOLVEMENT OF PRIME MINISTER

Mr. Rod Blaker (Lachine): Mr. Speaker, my question is for the Prime Minister who I gather had a press conference this morning. I understand the Prime Minister said this morning in his press conference, with respect to the English language community in Quebec:

> I think the Anglophone community is very worried in Quebec. I hope they will take a calmer approach. My approach is easily subject to caricature. I could conceivably be hurt politically if I shook my fist and acted like a tough guy. I hope that's not the Liberal motive in pressing me to take a stronger position. I have to demonstrate that the national government is not always going to pick fights with Quebec.

He went on to point out—

Mr. Speaker: Order, please. Does the hon. member have a question?

Mr. Blaker: My first question is: Do we now understand the reason the Prime Minister is not getting involved in this entire operation or referendum in Quebec? Is it because he is afraid he is going to be hurt politically? Is this the leader of my country? That is his test of leadership. Can he explain this?

Some hon. Members: Hear, hear!

Right Hon. Joe Clark (Prime Minister): Mr. Speaker, I will have to check the transcript. I believe that what I said this morning, and certainly what I intended to say this morning, is that I can run the risk—which I am prepared to run—of suffering politically outside Quebec if I fail to shake my fist and make empty threats to the government of Quebec.

I do not want to presume upon the time of the House, Mr. Speaker, but this is an important question. I think it highly important that we do not allow differences of approach to preserving and strengthening the federal system that exists on both sides of the House—that we not allow those legitimate differences to cause us to engage in the kind of accusation and ferocity of debate here that can harm both the image and the force of federalism in the province of Quebec.

There is an obvious difference of position and a difference of view, between members who supported the former government and members who support this government, as to the most effective way in which we can advance the cause of federalism in the province of Quebec.

I do not question the motives of hon. members opposite and I hope they will not question the motives of my government. I would hope that our conduct on this question in the future will be conduct that without question will advance respect for federalism in Quebec and across the country.

Some hon. Members: Hear, hear!

Mr. Blaker: Mr. Speaker, I have to say that I respect the Prime Minister's intention, but he does not seem to understand precisely what I am putting to him. Yesterday, Claude Ryan, the leader of the federalist forces in the province of Quebec, said that the Péquiste—

Mr. Speaker: Order, please. Surely the hon. member respects the fact that we cannot get into debate. Does he have a supplementary question?

Mr. Blaker: Is the Prime Minister aware that yesterday the leader of the Liberal forces in the province of Quebec argued that the Péquiste position about federal confrontation is false? Is the Prime Minister aware that every time he uses that argument, he supports the Péquiste argument?

Mr. Clark: Mr. Speaker, I think it will be helpful if no one here suggests that members of this House are doing things to help the Péquiste argument.

Some hon. Members: Oh, oh!

Mr. Clark: Secondly, to answer the question, yes, I am aware of the statement made by Mr. Ryan and, indeed, I agree with the statement made by Mr. Ryan. I think that is one of the major reasons that this government has adopted, quite deliberately, a policy of avoiding actions which can be seen as confrontations with the province of Quebec, while taking actions which can be seen as demonstrating the renewal of the federal system with a new federal government.

Some hon. Members: Hear, hear!

Oral Questions

AIR TRANSPORT

POSSIBLE SALE OF DE HAVILLAND AND CANADAIR TO PRIVATE ENTERPRISE

Hon. John C. Munro (Hamilton East): Mr. Speaker, I have a question for the President of the Treasury Board. Yesterday, I was rather astounded to hear the minister say, as quoted at page 1087 of *Hansard:*

In truth, if the former government was able to buy them—

Referring to Canadair and de Havilland:

—without parliamentary review—

Although earlier he said there was parliamentary debate.

—why is he suggesting that the sale should be subject to parliamentary review?

Is the minister seriously suggesting that the possible sale of de Havilland and Canadair, the fundamental elements of the government's privatization philosophy, will not be subject to parliamentary review?

● (1210)

Hon. Sinclair Stevens (President of the Treasury Board): Mr. Speaker, may I answer the hon. member this way: I simly point out him that he and other members of Parliament will have ample opportunity to review these sales and other possible sales. At the present time, of course, there is nothing of a definitive nature with respect to either de Havilland or Canadair.

But I bring to the attention of the hon. member that under Supplementary Estimates (B), at page 44, vote 6b, there is provision made to discuss Canadair and provision made under vote L41b to discuss de Havilland. These will come before the committee as the committee sees fit. I welcome any questioning. If the hon. member wants to call me for any discussion with respect to the privatization of either of those corporations, I would be most happy to oblige. The hon. member knows that his party has opposition days on which they may raise this subject. As I say, there will be ample opportunity, if either sale is contemplated, to have it reviewed by the House.

Mr. Munro (Hamilton East): Mr. Speaker, my question is again to the minister. Can I take it from his reply that what he had to say was erroneous and that before any sale of these two corporations is undertaken by this government, we will have a chance to review the whole situation on the floor of the House of Commons?

Mr. Stevens: Mr. Speaker, with all due respect, I think the hon. member has misread what I said yesterday. I did not indicate that there would not be a parliamentary review: I simply asked why members of the NDP were so anxious, when at the time of the acquisition of these corporations they stood mute on the subject as far as parliamentary review was concerned.

Mr. Munro (Hamilton East): Fine.

[Mr. Clark.]

THE ENVIRONMENT

RIVER POLLUTION BY EURASIAN MILFOIL—CO-OPERATION WITH PROVINCES TO ERADICATE

Mr. Bill Domm (Peterborough): Mr. Speaker, I would like to address my question to the Minister of the Environment. We have a major environmental problem in Ontario. Since this problem also occurs in the province of British Columbia—the minister's province—I ask if he would give serious consideration to the problem of Eurasian milfoil. Is it possible to find funds so that an endeavour can be made to eradicate milfoil from the Trent system, and also from the province of British Columbia? Could we work co-operatively with the provinces in an effort to eradicate Eurasian milfoil?

Hon. John A. Fraser (Postmaster General and Minister of the Environment): Mr. Speaker, I thank the hon. member for his question. It is a matter that he, as a member of Parliament, has been pursuing. It is a matter of very great concern to my department and I accept the hon. member's representations. I can assure the House that active consideration is taking place now to see what co-operative programming can be entered into with the provinces along the lines the hon. member has suggested.

* * *

ROYAL CANADIAN MOUNTED POLICE

CIRCUMSTANCES IN WHICH BREACH OF LAW WOULD BE ACCEPTABLE

Mr. Svend J. Robinson (Burnaby): Mr. Speaker, my question is for the right hon. Prime Minister. On March 30 of this year he stated, in Kitchener: "It would be essential for us to have a system in place whereby any breach of the law that might be necessary could be authorized by a responsible official of cabinet."

Clearly, the Prime Minister at that time accepted that in certain circumstances a breach of the law by the RCMP would be sanctioned. Will the Prime Minister tell this House, today, whether this is still his party's position: and, if so, under what circumstances would such breaches of the law by the RCMP be acceptable?

Right Hon. Joe Clark (Prime Minister): Mr. Speaker, as the Solicitor General said yesterday—I believe it was yesterday, or the day before—and as I attempted to say in Kitchener-Waterloo, our determination is to establish a system where the rule of law prevails in the case of every action by a law enforcement agent of the Government of Canada.

Mr. Robinson (Burnaby): Mr. Speaker, on May 4 of this year in Regina, the Prime Minister promised the Canadian people that he would, if elected, introduce a watchdog committee of members of Parliament from all parties to protect the public against RCMP abuses of civil rights. He promised that this committee would be introduced even if the McDonald commission had not yet completed its final report. Does the

Prime Minister intend to keep this promise to the people of Canada and, if so, when will this important committee be established?

Mr. Clark: Mr. Speaker, we are giving very serious consideration to the means by which a committee of that kind might be established. My colleague, the President of the Privy Council, is preparing a document proposing a variety of changes in committee organization in the House as part of a parliamentary reform package. One of the problems we have now, as the hon. member knows, is that this government has referred almost too much work to committees and we intend to refer even more with the establishment of certain select committees.

We do have certain difficulty in having to get agreement from the House to pass references quickly without debate, which can become too long once committees are established. We intend to reform the committee system of the House of Commons and we intend, in regard to the particular matter which the hon. member has raised, to give the most serious consideration to establishing a committee of that kind or some equivalent arrangement that will serve the same purposes.

* * *

[*Translation*]

FINANCE

MEASURES TO ASSIST UNEMPLOYED IN ATLANTIC AND GASPÉ REGIONS

Hon. Pierre De Bané (Matapédia-Matane): Mr. Speaker, my question is directed to the Minister of Finance.

Given the fact that, according to a study made by the Economic Council of Canada entitled "Living Together", when the rate of unemployment for Canada goes up by 2 per cent, that for Ontario increases by barely 1 per cent while that for the Atlantic region or the Gaspé region rises by 4 per cent, can the Minister of Finance assure us that when he brings down the budget he will take tax measures to ensure that when expected difficult times come, the areas of the country whose economy is the weakest will not suffer more than the others from the recession, especially inasmuch as the Economic Council feels that tax and budget measures, to borrow their phrase, are like an elephant compared with the department of Regional Economic Development, which they call a flea?

[*English*]

Hon. John C. Crosbie (Minister of Finance): Mr. Speaker, I can certainly assure the hon. gentleman that I have areas such as he mentions very much under consideration, as does the government generally. We intend to make and continue to make a thrust to overcome so-called regional disparity. I will certainly keep his representation in mind. As far as that is concerned, any group of people who may be suffering in any part of the country will be kept very much in our mind.

[*Translation*]

INQUIRY AS TO DATE OF BUDGET

Mr. Marcel Prud'homme (Saint-Denis): Mr. Speaker, I should like to put a supplementary to the Minister of Finance.

Can the minister tell the House whether he has decided on the date for bringing down his first budget?

[*English*]

Hon. John C. Crosbie (Minister of Finance): Mr. Speaker, I hope to make an announcement next week about the date.

* * *

[*Translation*]

PRIVILEGE

MR. LALONDE—LACK OF ANSWERS DURING QUESTION PERIOD

Hon. Marc Lalonde (Outremont): I rise on a question of privilege, Mr. Speaker.

Mr. Speaker: The hon. member for Outremont on a question of privilege.

Mr. Lalonde: Mr. Speaker, during the oral question period this morning, you drew the attention of all hon. members, on both the opposition side and the government side, to the time taken up by the first round of questions and answers.

I can assure you, on behalf of the opposition, that we take your comments in good part and that we do realize that hon. members themselves are the losers when the first round lasts too long.

[*English*]

Mr. Speaker: Order, please. The hon. member for Outremont.

Mr. Lalonde: I also want to assure you, Mr. Speaker, that we are eager to co-operate with you and the whole House so as to make sure that during question period we will cover as many subjects as possible and give opportunities to all members of the House to ask the questions they want to raise about their constituents.

In addition, I would like to get assurance that we will obtain answers to the questions being asked. For example, regarding energy there were three simple questions asked this morning that could have been answered by a yes or no. The first concerned whether there had been contacts with the ambassador to ensure supply from Iran. The second one was whether there had been contact with the multinational oil companies to ensure there would be no diversion in supply destined for Canada. The third question was when the emergency board which was promised to be set up will be set up.

These were simple questions which could have been answered in ten seconds or less. What we had this morning was an example of what we have had since the beginning of the session.

Some hon. Members: Hear, hear!

Mr. Lalonde: Since the House met on October 9, the question of energy has been a prominent area of concern to all Canadians, not only to people in this House but all governments in this country. What we have been getting from this government has been a consistent refusal to reply, consistent tactics of obfuscation and waffling on very simple issues. All kinds of rumours have been circulating. There have been all kinds of contacts with the provinces about what the proposals are in the area of energy. However, this House and we, the representatives of the Canadian people, have not been allowed to get from this government what its proposals are and what its scenario is.

● (1220)

As long as we are going to be treated in this House the way this government has been treating the opposition on a matter as important as energy, we will have difficulty in abiding by a situation where we can have all the questions asked but we do not get answers. We have to assume what the answer is. We have to speculate in our questions about what the government intends to do. I hope the government will heed your admonition, Mr. Speaker, and give us answers in the future.

Mr. Speaker: I hope that by my admonition in the hope of greater participation in the question period I have not opened up the opportunity to debate something which otherwise would not be debatable. In fairness, I should give one share of equal time to respond to that non-question of privilege by the energy minister or the House leader, as the case may be.

Hon. Walter Baker (President of the Privy Council and Minister of National Revenue): Mr. Speaker, I am not rising to respond because it is not within my jurisdiction, but the operation of the House is within my jurisdiction. I want to bring to Your Honour's attention a practice that seems to have developed in the House which is unfortunate. It amounts to a practice of extending the question period under the guise of a question of privilege.

Mr. LeBlanc: You should know.

Mr. Baker (Nepean-Carleton): I want to bring to your attention that a question of privilege, as I understand it, involves a matter that might very well have curtailed the right of a member to speak openly in the House of Commons. A question of privilege is not a grievance. Unfortunately, we do not have a process by way of grievance.

What has happened, unfortunately, is that under the guise of questions of privilege the question period as such has in fact been extended. I do not want to curtail or even suggest that the right of appropriate free speech ought to be curtailed in any way in the House of Commons. However, and I suggest this with respect, we do not want to allow too long questions on the one hand and too long answers on the other. I accept that.

I have had discussions with Your Honour openly on the floor of the House of Commons about this. We have to be very careful with regard to the rules respecting the privileges of members. These rules ought not to be diluted in any way. There should not be an attempt to extend the question period in the way I have suggested by raising matters which are really grievances. This impedes the operation of the House of Commons.

One of the rights of members is to assume that question period will in fact be a question period, that members on either side will not be subject to grievance procedures by way of questions of privilege when there can be no grievance under our rules. There is a place for debate in the House of Commons. That legitimate debate will not be curtailed by effectively extending the question period.

I raise this with great respect because, frankly, as leader of the government, and I guess leader of the House of Commons, if I can say it again, I am a little concerned about the practice that seems to have developed.

I want to say on behalf of the Prime Minister (Mr. Clark), the government and members of my party that if any of us stray into overlong answers in areas where we ought not in your judgment to stray, we accept that the Chair ought to intervene in those cases. Equally, it should be incumbent upon my friends to accept that, and I am sure they accept that with respect to questions.

Mr. Lalonde: Give us answers.

Mr. Baker (Nepean-Carleton): I hope that will be observed. I just wanted to give Your Honour an indication of what I believe to be the temper of the House of Commons. I sat in the opposition not too long ago.

An hon. Member: You will be back soon.

Mr. Baker (Nepean-Carleton): I have experienced first hand the frustrations that can develop as a result of what opposition members traditionally allege are lack of answers. I say with respect that is not a question of privilege, nor is it a point of order. I believe we have strayed somewhat far in that. I have been watching it for the last few days and felt I should rise to make that respectful submission to you.

Mr. Speaker: Order, please. I think enough has been said on both sides. This is essentially a non-procedural point.

MR. ANDRAS—STATISTICS CANADA—SUGGESTION THAT ANSWER OF PRESIDENT OF TREASURY BOARD MISLED HOUSE

Hon. Robert K. Andras (Thunder Bay-Nipigon): Mr. Speaker, my question of privilege arises from part of the answer given by the President of the Treasury Board (Mr. Stevens) with regard to our concern about Statistics Canada and the allegations thereto. I am not arguing on the single point where the President of the Treasury Board seemed to imply it was wrong that I had never gone to Statistics Canada, because under our regime Statistics Canada reported to the minister of trade and commerce and not to Treasury Board.

The government has changed that, which is their right, but it was an irrelevant comment.

Second, it is not based on the failure to recognize that I was trying to be constructive and not be flamboyant in what is a very delicate situation. I got back a lot of homilies from them. Third, I want to point out that this letter is dated November 6, 1979, which is the time of the information service and it is clearly their responsibility, not that of the previous government.

My point is more narrow. During the reply by the President of the Treasury Board, he implied that the letter from Mr. Celovsky with regard to the competence and integrity of Statistics Canada really was based on more narrow criticisms of personnel or administrative policy. That is misleading the House. I will grant that it may be an inadvertent action by the President of the Treasury Board. We will see in a minute.

It is misleading the House, inadvertently at best, or implying that he really has not read or understood the implications and the allegations by a quite respected gentleman, Mr. Celovsky, about Statistics Canada. If he read the letter, he clearly should understand that there are many more serious implications contained in it that simply personnel or administrative policy.

I want to put one paragraph on the record in support of my question of privilege that there was in fact, inadvertently or otherwise, a misleading of the House. The letter, as reported, reads:

> A third example. For years the labour division has been putting together estimates of labour income derived from the bureau's various surveys and other sources. At the same time, in recent years, national accounts officials have struggled with the problem of ever larger residual errors. They naturally focused on one of the national accounts' largest components, labour income, and asked for revisions which are called in the jargon "macro-economic adjustments" but more colloquially known as "cooking" or "fudging".

● (1230)

That is not a personnel matter or a purely administrative matter. I can see no way in which that interpretation could be placed on this letter. It goes on to say—

> So that the published labour income data have been constanly yo-yoed up and down and up again the inevitable result has been that the users of these statistics, including ministers of finance, are totally confused.

Mr. Speaker, that is not merely an administrative or a personnel matter as alleged by the President of the Treasury Board when he seemed to dismiss the seriousness of the situation in his answer to me. I will accept from the hon. gentleman that, in fact, he has not read the letter, or that he has failed to understand it, but he cannot have it both ways. This is a very serious situation and one which really should be cleaned up on a non-partisan basis out of respect for the information base upon which so many economic decisions are taken in this country, not the least of which relate to the budget which the Minister of Finance (Mr. Crosbie) will, I hope, be bringing forward in the not too distant future.

Hon. Sinclair Stevens (President of the Treasury Board): I am, of course, more than willing to answer the point made by the hon. member but I think it would be helpful, Mr. Speaker, if you would indicate whether there is really a question of privilege involved here.

Mr. Speaker: This is an appropriate time to do so. I indicated just recently that I have perhaps been generous in encouraging members to continue the question period, much as the President of Privy Council (Mr. Baker) has just mentioned, by allowing members to get up to discuss what was essentially a disagreement. I think I ought to take a firmer line on non-questions of privilege of this kind and when I find a member simply voicing disagreement with an answer given by a minister, I think I ought to be quite strict. However, we have customarily accepted, at least in a preliminary way, any question of privilege which is based on a complaint that there has been serious misleading of the House, whether inadvertent or otherwise.

The hon. member for Thunder Bay-Nipigon (Mr. Andras) said today it is his view that the minister misled the House, perhaps inadvertently, and customarily whenever that phrase has been used. We have allowed the minister involved to indicate whether or not there was misleading. I have to judge whether it is simply a matter of disagreement or whether a misleading has taken place, and I do not want to be too strict on that. If the minister tells me that in his view there has been no misleading of the House, I am prepared to accept his statement and set the matter aside. But when this point is raised a minister would often feel deprived if I did not give him a chance to get up and at least indicate whether he has the same opinion or otherwise so as to set the record straight.

Mr. Stevens: Mr. Speaker, I am only too anxious to assure the hon. member that there has been no misleading of the House in that connection. He has read the letter one way. I have re-read it since he indicated he would raise the matter as a question of privilege. I still feel it is a question of personnel disagreement touching on various administrative matters within Statistics Canada.

Frankly, we are concerned here with a group of highly qualified people dealing in a very technical field, and I think it only natural there should be disagreement from time to time as to what is the proper statistical approach in mustering the various data they need and preparing it for publication. As I indicated, we have an overview of this subject; I have a person who is in direct liaison with Statistics Canada. I hope to meet with the gentleman who wrote this letter—I am sorry he is in hospital. I intend to get to the bottom of it, but in the meantime I can only say I believe this amounts to a disagreement involving various personnel within Statistics Canada and the administration of that organization.

Mr. Speaker: The intervention of the minister places the matter within the area of a disagreement and not that of a question of privilege.

BUSINESS OF THE HOUSE

Mr. Baker (Nepean-Carleton): Mr. Speaker, I wonder if I might rise on a point of order to designate Thursday, November 15, as an allotted day in accordance with discussions which have been held among the parties.

Mr. Knowles: I thank the President of the Privy Council for asking for that designation. Perhaps the House might like to know that the day will be ours.

ROUTINE PROCEEDINGS

[*English*]

NORTHERN AFFAIRS

EXPLORATORY OIL DRILLING IN BEAUFORT SEA—TABLING OF DOCUMENTS

Hon. Jake Epp (Minister of Indian Affairs and Northern Development): Mr. Speaker, last Friday, as you will recall, there was a question of privilege raised with regard to the tabling of documents on the Nerlerk incident in the Beaufort Sea. I indicated there were documents available and I would table them today in both official languages.

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SOCIAL SECURITY

ASSURANCE OF APPLICATION OF PRINCIPLE OF UNIVERSALITY

Hon. David Crombie (Minister of National Health and Welfare): Mr. Speaker, earlier under Standing Order 43 a motion in the name of the hon. member from Saint-Michel (Mrs. Killens) was carried by the House. The wording of the motion queried whether or not we would continue the application of the principle of universality with respect to the old age security program. I want to give full assurance to the hon. member and to all members of the House that the application of the principle of universality with respect to old age security is, indeed, secure.

Some hon. Members: Hear, hear!

Miss Bégin: Mr. Speaker—

Mr. Speaker: Order. The practice of having responses to statements by ministers is discretionary under the rules. The minister is making a statement in response to an order of the House. It is not a declaration of policy initiated by him which in my opinion would bring into play further statements from hon. members and then, in turn, a question period. He has been ordered by the House to make such a statement today. He has made it, and I do not think we ought to get into counter statements and questions, as provided for when another kind of statement is made by ministers.

Miss Bégin: Ten o'clock!

[Mr. Speaker.]

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. David Kilgour (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, the following questions will be answered today: Nos. 53, 88, 103, 141, 162, 206, 232, 354, 366, 373 and 381.

I ask that the remaining questions be allowed to stand.

[*Text*]

CANADIAN ARSENALS LIMITED—EXECUTIVES

Question No. 53—**Mr. Orlikow:**

1. Who (a) is the president (b) are the vice presidents of the Canadian Arsenals Limited?

2. What is the annual salary in each case?

Hon. Roch La Salle (Minister of Supply and Services):

President and General Manager	L. A. Bergeron	$45,000—$50,000
Vice-president, Administration	A. Plouffe	$40,000—$45,000
Vice-president, Operations	J. R. Greene	" "
Vice-president, Research and Development	R. M. Ferguson	" "
Vice-president, Procurement	J. Malka	" "

CONSUMER AND CORPORATE AFFAIRS—PROJECTS IN RIMOUSKI

Question No. 88—**Mr. Allard:**

1. Since 1975, did the Department of Consumer and Corporate Affairs finance projects in the constituency of Rimouski and, if so (a) what were the projects (b) what was the (i) total amount (ii) amount in each case (c) what were the areas?

2. Is the department planning to do so in the near future and, if so (a) what will be the amount (b) in which areas?

Hon. Allan Lawrence (Solicitor General and Minister of Consumer and Corporate Affairs): Consumer and Corporate Affairs Canada

1. (a) Food Talk, 1977*

Food Talk, 1978*

(b) (i) $31,207

(ii) 1977: $15,377

1978: $15,830

(c) urban Rimouski

2. The department has no plans at the present time to finance future projects in the constituency of Rimouski.

* Food Talk projects are funded under the Summer Job Corps Program of the Canada Employment and Immigration Commission. The main objective of Food Talk projects is to help low-income consumers get better value for their food dollars.

BRIGADIER GENERAL WALTER DABROS

Question No. 103—**Mr. Cossitt:**

1. Was Brigadier General Walter Dabros appointed Head of the Armed Forces Security Services and, if so (a) on what date (b) for what reason (c) what are the details of his experience, etc. (d) what is the name and job designation of any person who made the appointment or having anything whatsoever to do in dealing with the appointment?

2. Was he removed from his duties as Armed Forces Security Chief and, if so (a) on what date (b) for what reason (c) what is the name and job designation of any person involved in the decision?

3. Was he at any time involved in the giving of security clearance to high ranking public servants and, if so, what are the names and job designations of such public servants?

Hon. Allan B. McKinnon (Minister of National Defence and Minister of Veterans Affairs):

1. (a) Yes. August, 1977.

(b) BGen Dabros was selected by the Chief of the Defence Staff as a suitable officer to assume the responsibilities of Director General Intelligence and Security.

(c) BGen Dabros enrolled in the Canadian Army as a military policeman in 1951. He has served for twenty-eight years in positions directly related to intelligence and security functions.

(d) Mr. Danson, then minister of national defence, General J. A. Dextraze, former chief of the defence staff and Mr. Nixon, the Deputy Minister of National Defence.

2. Yes.

(a) August 18, 1978.

(b) BGen Dabros was among those officers selected to attend the course at the National Defence College commencing August 1978. This is an important career development course for senior officers. As BGen Dabros has eleven years to serve and has specialized in the security field, this course should serve to broaden his employment opportunities as a general list officer in the department.

(c) Mr. Danson, then minister of national defence, General J. A. Dextraze, former chief of the defence staff and Mr. Nixon, the Deputy Minister of National Defence.

3. Yes. As Director General of Intelligence and Security during the period August 1, 1977 to August 18, 1978, Brigadier General Dabros had over-all responsibility for the security clearance of all personnel, military and civilian, within the Department of National Defence. He had no responsibility, however, for the security clearance of personnel outside the department.

NATIONAL DEFENCE—CONTRACTS

Question No. 141—**Mr. Herbert:**

For each year 1976 to 1978, what was the amount of defence contracts let in each province?

Order Paper Questions

Hon. Allan B. McKinnon (Minister of National Defence and Minister of Veterans Affairs): National Defence Estimated Expenditures for Material, Supplies and Services—By provinces.

	1975/76	1976/77	1977/78
	(thousands of dollars)		
Newfoundland	3,365	5,727	6,765
Prince Edward Island	7,391	8,821	7,119
Nova Scotia	59,893	77,272	94,914
New Brunswick	23,247	26,348	32,830
Québec	182,313	216,351	263,554
Ontario	354,013	439,981	442,412
Manitoba	38,392	45,942	50,724
Saskatchewan	10,446	10,772	10,874
Alberta	45,816	58,138	58,368
British Columbia	50,358	58,066	80,212

SMALL CONSUMER CONTRACTS

Question No. 162—**Mr. Herbert:**

1. Is the government aware of the legislation recently passed in the State of New York requiring small consumer contracts to be written in plain English and, if so, is a similar law being considered for Canada?

2. Is the government considering introducing a similar law which would apply to all federal legislation and regulations and, if not, for what reason?

Hon. Allan Lawrence (Solicitor General and Minister of Consumer and Corporate Affairs):

1. This legislation was brought to the government's attention when it was first adopted in New York and we have followed its development carefully. The standard form contracts that are often used in consumer agreements can be very difficult to understand, and plainness in these contracts is important in order that consumers know their rights.

While many sellers and businesses in New York had already undertaken a simplification of the language in their contracts, the law itself is not clearly understood and revisions to it are being considered in view of certain problems that it is causing. In Canada, as well, certain financial institutions and others have been making an effort to simplify their contracts to disclose the essential elements clearly to the consumer. In addition, in Canada the courts have disallowed the enforcement of certain contractual terms on the grounds that the consumer was not likely to have read or understood them in the circumstances.

In Canada, matters of contract law are in the realm of "property and civil rights" and are generally within the scope of provincial jurisdiction. Hence, unless a contract deals with a subject specifically within a federal head of constitutional jurisdiction, it would be up to the province to regulate the form and content of such contracts. Almost all consumer contracts for the purchase of goods and services are within provincial jurisdiction. To pursue this problem on a national front, the federal and provincial ministers responsible for consumer affairs created a federal-provincial task force on consumer legislative programs which is looking into this question among its other high priority issues.

2. Most legislation which has been on the books for some time has been subject to interpretation by practice and custom and by the courts. As a result, changes to this legislation to make it easier to read or more simple to understand would inevitably also lead to significant changes in meaning, interpretation and ambiguity. One would therefore have to move extremely cautiously in taking on the mammoth and expensive work of simplifying existing legislation. The resources already devoted to the very specialized task of legislative drafting are already heavily committed but there is in the miscellaneous statute law amendment program an ongoing process of legislative clarification.

With respect to legislation and regulations which are currently being proposed by the government, every effort is made to keep such legislation plain and comprehensible but the primary objective is to avoid ambiguity and to be certain that any legislative provision is open to only one logical interpretation.

Specifically, with respect to regulations, the House of Commons and the Senate have a standing joint committee on regulations and other statutory instruments which reviews all regulations before publication to ensure, among other things, that they are clear.

NATIONAL DEFENCE

Question No. 206—**Mr. Herbert:**

How many (a) permanent (b) term employees were on the Department of National Defence's payroll on March 31, 1979?

Hon. Allan B. McKinnon (Minister of National Defence and Minister of Veterans Affairs): (a) permanent—33,776 civilian employees; (b) term—4,885 civilian employees.

AGRICULTURAL PRODUCTS PRICE SUPPORT PROGRAMS

Question No. 232—**Mr. Lambert (Bellechasse):**

Between 1968-69 and 1978-79, what were the (a) cumulative (b) annual expenses incurred under the various Agricultural Products Price Support Programs?

Hon. John Wise (Minister of Agriculture):

Fiscal Year	(a) Cumulative	(b) Annual
1968-69	$ 976	$ 976
1969-70	78,086	77,110
1970-71	475,761	397,675
1971-72	996,309	520,548
1972-73	1,415,298	418,989
1973-74	1,420,432	5,134
1974-75	1,518,176	97,744
1975-76	1,933,017	414,841
1976-77	3,054,947	1,121,930
1977-78	3,090,491	35,544
1978-79	3,345,771	255,280

[Mr. Lawrence.]

ARMED FORCES PERSONNEL

Question No. 354—**Mr. Herbert:**

How many Armed Forces personnel are in (a) the National Capital Region (b) each province and territory excluding the National Capital Region?

Hon. Allan B. McKinnon (Minister of National Defence and Minister of Veterans Affairs):

(a)	National Capital Region	6,381
(b)	Newfoundland	845
	Prince Edward Island	951
	Nova Scotia	12,131
	New Brunswick	4,172
	Quebec	10,459
	Ontario	15,623
	Manitoba	3,979
	Saskatchewan	1,665
	Alberta	7,024
	British Columbia	8,257
	Yukon Territory	6
	Northwest Territories	306
	Outside Canada	6,689
	Total	78,488

ENVIRONMENT—HUMANE TRAPPING—TESTING

Question No. 366—**Mr. Cossitt:**

1. Was the Canadian Wildlife Service responsible for testing traps for fur-bearing animals sent in by inventors for approximately three years?

2. Was the testing stopped by the Department of the Environment and, if so (a) on what date (b) for what reason (c) how many traps were waiting to be tested at the time testing stopped?

3. Is the Department leaving the responsibility for testing entirely to the Federal-Provincial Committee for Humane Trapping and, if so, for what reason?

4. Is the Minister aware of the urgency of the need for the invention of humane traps and, if so, would the Minister make public the measures being taken to speed up such inventions?

5. What financial assistance, if any, is being given to inventors attempting to solve this problem and specifically, has any contract been issued to a research center, university etc. for the purpose of inventing a suitable trap or initiating research into other trapping methods such as the use of drugs?

6. What was the total amount of funds contributed in the past five years by the Department to speed the search into alternative trapping systems?

Hon. John A. Fraser (Postmaster General and Minister of the Environment):

1. No.

2. N/A.

3. Yes. That is the responsibility of the committee.

4. Yes. The Canadian Wildlife Service and the provinces gave impetus to the formation of the committee which is taking measures to speed up inventions.

5. The committee provides advice to inventors. It has assisted some inventors financially. It refers promising designs to the engineering department, McMaster University, for analysis and development. It arranged for the placement of an advertisement in the Research and Development Bulletin of DSS for space-age proposals for trap testing and trap ideas, but no new suitable proposals were received.

6. The department has contributed $65,000 directly to the committee. $80,838 has been provided in contracts to set standards against which traps can be tested by the committee. An additional $50,000 is to be allocated in 1979-81 on research for humane traps.

CANADIAN ARMED FORCES—NUMBER OF MEN AND WOMEN

Question No. 373—**Mr. Pepin:**

How many men and women were in the Canadian Armed Forces on (a) March 31, 1977 (b) March 31, 1978 (c) March 31, 1979 (d) October 9, 1979?

Hon. Allan B. McKinnon (Minister of National Defence and Minister of Veterans Affairs):

The effective strength for the dates in question were as follows:

	Men	Women	Total
(a)	74,553	4,038	78,591
(b)	75,103	4,553	79,656
(c)	74,156	4,818	78,974
(d)	73,480	5,008	78,488

CONSUMER AND CORPORATE AFFAIRS

Question No. 381—**Mr. Cossitt:**

Did the Minister of Consumer and Corporate Affairs hold conversations with his Ontario counterpart, the Honourable Frank Drea, on the problem of odometers on used cars being turned back by certain dealers before resale and, if so (a) has it been agreed that a consumer fraud problem does exist (b) has it been estimated that this alleged practice is costing Canadian consumers between $300 and $500 million per year (c) is the government taking any steps in co-operating with other provinces to strongly deal with this matter?

Hon. Allan Lawrence (Solicitor General and Minister of Consumer and Corporate Affairs):

The problem created by certain dealers turning back odometers of used cars was the subject of correspondence between the Honourable Frank Drea and myself in August of this year. We were seeking to ensure that Mr. Drea's proposed amendments to regulations under the Ontario Motor Vehicle Dealers Act were in general agreement with the appropriate section that deals with odometers in the Weights and Measures Act. Furthermore, the subject of fraudulent roll back of odometers was raised at the recent St. John's Consumer Affairs Ministers' meeting in September.

There most certainly is considerable fraud of this nature and the attempts to reduce the problem were well illustrated by many recent successful prosecutions. It is extremely difficult to estimate the dollar value of this type of fraud but figures have been used in the area of hundreds of millions of dollars. The government is taking steps to deal strongly with this problem through enforcement on a national basis of existing federal legislation and, where required, there is co-operation with the provinces.

Unfortunately, from our experiences, we know that identifying and taking action on odometer fraud is difficult and time-consuming. The long-term answer is a tamperproof odometer, and work on such an instrument has been done by some of the automotive companies, and is being investigated by Transport Canada. Until such time as such a solution is achieved, we will continue to use the existing legislation to tackle this type of fraud.

[*Translation*]

Mr. Pinard: I rise on a point of order, Mr. Speaker. May I ask the parliamentary secretary to indicate to this House at the earliest opportunity, namely on Monday, if it is true that up to now he has answered less than 2 per cent of the questions on the order paper?

Mr. Speaker: Order. The questions enumerated by the hon. parliamentary secretary have been answered. Shall the remaining questions be allowed to stand?

Some hon. Members: Agreed.

[*English*]

Mr. Speaker: Orders of the day. Pursuant to Standing Order 54 I do now leave the chair for the House to go into Committee of the Whole.

● (1240)

GOVERNMENT ORDERS

[*English*]

BUSINESS OF SUPPLY

APPROPRIATION ACT NO. 1—1979-80

The House resumed, from Thursday, November 8, consideration in committee of Bill C-23, for granting to Her Majesty certain sums of money for the public service for the financial year ending March 31, 1980—Mr. Stevens—Mr. Laniel in the chair.

The Chairman: When the committee rose on Thursday, November 8, 1979, schedule A of the bill was under consideration, as clauses 2 to 6 inclusive were allowed to stand.

The committee might allow me to raise the question of relevancy. Yesterday when the committee sat, taking into account the late hour and the fact that there was only half an hour left, the Chair allowed quite a lot of flexibility in the consideration of schedule A. I allowed one or two numbers, with reference to the Department of Transport, wharves and breakwaters, to get into the question of fisheries.

However, I see again today the Minister of Fisheries and Oceans and some hon. members who are concerned about fisheries, and I hesitate to let the committee proceed in the same way it did last night in using schedule A to go as deeply as they did into the field of fisheries. I wonder if there could

not be some consensus to stand schedule A and to go to schedule D, which would allow flexibility regarding all of the subjects involved.

Mr. Breau: Mr. Chairman, we have no objection as to how it is done, but I suggest that another way would be to revert to clause 2, which covers the whole subject of appropriations. We have no objection, as long as we do not restrict hon. members from questioning ministers on any subject. Whether we stand schedules A, B, and C and go to schedule D or revert back to clause 2, which is a very general clause, I think it would be better to have wide latitude.

Mr. Knowles: Mr. Chairman, I appreciate the intervention which has just been made, but it strikes me that Your Honour's suggestion is the better one. If we revert to clause 2, that also raises the whole question of twelve-twelfths. What we want to talk about are items in the departments. As a matter of fact, when we moved to schedule A, I thought the general understanding was that we would discuss all of the schedules. Your Honour is quite correct in saying that we have to be relevant, but if we stand schedules A, B and C and move to schedule D, it seems to me that the door will be wide open.

Mr. Stevens: Mr. Chairman, as I indicated yesterday, we prefer to talk only about relevant subjects with regard to schedules A, B and C, but if hon. members wish to stand those three and go directly to schedule D, we have no serious objection. We would just like to get on with the bill.

The Chairman: Hon. members should consider the fact that when we are considering clauses other than clause 1, we are operating under very strict rules. These rules are meant to prevent us from getting ourselves into a difficult situation and from ending up with amendments which relate to different clauses or different schedules at the same time. There seems to be a disposition, as I suggested, to stand schedules A, B and C and to proceed to schedule D. Is that agreed?

Some hon. Members: Agreed.

The Chairman: The House will now proceed to the consideration of schedule D. The hon. member for Selkirk-Interlake had the floor last night.

On schedule D—

Mr. Sargeant: Mr. Chairman, last evening I was speaking of the horrors which would be wrought upon the Manitoba fishing industry by two nasty little fish, those being the gizzard shad and the rainbow smelt, should the Garrison diversion be allowed to go ahead as envisioned by its North Dakota planners. Reflecting upon my comments last evening I am struck by an uncanny resemblance between this environmental pollution and a recent political pollution which has also crept northward from the United States. On the one hand, we have an environmental pollution which, through an accident of human engineering, threatens to move northward, wreaking considerable havoc on the economy of Manitoba. This environmental pollution would take the form of vastly increased amounts of chemicals in the water, harming community water supplies, farming industries and food processing industries, among others. It would also come in the form of those two previously mentioned voracious garbage fish.

The parallel political pollution promises equally horrible results for Canada. This pollution is the new wonder child of the government opposite, the philosophy of neo-conservatism. This political pollutant had its birth in the murky waters of the United States, as did Garrison's garbage fish. And like those fish, neo-conservatism has moved northward, devouring much of what is good in our country. Indeed, I can expand the parallel. The neo-conservative—

Mr. McGrath: Mr. Chairman, I hesitate to interrupt the hon. member because I am very much interested in hearing about the problems surrounding the Garrison diversion and the effect it will have on the very important Manitoba fisheries, but I suggest that the hon. member is breaching the rule of relevancy when he goes into a tirade about neo-conservatism.

The Chairman: Well, actually I cannot be a policeman and be on my feet on every remark. However, and this does not really touch on the point raised by the minister, I am concerned because the hon. member was talking about the environment more than anything else. I was looking through the schedules to see whether the Department of the Environment is involved, and I can find no such reference.

Although the hon. member began on schedule A last night, I hope that his remarks will relate in some way to schedule D or to one of the items in schedule D.

Mr. Sargeant: Mr. Chairman, I will leave this subject for the time being since it is touching nerves on the opposite side.

Mr. McGrath: Just get on to the fisheries.

Mr. Sargeant: I will change the direction of my comments right now, and speak about a couple of matters of concern to inland fishermen, who may very well be falling victim to this nasty neo-conservatism. The first of these was discussed at some length last evening by the hon. member for Grand Falls-White Bay-Labrador with regard to offshore fishing. I would like to address the same problem as it applies to the Manitoba scene. In particular, I am referring to the 35 per cent subsidy on fishing boats. As the hon. member for Grand Falls-White Bay-Labrador said last night, this has now been put in a holding pattern, and for some months none of the fishermen in Canada have been getting this subsidy.

In Manitoba at the present time this poses a rather serious problem. There are some 90 fishermen who have made representations to the department to get this subsidy. The total amount they are applying for this year is somewhere in the neighbourhood of $140,000 to $150,000. So far this year only $20,000 has been spent under this program in Manitoba. Last year $280,000 was spent, and in the previous year $180,000 was spent. Manitoba is getting the short end of the stick this year, as I see it. Furthermore, the problem is exacerbated in Manitoba because the Manitoba Credit Corporation will not

grant loans to fishermen unless they have a 35 per cent equity. In previous years this has been no problem because of the subsidy.

● (1250)

Mr. Breau: Because of the good, Liberal program.

Mr. Sargeant: Yes, it was, but unfortunately it has gone down the drain. In Manitoba this not only affects fishermen but boat works in the province. In my riding of Selkirk-Interlake, two particular companies, Gimli and Lake Winnipeg Boatworks, are suffering considerably from it. They are both small businesses which rely on getting the boat business from local fishermen. When a subsidy such as this is suspended, these boat works feel the pinch. Right now these two companies are facing a bleak winter. In fact, it is very likely that they will have to lay off some of their employees and shut down completely for the winter.

Two other boat works in Manitoba, Lakeside Boatworks and Lake Winnipegosis Boatworks, both of which are in the neighbouring riding of Dauphin, have suffered more than the Gimli company because both have had to shut down their operations. The four Manitoba boat companies estimate that they have lost some $500,000 in business this year, which is a sizeable sum for small companies. It is interesting that 35 per cent of $500,000 come very close to the amount of the grants that have not been approved this year in Manitoba.

I should like to direct a question to the minister on this subject and ask him what, if anything, has been done to reinstate this program. If nothing has been done, can he foresee this program being reinstated in the very near future? May I ask whether it is normal procedure for him to answer now, or should I carry on and have my question answered later?

The Chairman: It is the hon. member's choice. If the hon. member takes his full time, he can use it to make his comments now, or, if he wants to obtain answers to his questions right away, the time which the minister takes up is counted in the hon. member's 20 minutes. So it is up to the hon. member.

Mr. Sargeant: I have another matter to raise and it will not take me too long to pose the question. First I will give a little background on it, following which I will put my second question, and perhaps the minister will answer them both afterwards.

The second matter regards the Freshwater Fish Marketing Corporation. In recent weeks, the Manitoba resource minister, Brian Ransom, has stated he may possibly allow commercial fishermen to opt out of the corporation. As the minister is well aware and, as I am sure, most members concerned are, FFMC was set up originally in 1968-69 in order to provide an orderly marketing of fish in the Northwest Territories, the prairie provinces and parts of northwest Ontario. It is somewhat ironic that another disciple of neo-conservatism, Sterling Lyon, has been the prime force in establishing this corporation. The need for this corporation became evident in the mid-1960s when only a few American firms had the monopoly in buying and processing. This resulted in poor prices for fishermen.

The fear right now experienced by members of this party and by most fishermen in Manitoba is that without FFMC fishermen might gain some very short-term benefits, but in the long run the large U.S. firms will undoubtedly take over and again dominate the market and dictate prices. I understand that the minister's parliamentary secretary has been assigned the job of looking into FFMC and deciding its future.

I should like to ask whether the report has come back and what is the minister going to recommend. Will he recommend the dismantling of FFMC, or will he allow FFMC to stay in place but private interests to compete against the marketing corporation? My fear and the fear of many fishermen in Manitoba is that the cards would likely be stacked against the marketing corporation. Fishermen in Manitoba have generally expressed the desire to see the marketing corporation stay as it is. When private companies dominated the situation until the late 1960s, fishermen were often quoted a price at the beginning of the season, but come the end of the season the price would change and the fishermen would get the short end of the stick. They like the situation right now which works the opposite way. They are quoted a price by the marketing corporation at the beginning of the season, and at the end of the season the corporation has a higher price than anticipated, which is to the benefit of Manitoba fishermen.

To sum up, my two questions relate to boat subsidies for inland fishermen and the future status of the marketing corporation.

Mr. McGrath: Mr. Chairman, first of all I should apologize to the hon. member for interrupting him. I did not realize it was his maiden speech. I would be even prepared to listen to him on neo-conservatism.

The hon. member had two concerns with which I can deal now, although it was my intention to wait until all hon. members had made an initial submission, following which I would reply. The hon. member has raised two specific questions: one dealing with the vessel subsidy program, and one dealing with FFMC.

With respect to the former, it is our intention to restore the vessel subsidy program for the balance of this year and to bring in a modified form of the program for next year. But I should tell the hon. member, as we indicated to the provincial ministers of the Atlantic provinces in Quebec, that it is also our intention to phase out of that program. This is not to suggest there is no need for it, but merely to suggest that we do not see it as our role that vessel subsidies should be administered by my colleagues, the Minister of Industry, Trade and Commerce or the Minister of DREE. We think that primarily it should be a provincial program supported by some program other than one administered by this department. There will be times, however, when it will be necessary to use various incentives to encourage the opening of new fisheries. That may be one of the means we would adopt to encourage people into a new fishery.

With respect to FFMC, my parliamentary secretary will be responding at greater length. There is a review under way and the parliamentary secretary has the responsibility for co-ordinating it within the department. We have met with most of the provinces at the officials level. There is one thing emerging, and that is that there is no consensus among the participating provinces on FFMC, which makes our decision more difficult. We are looking at all the options, but the evidence is not in yet in terms of the study. When it is, we will be making a decision with regard to the future of FFMC.

I should also remind the hon. member that it is my understanding that FFMC will be one of the topics before the standing committee next week when the estimates are once again before the committee. Perhaps at the time we will have an opportunity to go into the matter in greater detail in terms of what we found out so far as our studies are concerned. But I want to say to the hon. member that the study is under way, that until it has been concluded and there has been consultation at the political level, I cannot give the hon. member further information. I am afraid that is as far as I can go at the present time.

Mr. Cyr: Mr. Chairman, may I call it one o'clock, but before we adjourn may I ask the minister whether he will be present in the House this afternoon?

Mr. McGrath: Mr. Chairman, the hon. member should know that I am always in the House on Fridays.

The Chairman: It being one o'clock, the committee will now adjourn until 2 p.m.

At one o'clock the committee took recess.

● (1400)

AFTER RECESS

The committee resumed at 2 p.m.

The Deputy Chairman: When the committee rose at 1 p.m., schedule D of Bill C-23, for granting to Her Majesty certain sums of money for the public service for the financial year ending March 31, 1980, was under consideration and the hon. member for Gaspé had the floor.

[*Translation*]

Mr. Cyr: Thank you, Mr. Chairman. Today, I have no intention of giving a detailed account of the situation of Quebec fisheries. I merely wish to advise the House that the fishing industry in the Gaspé area has known considerable success since I have been its representative in the House of Commons.

The income of fishermen has gone up in no small measure in recent years in the province of Quebec and northern New Brunswick and that, Mr. Chairman, thanks to the policies implemented by the former minister of fisheries, the hon. member for Westmorland-Kent. However, Quebec fishermen, the owners of fishing businesses and processing plant employees are quite concerned about the recent steps taken by the minister of this Progressive Conservative government, and more particularly by the budget cuts that have already been made in or are being planned for the 1980-81 budget concerning small vessel ports. In the last ten years, the Liberal government has built wharves and harbours to meet the needs of the Gaspé fishing industry. But there is still much to be done because everything cannot be done at once.

The minister has many files in his Ottawa office that were sent him or handed over to him by the former minister which prove that there is still a lot of work to be done in Gaspé. I trust the funds will be available, Mr. Chairman, to build the buttress for the wharf at Sainte-Anne-des-Monts, to go ahead with phase II of the works at the Tourelle fishing wharf, the breakwater and the launching ramp at Cloridorme, the stone-bedding for the small wharf at Cap-à-l'Ours, phase II of the Anse-à-Beaufils harbour, to improve the dredging and harbour facilities at Sainte-Thérèse, the wharf at Grande-Rivière, and to do major repair work on the wharf of Newport as well as its launching ramp. In addition, the Department of Fisheries and Oceans had promised to assist in the development of coastal and tourist fishing harbours in that area under the Canada-Quebec tourist development agreement. As I said earlier, the files are in the minister's office, and I trust that part of the 1980-81 estimates will go to that.

● (1410)

The Minister of Finance and the President of the Treasury Board say the former government increased the Canadian deficit too much. In the past, the government took steps to reduce spending, to lower deficits, but it never took them, Mr. Chairman, on the backs of Quebec or eastern Canada fishermen. That was a privileged class for the Liberal government. During the last election the Progressive Conservative candidate in the riding of Gaspé and all Progressive Conservative candidates in eastern Canada promised they would give fishermen access to fishing harbours for major repairs and would have launching ramps built here and there. Where is that work going to take place with the budget cuts announced by this government?

Mr. Chairman, I have been asking myself that question ever since this government took office and particularly with respect to the position taken by former Progressive Conservative members sitting on this side of the House who are now on the government side and the new members coming from Prince Edward Island and Newfoundland—where are they to defend the interests of fishermen? We do not hear from them anymore, Mr. Chairman. They are mute, as gentle as lambs. I am talking in particular of hon. members from Prince Edward Island, the hon. member for Malpeque, the hon. member for Cardigan, the hon. member for Hillsborough and the Secretary of State and Minister of Communications, the hon.

member for Egmont. We have not seen them yet rise in this House to defend the interests of fishermen, more particularly inshore fishermen, and criticize the department's policy with respect to large trawlers having access to the gulf.

I want to say to Quebec fishermen that if there are budget cuts, they apply not only to the province of Quebec but to all other maritime provinces. We rise on their behalf and I trust other members on the government side can do the same and speak loudly so fishermen can get justice from this new government. I now want to deal with the presence of large trawlers in the gulf. First of all, Mr. Chairman, let me say at the outset that the action taken by the Minister of Fisheries and Oceans since he became a member of this government have done precious little to restore balance in the struggle for national unity. Since 1970, the previous government had made efforts to replenish the fish stocks in the Gulf of St. Lawrence and generally in eastern Canada, and we proved it when the 200-mile fishing zone was established. Moreover, when in 1976 the hon. member for Westmorland-Kent realized that the situation had become tragic and that all that was left was only small 15- to 18-inch cod in the gulf, he denied large trawlers access to the gulf.

Three years later, Mr. Chairman, the fishermen can now catch 25-, 30- and even 40-inch cod, something which had not happened for at least 15 years. To that end the federal government had to lower quotas in the Gulf of St. Lawrence and even reduce the fishing season for a few years. We have implemented 2 and 3 cents a pound programs to be able to subsidize fishermen, to help fish processors and processing plants, and even to subsidize large trawlers and help equip them to operate in the 200-mile fishing zone.

These programs cost $117 million to the Canadian taxpayers in four years. But they have been useful. We have increased the cod stocks in the Gulf of St. Lawrence, but the new minister has now opened up the Gulf and let in the big financial sharks, the large fish processing companies of Newfoundland, Prince Edward Island and Nova Scotia.

The statement made by the hon. minister on August 27 took everyone by surprise. No matter that the hon. minister said in the House that there was consultation, I suggest that this statement took everyone by surprise. It may not have surprised either National Products or Nickerson or even the hon. member for South Shore, but it did surprise the rest of Canadians. The minister has stated in the House that the provinces were consulted through the groundfish advisory committee at a meeting held in St. John's on July 11. The minister, his officials and certain Progressive Conservative members of southern Nova Scotia seem to be interpreting rather strangely the minutes of the meeting of the advisory committee from which the hon. minister quoted in this committee last night, and they have also accused an official of the New Brunswick government of not having informed his minister that there were consultations during this meeting. The New Brunswick government official will probably have the opportunity to read *Hansard* for last night and today and to reply to the minister.

I was rather disappointed last night when the minister accused an official of not having done his job. I then thought that if he was now accusing a New Brunswick government official of not having done his job, he might do the same tomorrow for the Quebec government or that of Prince Edward Island. Therefore, Mr. Chairman, I contacted this morning the Quebec government in relation to the interpretation of the minutes of the meeting held on July 11 in St. John's.

I would like to give a summary of the facts for those who are not aware of the situation as I see that many students are in the gallery today. On August 27, the minister stated that there was a 10,000 metric ton surplus available to fishermen in the Gulf of St. Lawrence and he announced at the same time that 6,000 tons should be allocated to trawlers of 100 feet or more. This last part of the press release is what surprised everyone.

The minister stuck up for himself, as shown on page 2 of the minutes of the meeting, and I quote:

> The members are, on the whole, in favour of increasing the present TAC; however, the possibility of higher TAC and quotas for vessels over and under 100 feet is giving rise to contradictory views.

Mr. Chairman, if that is called consultations with Quebec, I wonder what is meant by consultation. At 12.45 today, answering the question of an hon. member for the NDP on the price of salt fish, the minister said there should be consultations with the provinces and even consensus before making certain changes. I agree with him. That is the policy that should be implemented. But it was not when time came to allow 100-foot trawlers or more into the Gulf of St. Lawrence. Now, here is the message I received from the representative of the Quebec government, Mr. Bourque, who was at the committee meeting. I quote:

> We discussed the 4T increase from 36,000 to 46,000 tons.
>
> A representative of the Quebec fishing industry, Mr. Richard Lapointe, suggested it. A consensus was reached with regard to increasing the quotas from 36,000 to 46,000 tons but not on their allotment, and the report states that. Later on, there was no consultation concerning their allotment. This is why the government of Quebec made representations on September 5, 1979 to the hon. James McGrath in a telegram which reads as follows:
>
> FROM: Rodrigue Tremblay, Minister of Industry and Commerce
>
> TO: James McGrath, Minister of Fisheries and Oceans.
>
> DATE: September 5, 1979.
>
> We are pleased about the increase in cod quotas in 4T and 4Vn to 10,000 metric tons which was announced in your release of August 27, 1979.
>
> On the other hand, we are opposed to the allocation of part of those 10,000 metric tons to vessels of 100 feet or more that are based outside the Gulf of St. Lawrence.
>
> This float of vessels of 100 feet or more based outside the gulf has benefited from a very generous increase in cod quotas in 4VSW and has made good catches in 2J3KL since the beginning of 1979.

We have accepted that vessels of 100 feet or more based outside the Gulf of St. Lawrence have quotas in 4RS, 3PN and 4V in 1979. However, this should be the last year.

With due respect we remind you that we want that the fish in the Gulf of St. Lawrence be reserved exclusively for vessels based in the gulf.

Rodrigue Tremblay

Mr. Chairman, this morning the representative of the province of Quebec also told me that the owners of big trawlers, National Products and Nickerson, regularly come back before the committee. At every meeting they appear before the committee and ask to be allowed to enter the Gulf of St. Lawrence but they are turned down. There was never any comprehensive study or debate in the advisory committee, Mr. Chairman, about the access of trawlers to the gulf.

The hon. minister knows that Quebec is not the only province involved in this battle. Prince Edward Island and New Brunswick are in it too, as my colleague from Gloucester has underlined last night. In the end Quebec has always accepted a compromise in the debates between federal and provincial governments. But opening Gulf of St. Lawrence area 4T to trawlers cannot be an acceptable compromise for the province of Quebec because there have been no consultations. Compromise implies consultation. Without consultation, no compromise. Therefore the Quebec government, with which I am not always in agreement, is strongly opposed to the minister's action. Moreover, one of the representatives on that committee, the general manager of the Pêcheurs unis du Québec in a statement that cannot be read today for lack of time—he will be appearing soon before the committee anyway—himself indicates there has been no debate on the committee other than producers, boat owners—which means large companies—suggesting they would like to fish in the gulf. He states he heard of it only upon issuance of the minister's release, whereby big trawlers were allowed access to the gulf. Mr. Chairman, this is not a world where there are only government and big business. Labour unions also exist. I have here a telegram sent by Mr. Odilon Gionest, president of the Newport plant local of the national union, in which it is stated, and I quote:

We wish to inform you of our objection to the entry into the Gulf of St. Lawrence, starting from November 1, 1979, of trawlers 100 feet long and over, to catch 6,000 metric tons of cod.

We feel the fish so caught will automatically reduce next spring the fishing potential of trawlers under 100 feet.

He goes on requesting that representations be made. I have hundreds of other telegrams, Mr. Chairman, that I could read into the record.

I have only a few minutes left to ask the minister to reconsider his policy, to act like a good Canadian and remember the humble fisherman, as he used to do indeed. In a speech on northern cod delivered on August 30, 1979, in Corner Brook, Newfoundland, he said the following:

Our policy, my policy, on the matter is quite simple and specific. The coastal fishermen have priority of access to that resource. For them, for workers in processing plants, for their families, for communities where they live, the right and opportunity to have access to that resource is essential, because they have special ties with those stocks and the government of Canada recognizes this.

Mr. Chairman, if the Government of Canada recognizes the fishermen's priority of access to the resources in the gulf, I would like him to say so today and withdraw those policies that he put forward and by doing so, it would be in accordance with the meeting held in October.

● (1420)

[*English*]

That will conform to the report of the Atlantic Groundfish Advisory Sub-Committee which, on page 6, recommends:

Trawlers over 100 feet be phased out of the Gulf groundfish fisheries between 1980-1986 to coincide with phase-out of the French treaty.

[*Translation*]

And it goes on to say that entry should be denied to certain vessels carrying equipment that can destroy the ocean floor. Mr. Chairman, in light of the position taken by the minister I would not want to leave unsaid the disappointment felt by Quebec fishermen, producers and all those concerned by the fishing industry. I would ask him to read all the telexes sent on July 5, 11, 17, 23 and 24 by Quebec United Fishermen asking him for this 10,000-ton stock increase; never was there any question of allowing trawlers over 100 feet to take this fish which is reserved for inshore fishermen. I put my trust in the hon. minister's good will to put an end to this dispute.

The Deputy Chairman: Order, please. I regret to advise the hon. member that his time has expired.

[*English*]

Mr. Rose: Mr. Chairman, as the Minister of Fisheries and Oceans is here this afternoon, I should like to quickly ask him four very important questions concerning fishermen on the west coast. Since I may not use all my time in asking these questions, I want to ask about another cultural matter and perhaps we can deal with these together.

I was very interested in some of the debate last night, especially the contributions by the hon. member for Westmorland-Kent, the former minister of fisheries. The present minister was on the fisheries committee at the time the Davis salmon licences A and B licensing scheme was introduced. I believe, although I cannot recall for certain, that he opposed that. I know I did, because I felt we should be licensing people rather than boats.

The industry is in chaos at the moment on the west coast—especially the salmon industry—because of overcapitalization and certain other problems.

My first question to the minister is to inquire whether he has any plans to discourage this overcapitalization or to change in any other way the licensing procedures which, I take it, he opposed when they were introduced. If he has, I would certainly like to hear about them.

• (1430)

As far as overcapitalization is concerned, it means a bigger and bigger investment must go into gear and ships of various kinds to chase fewer fish. Therefore, it lowers productivity if productivity is figured on the basis of dollars invested compared to fishery return, even though the price has gone up over the last few years.

Does the minister plan to change the type of licences being issued? Is he concerned about overcapitalization within the industry? I will put all my questions, and if the minister can answer them and there is any time left, I would like to go on to a different subject, but still within the bounds of the sections we are on.

The Fraser gill netters, many of whom I represent and have represented over the years, are losing their identity. They cannot depend on the catch, although I must admit that last year was better than the previous year. In order to have a decent income they are forced to leave their natural identifiable area as gill netters in the Fraser. They must go out further in order to justify their investment. I believe they had 16 days last year, which is hardly enough.

I believe the minister has requested some suggestions from the industry for a better allocation. I think it is unfair to leave that whole matter entirely to the industry. I would be interested to know if there was any kind of government suggestion forthcoming, based on the report and recommendations of the Sol Sinclair report that has been tabled. At this time I know of nothing that is being implemented.

I have two questions as follows: When will we have implementation of Mr. Sinclair's recommendations? Does the government have any suggestions regarding catch allocation? This will avoid warring with the industry as well as problems with the Americans over tuna and other matters such as that.

I am concerned along with some of the people I represent about the back door approach to the Foreign Investment Review Agency. Of course, our Canadian fish companies have been largely controlled by American interests, but now Japanese interests are investing up to 25 per cent, for instance, in Canadian fishing companies. It seems to me there may be a possibility of a takeover by the Japanese without even going through the formalities—and that is all FIRA is in the main anyway, a formality—which is not to our particular advantage.

Last night the hon. member for Westmorland-Kent spoke about the real concern that we have about vertical integration in the fishing industry. In other words, the company owns the boats and the licences on those boats in many cases. They often allocate these boats. This reminds me of the Ernie Ford song "You owe everything to the company store." The minister might recall that when we were in Prince Rupert these contracts were described as unconscionable. In this regard does the minister share with the ex-minister his regret that we have allowed such a large measure of vertical integration in the fishing industry? Does the minister have any particular plans to reverse this? I think that is probably a clear question.

I will dispense with the rhetoric of how terrible it is today, that it is all the minister's fault and that everyone over here is an angel. However, since he is the minister—he must bear the responsibility, and if he wants to accept the fault, that is fine. The former minister expressed his regret that in his province fishermen have no bargaining rights. Except for UIC payments, I do not believe fishermen have any bargaining rights anywhere. They do not have the most primitive rights of trade unionists because the courts have considered them as co-adventurers. Every time they do strike it is considered a conspiracy.

I know the Minister of the Environment has been approached by the fishermen. He has met with representatives of the fishermen's union. By letter he has indicated that he intends to contact the Minister of Fisheries and Oceans as well as the Minister of Labour to see if, after 100 years of neglect by both old line parties, somehow during this session of Parliament there might be some form of equity given to the fishermen. I do not mean restoration of rights because they have never had rights in the first place, but there should be some kind of legislation to consider the needs of fishermen, who by and large are almost serfs on these vessels. Because they happen to get a share in the catch does not mean they are co-adventurers. I suppose only a legal mind could somewhow justify their being co-adventurers. They are more like feudal serfs.

I hope the minister intends to do something about this or take some kind of lead to see if there are some decent, modern bargaining rights for some of the most oppressed workers in the country. These people do get unemployment insurance. We can give the previous government credit for that. I admit that some fishermen in some years do very well. However, if one takes a look at the average earnings for the industry, they desperately need something, so that each time they feel they have a grievance and go on strike they do not have to go through police barricades and face the courts. I join with the former minister from Westmorland-Kent who regretted that there were no bargaining rights in his province. I support his view. Do the fishermen have to go through this procedure every time in order to get decent, modern civil rights or labour rights accorded other workers? I look forward to the answers to my questions.

Mr. McGrath: Mr. Chairman, I listened very carefully to the questions posed by my hon. friend. I am pleased to welcome him back into the House and I look forward to his continuing participation and contribution to the debates in this place. I will try to answer his questions as succinctly as I can, bearing in mind that we will examine the questions more carefully to determine whether or not more comprehensive replies are warranted. If that is the case my parliamentary secretary will bring these replies to the committee at a later date.

With respect to the first question on A and B licences and the concern expressed by the hon. member regarding overcapitalization, he probably knows that there is a moratorium at the present time. There has been no increase in the number

of A licences. As a matter of fact A licences have decreased from 5,800 in 1969 to 4,400 in 1979.

Mr. Rose: Mr. Chairman, would the minister permit some clarification at this point?

Mr. McGrath: Yes.

Mr. Rose: Mr. Chairman, I was not concerned about the gross numbers but the continuation of this scheme. While there may be fewer boats, more sophisticated gear is being used. The requirement to obtain sophisticated gear means that many are overcapitalized.

Mr. McGrath: Mr. Chairman, as I say, I can appreciate the concern of the hon. member. My understanding is that the trend is to smaller boats because of the moratorium. I will endeavour to get a more comprehensive reply and the parliamentary secretary will bring it in. I anticipated that we would be spending the afternoon discussing the southern Gulf of St. Lawrence respecting section 40 and cod. However, I will make sure that the hon. member gets an answer to his questions on the A and B licences as well as the whole area of his concern with respect to overcapitalization.

With regard to the recommendations of the Sinclair report, as the member suggests that report has been around since 1978.

Mr. LeBlanc: Late 1978.

● (1440)

Mr. McGrath: To the best of my knowledge it was never tabled in the House. Nor was it referred to a committee of the House. It is my intention, hopefully, to have the Sinclair report referred to the Standing Committee on Fisheries and Forestry so that the committee can examine the recommendations of Sinclair in light of the realities of the late seventies and the expectations of the eighties. I am hoping that the committee study into the Sinclair report and using Sinclair as a reference—

Mr. Rose: Not that Sinclair next to you.

Mr. McGrath: I am sure that Sinclair would make an equally positive contribution if I called upon him to do so.

Mr. Breau: You should refer him to the fisheries committee.

Mr. McGrath: The reference of the Sinclair report to the standing committee speaks to the whole need for a reappraisal of licensing policy, and in fact the need for a new licensing policy which is the cornerstone of fisheries management, whether we are talking about the east coast or west coast.

The hon. member referred to foreign investment and the concern on the west coast caused thereby. I appreciate that concern. Indeed, I had an expression of that concern on the occasions I had to visit the west coast since becoming Minister of Fisheries and Oceans. It is a growing cause for concern. However, the problem is one for the Foreign Investment Review Agency. Quite frankly, I do not believe the situation is as serious as many think it is, although I am not in a position to make that determination. That is merely a gut feeling I have as a result of the consultations I have had on the west coast with fishermen and those involved in the industry.

With regard to vertical integration, I am concerned about that, the impact it would have on the industry to restrict competition and the possible impact on the price subsequently paid to fishermen.

As to whether it has reached the point where that concern has to be expressed in a more tangible way, I am not in a position to make that judgment at the present time. It is a problem on the east coast. It could very well be a serious problem.

Mr. Rose: The effect it has had on licensing.

Mr. McGrath: That is right, and the whole business of the management of the fishery and entry into the fishery. Having said that, I will give an undertaking to the hon. member that I will, through my parliamentary secretary, endeavour to obtain a more comprehensive reply to the questions posed by the hon. member.

Mr. Rose: There was one other point with regard to bargaining rights. I wonder if the minister would address himself to that.

Mr. McGrath: With regard to bargaining rights, Mr. Chairman, that is a problem in some provinces. It is a problem that falls within the area of provincial jurisdiction. There are bargaining rights for fishermen, certainly in my province. This has been very successful. It has made it much easier for the minister of fisheries to get on with the management of the fisheries where you have a strong voice speaking for the fishermen.

Mr. LeBlanc: Right on.

Mr. McGrath: The union in Newfoundland has been very successful in that regard and has been very responsible in exercising the authority it has in speaking for all of the fishermen and those who work in the fish plants of Newfoundland. That I think augurs well for the industry. I would like to see that carried right across the country.

By the same token, the industry never speaks with one voice and that is a problem. You can very rarely get consensus on the industry side. I believe the industry is now making an effort to get its act together. They know how important that is in terms of consultations with the Government of Canada and in terms of having meaningful input into fisheries policy and the day to day management of the fisheries.

I hope the hon. member will be satisfied for the moment. We will endeavour to examine his questions to determine whether more comprehensive replies are warranted.

Mr. Rose: Mr. Chairman, I thank the minister for his replies and look forward to the more detailed ones. I am a bit confused about his suggestion that it is up to the provinces to

ensure the bargaining rights of fishermen. Deep sea fishing and salmon fishing come under federal legislation.

I am sure the minister will recall a session in which the union from British Columbia attended upon the fisheries committee. That was some years ago, maybe seven or eight. They protested this treatment as co-adventurers, as though it might have had something to do with federal influence. I am not prepared at the moment to say it was entirely federal. I am certain that part of it does impinge on federal jurisdiction.

Mr. LeBlanc: It was a Supreme Court judgment.

Mr. Rose: I am informed by the former minister that it was a Supreme Court judgment, a federal judgment.

I would now like to turn from fish to films.

An hon. Member: Filming fish?

Mr. Rose: No, not filming fish. I want to continue my representations to the President of the Treasury Board over the costs the National Film Board has had to face and their opportunities for the future as one of Canada's outstanding institutions. I say to the President of the Treasury Board publicly something that he already knows. I want everyone listening to know that we know too. It was not the original cuts that were imposed by the Conservative government which caused the trouble in the first place. It was the cuts imposed by the previous government which now, with inflationary conditions, amount to about 20 per cent.

This great Canadian institution has won at least five Oscars and I do not know how many other Academy Award nominations for shorts, documentaries and other innovative films. They provide all kinds of well trained film makers and various other kinds of artists and technicians for the private industry in Canada. We are told it is virtually on its last legs because it desperately needs money. It has had to fire at least 125 people as a result, some of the best people we have. I would say another Canadian success story will be headed for the block unless we do something about it.

The minister is quite familiar with this matter. The information I have is that approaches have been made to the minister for supplementary funding of about $1 million and they have received a kind of counter offer of $330,000. I remind the President of the Treasury Board that the cuts that have been imposed are all the more crucial because compared to all other agencies of government over the past ten years it has not grown at all significantly in terms of numbers or in terms of budget.

When I came here ten or 11 years ago the budget for the whole of the year was roughly $12 million. We thought that was terrible, that the sky was falling. That budget has now quadrupled. In those same ten years the National Film Board, an agency that has had all kinds of international acclaim, has not grown at all. There has been little or no growth in the past ten years. By cutting the budget 12 per cent, which through inflation has grown 20 per cent, you are cutting its throat. I know the minister and the government do not want to preside over the funeral of the National Film Board. Canadians would never forgive them. A $330,000 amount of saw-off may keep the patient breathing, but certainly will not perpetuate the quality and reputation we have come to expect from this agency.

• (1450)

Furthermore, the Secretary of State is anxious to regionalize the offerings and also the film-making on behalf of the National Film Board. There is no chance of that happening. There is not enough money to keep the office in Montreal operating properly. I am told there are film-makers answering the phone down there, which is rather nice in some ways because you can probably get hold of one of them occasionally; but apart from that little half satirical aside it is a very serious matter. I have letters from Lincoln Plaza, New York, from the television workshop, pleading with the Prime Minister not to allow the National Film Board to go under. Media Probe in the United States made similar representations—again this is a New York production outfit. They know the contribution in terms of training, leadership and innovative styles for which the National Film Board is responsible in the documentary field as in others.

May I close, then—

Mr. Breau: Any time you like.

An hon. Member: Right now!

Mr. Rose: We have a special case here, not just an ordinary case but one that calls for government attention because it has been neglected. The funds have been cut by the former government. I say to those people on my right who are anxious for me to be quiet, no wonder they do not want me to talk about it, because they did it to them. They have been trying to outrestrain the restrainers for the past two years. When they say things like that I am not likely to sit down before my time has expired unless I have severe chest pains.

The cuts have hurt the film board more than just by the 10 per cent or 12 per cent. There has been no growth in the last ten years, but since other departments of government which might have been making communications films, media films, advertising films, public relations films, if you like, have not been placing orders with them, the cuts are that much more damaging. I leave the committee with the plea that the President of the Treasury Board stand up here smartly and tell us that he has repented, that he is sorry he did it and that for the good of the nation he intends to restore those funds.

Mr. Stevens: I am not sure whether the hon. member will feel that what I am about to say is part of a process of recanting or not. I certainly agree with him that the estimates of the National Film Board were reduced under the former government. As I recall it, their total budgetary funding in the fiscal year 1979 was about $34.1 million and in the estimates now before us it is $30.3 million. It is true this has put the National Film Board under pressure. We are well aware of that, and we are particularly sympathetic.

I am a little uncertain, though, about the counter offer which, according to the hon. member, Treasury Board made with respect to the request for a further $1 million of financing. As I recall the circumstances, the minister did make a request for a further $1 million of financing, and we got into a discussion about the extent to which funds might be available in the board's budget in other categories and which, because they had lapsed for other reasons, might be used. That is where the matter now stands. We are awaiting information as to the extent to which funds which had been overlooked might be available. We are sympathetic to the plight of the film board, but faced with the staggering deficit which confronts us we are very reluctant to make further commitments if they can be avoided.

Mr. MacLellan: Mr. Chairman, first I should like to make a general observation with regard to what the minister of fisheries seems to be trying to do here. It seems to be an extension of the whole program of this government, a very elitist program, which follows quickly on the heels of the review of FIRA where they seemed to be wanting to bring in industry from outside at will without any checks or balances, as in the case of Petro-Canada where they turned the oil industry over to the multinationals. With high interest rates, small business cannot compete.

I see the President of the Treasury Board is smiling. Well, he should, because if anybody can be branded with responsibility for the elitist tone and the elitist programs of that government, it is certainly himself. The minister smiles. He knows that at various times I have presented requests from the Atlantic provinces, for example from the coal industry; in Sydney they had to cancel seven or eight vessels already this year because of lack of coal. But that does not matter to the minister. It does not matter that the coal can be sold. It is not the program of this government to invest in areas which need investment; it is the program of the government to invest in areas which do not, to make the rich richer. Is that not right? I must say there is one thing they do very well. When members of the government speak, their lips do not even move. I think that is remarkable.

Some hon. Members: Oh, oh!

Mr. MacLellan: With regard to the fisheries, I must say that the minister of fisheries seems to be preoccupied with the case of the processors, to the detriment of the whole fishing industry. I should like to ask the minister of fisheries how many processors he has seen go bankrupt in the last four years. The processors are certainly to be considered because they are very important to the industry. But it is the inshore fishermen who are most important of all and I say to the minister that he has completely neglected them. He has neglected not only their occupation but their way of life.

It seems to be a consolidation process on the part of the government to ignore completely the lifestyle of these people, their right to work in the villages and areas in which they have been working all their lives, to try to take away the means they have of earning their living in their own communities. I ask the minister of fisheries: what does he say to the people in the small villages of Atlantic Canada when he goes to visit them? What does he say to them when they tell him that the cost of a 53-inch long-liner is now $500,000 and that the government has taken away the means of financing these vessels? What does he say to them when they ask him how are they going to earn their living?

I ask the minister to reconsider his policy with regard to financing of vessels for the inshore fishery and to reconsider the policies which affect these people. I would ask him to look again at the policies he has implemented since coming to power with regard to the crab fishing industry. By letting large vessels into the gulf he has severely threatened this industry, one which is just beginning to emerge as a profitable means of employment for the fishermen of Cape Breton Island.

I would ask him to reconsider his stance with regard to the squid fishery. He listened very nicely to the processors when they told him that although there is presently a glut of squid, they do not buy squid.

• (1500)

That is not the end of the argument. The case for the small inshore fisherman has not yet been heard in this matter. The reason there is a sufficiency of squid at the present time is that processors were able to stock their freezers prior to this particular time with squid, and they were able to purchase at lower rates than are now prevalent in the market. What can small inshore fishermen do? To whom can they go? They cannot go to the minister because he is deaf to their requests.

Mr. LeBlanc: They cannot go to the government of Nova Scotia.

Mr. MacLellan: It has been proved that they cannot go to the government of Nova Scotia. Fishermen want to have the right to sell their squid over the side. That is not within the realm of feasibility, in the minister's estimation. How can the minister say that there is a glut in squid? Processors are saying that because they do not want to buy any more. How can we determine this?

We know the habits of certain fish on the Atlantic coast, but what do we know about squid stocks? How do we know when they are going to be back again? Where can we get information as to where they go? What information do we have that the market is saturated at the present time? If in fact there are buyers, why not allow fishermen the right to sell this fish over the side? If they are going to be captives of processors, not only will they lose but the processors will lose as well.

If the minister and the government are going to allow the small inshore fisherman to disappear and not allow him to carry on his fishing as he would like, how is he going to earn a living? How are processors going to be able to justify the fish plants they have in the midst of these pockets of inshore fishing? Those processing plants are going to close, and there will be a ricochet action. That will all be the result of the present policy of this government, and I think small inshore fishermen are right in being unanimously opposed to the

policies of the minister. Those policies are certainly detrimental to the whole Atlantic region.

I saw the Minister of Regional Economic Expansion here earlier, and I am sure he would agree that these jobs are very important to the Atlantic region. If it is going to be the policy of the government to consolidate fishing into a small number of pockets here and there and centralize everything—it seems to be the case with the policy of going along with processors—certainly the Atlantic economy is going to suffer.

The Prime Minister, who is here now, said earlier that he is interested in small town Canada and that he wants to see it flourish. I think the Prime Minister would agree that in order for it to flourish there must be jobs for people. The situation with regard to squid deserves much more attention than the minister's department has given it.

In former times the question of Korean hake was studied. It was determined that there needed to be some assistance when the fact that Korean hake could not be sold on the United States market was evident. The former government took this problem into consideration, and the problem was met with the assistance of the government. The situation with regard to squid at the present time is not very different from the situation with regard to Korean hake a few years ago.

There are very important ramifications to what is going on at the present time. I received overtures—and I am sure the government has as well—from the province of Nova Scotia regarding the problem of the fish catch on the Scotian shelf. The province of Nova Scotia says that the fish stocks in the Scotian shelf are depleting, and because they are depleting the province of Nova Scotia is asking that large vessels be brought into the Gulf. The province of Nova Scotia is saying that if those vessels do not come into the Gulf, the Gulf fisheries will cease to exist for Nova Scotia fishermen. You cannot tell that to the small fishermen of Cape Breton, New Brunswick, Prince Edward Island, Newfoundland or Gaspé.

Mr. LeBlanc: Or Pictou County.

Mr. MacLellan: Or Pictou County. These men are making good use of the fish stocks in the Gulf. These are stocks on which they depend because they do not have vessels to go the Labrador coast or to the Grand Banks. The large fish companies do. They have the wherewithal. In fact large vessels from Nova Scotia were fishing on the Grand Banks of Newfoundland long before that became the industry it is in Newfoundland today. I am very worried that a precedent will be created by the minister's policies and that the minister's policy of allocating certain grounds for particular provinces and particular areas is going to make the case for Newfoundland when its representatives say that they want complete control over the fisheries of that province.

Mr. McGrath: I am going to do just the opposite.

Mr. MacLellan: The minister will never convince me with his policies. This is a very dangerous situation.

Mr. McGrath: I agree with you.

Mr. MacLellan: That is very good; I am glad the minister agrees. I accept his acknowledgment on that. I appreciate it, and I think the inshore fishermen of Nova Scotia appreciate it. We hope that the policies of the minister will reflect his thinking in this regard. This is a very serious situation. The policies of the government are creating very bad precedents.

The fish stocks in the Gulf belong to the people who have been fishing those stocks, regardless of what province they live in. This is an historical right of these people, and they do not want to start a competition in the Atlantic region. They do not want a war, literally, among the provinces as to who can fish in what jurisdiction.

Mr. McGrath: Agreed.

Mr. MacLellan: I would like to see the present situation remain.

Mr. Watson: Mr. Chairman, I have a question to direct to the Minister of Fisheries and Oceans with regard to an article which appears today in *The Citizen* which refers to a statement by Dr. Harold Schiff, who is Canada's foremost ozone expert and who has been acting as chairman of a U.S. National Academy of Sciences committee studying the fluorocarbon problem.

According to Dr. Schiff, the ozone depletion problem caused by the emission of fluorocarbons is much worse than anyone expected. After a three-year study it has been determined that apparently it is twice what it was thought to be in 1976.

I realize that the minister is not in a position to give any kind of an answer today on what his department is doing about one particular part of the fluorocarbon problem, the possible effect the increase in ultraviolet rays caused by the breakdown of the ozone zone has on photoplankton which, as the minister well knows, is a nutritional mainstay for fish and other ocean creatures. Since this is a problem which affects several ministries—it affects human health, so the Department of National Health and Welfare would be involved; it affects agriculture; it affects the environment; and there are implications for consumer affairs—would the minister undertake to get together with his associates in cabinet with a view to making sure that all the expertise that is available in Canada which could be working on this problem will take a look at it?

Could we have an undertaking that the extremely competent fisheries research establishment will take a look, if it is not already, at the question of possible dangers to photoplankton? With regard to this threat would the minister undertake to consider with his cabinet colleagues a legal ban on the use of fluorocarbons as propellants, as well as their use in the spraying of polyurethane insulation? Would he undertake to do both those things?

• (1510)

Mr. McGrath: Of course, Mr. Chairman, I can give an affirmative reply to the hon. gentleman. In so doing I should tell him, however, that co-ordinating responsibilities in this area—and I have read the article to which the hon. member

referred—are vested with my colleague, the Minister of the Environment. I will make sure that the hon. member's comments are brought to his attention.

[*Translation*]

Mr. Maltais: Mr. Chairman, I would like to start by talking a little about my riding and I think it is the first time since Parliament reopened that we have been referring to that region. The constituency of Manicouagan as such is perhaps the largest in Canada. It stretches 600 miles along the shores of the St. Lawrence, and 1,250 miles from its south end up to Fort Chimo. It includes as well the Island of Anticosti. Most of the people I represent actually live between Sept-Îles, Blanc-Sablon and Anticosti island. It is therefore an area where there are many fishermen and yet which has been largely ignored in terms of its fisheries.

Since the House is in committee of the whole, I can stress these two peculiarities concerning the fishermen of my constituency, namely, the issue of their equipment and the issue of their fishing rights. From the interventions of my other colleagues I gather they are a lot more advanced in terms of fisheries than we are on the middle and the lower north shore as we call these areas. I would greatly appreciate the minister paying particular attention to what I am going to say because we seldom have an opportunity of raising these issues which are very real, given the fact that the area I represent is still at a very primary stage of its development.

We are facing a major problem when it comes to fishing equipment as well as grants for trawlers and small fishing boats, because we are having difficulty being recognized as people who depend exclusively on the fishing industry. When I refer to that area between Sept-Îles and Blanc-Sablon, as I explained earlier, that means 400 miles of coasts not serviced by road. This is very important. Therefore, those people who live in about 15 communities located all along those 400 miles of coastline depend exclusively on the fishing industry to make their living, and obviously their earnings are seasonal.

I urge the minister at least to take notice that he should do something for those fishermen so that they can modernize their equipment. The minister should also find ways of providing acceptable subsidies, because in many respects they are considered in fact as independent fishermen. There are no fishermen's organizations, of course, because of the long distances in such a large territory. I think it will be most important to make a detailed survey of the area I represent because we cannot talk in terms of fishermen's organizations now. I do not say that these would not be desirable, but they would just be unthinkable for the moment.

The fisheries policy which had been followed for some ten years has been very profitable for the people in my area, but the cuts that were made everywhere, which were justified in many regards, have brought us back 20 years in my area. The fact that we are so remote compared with the people of eastern Canada should make our area the primary target for fisheries planning and basic equipment. I hope that fact will be recognized because for us it is fundamental.

The second point I want to raise in this debate relates to access to the sea. Of course it is fundamental for a fisherman to have immediate and easy access to the water, and here we are still requesting, even begging for boat launching ramps. For the people of an area who depend exclusively on fishing, that is unacceptable. The facilities requested do not cost much but they are absolutely necessary. We got the most help perhaps for fisheries, boat launching ramps, and fisheries organization and equipment from the Canada Works program.

Some hon. Members: Hear, hear!

Mr. Maltais: I must point out that we have been forced for the last four years to take advantage of a program aimed at helping other people and other groups, and in view of the priority that fisheries represent in our part of the country, we had to use up considerable amounts of the Canada Works program to meet the needs of fishermen. I believe that is unacceptable and I think the fisheries department should accept its responsibilities. I think that everyone understands very well the request I am making. The matter should really be examined closely and we should find within the Department of Fisheries or other departments enough money to be able to help those people.

Another point is the famous decision taken by the minister to allow trawlers of 100 feet or more into the Gulf of St. Lawrence. Everywhere there is an outcry. First of all, people were not consulted. Further, since the policy of the former minister of fisheries and environment was brought forward, the stocks were replenished and there were many more catches than before, which was greatly appreciated by the fishermen.

As I said earlier, the danger we are concerned about now is that the fishermen who are not organized will suffer definitive revenue losses and might not be able to meet the local demand because the larger and better equipped trawlers will make more catches. I believe that this kind of decision is really tragic for the people of this area. And I am even more surprised that certain provinces in eastern Canada have remained silent. The $117 million program established by the preceding government was extremely profitable and the province of Quebec was already benefiting from a five-year development plan.

This plan was developed in co-operation with the federal government of the time, at least as concerns budgets, and I now ask the minister whether his decision concerning certain cuts will directly affect the five-year plan of Quebec. As you will recall, some time ago the Quebec premier said that the major problem in decentralizing the Quebec fisheries department was to convince provincial public servants to move to the Gaspé area. He said it was more difficult to make the public

servants move to Gaspé than to make the fish go upstream to Quebec City.

In view of the decision to allow trawlers to fish inside the Gulf, I wonder if some of the fish will still be able to make it upstream as far as Quebec city. I sincerely want to warn the minister about the risks of such a decision and to tell him that I believe that, in the interests of fishermen, it would be extremely important to review this position so that those who have been making their living in this industry for several generations can still do so because such a decision is extremely depressing for future generations. It will have, as a direct consequence, an exodus of fishermen from these areas. The budgets of former ministers of fisheries were aimed at keeping in these communities the people who are only asking to go on working in this industry. I believe that if the minister continues in this direction there would be grave consequences as we would risk witnessing an exodus of fishermen and an increase in the number of unemployed elsewhere in Quebec and Canada.

I believe that this would have extremely harmful social consequences and that the first duty of the minister should be to evaluate these consequences when making any decision, whether of an economic nature or as concerns allowing groups of companies to fish in the Gulf. When we try to solve the problem of the fishing industry by using these companies in this way, we can only cause even more serious related problems in the areas of unemployment, an exodus from these communities, unemployment insurance and social welfare. Therefore, if the government really wants to help fishermen remain in their own communities and develop economically, I believe that it should go back on its decision to allow trawlers of 100 feet or more to fish in the Gulf. In any case, since I am myself newly elected, I want to transmit directly to the minister the representations made to me by individuals, not companies, individuals and co-operatives. I believe that this message has been made clear since the President of the Treasury Board is in the House, and I believe that we have heard all the facts in view of what my other colleagues from fishing constituencies have been saying since last evening. I therefore urge the government to review this decision and make an announcement as soon as possible so that we can give happier news to the fishermen.

● (1520)

[*English*]

Mr. Dionne (Northumberland-Miramichi): Mr. Chairman, this is the first opportunity I have had to intervene in a discussion on fisheries since the beginning of this Parliament, following the last election. I want to take the opportunity to tell the minister that of course I was disappointed with the results of the election, but when I heard he was appointed Minister of Fisheries and Oceans, I thought at least that was a ray of hope. I am afraid that ray has vanished. The minister may yet be prepared to listen, but I am afraid the rabble rouser of the previous opposition has become the pussycat of the cabinet.

Some hon. Members: Meow, meow.

Mr. Dionne (Northumberland-Miramichi): There was a good program in the Department of Fisheries for boat subsidies and the construction of small craft harbours, both of which fell victim to the hapless hacker at Treasury Board. It seems our Minister of Fisheries has been able to do little about it. In fairness I must say that during the recent provincial byelection in the province of New Brunswick, the minister was able to pry some funds loose from the Treasury Board for boat subsidies. It was not enough, not anywhere near enough, but he was able to do that to allow the Tory candidate in that provincial byelection, and the provincial minister of fisheries, to make the announcement.

An. hon. Member: He still lost the election.

Mr. Dionne (Northumberland-Miramichi): He still lost the election.

An hon. Member: I hear it was close.

Mr. Dionne (Northumberland-Miramichi): Closeness only counts in the game of horseshoes. No wonder it was close. The government of New Brunswick threw all the resources of that province into that byelection in order to win it, but it could not buy the votes of the people. Unfortunately fisheries has become a political ball game. Also that is happening in the Department of Employment and Immigration where we have to wait six or seven weeks for approval of project applications, if they are not connected with provincial byelections. If they are connected with provincial byelections, they are approved within two days so that the Tory candidate can make the announcement. That is the kind of political game they are playing.

When the minister was in opposition, he was very self-righteous. He constantly criticized the former minister, the hon. member for Westmorland-Kent, who in fact was one of the capable workers on behalf of fishermen, for not having enough money in his boat subsidy and small craft budget, etc. What did this minister do? As soon as he is elected, he allows the hapless hacker to take it all away. Some of the money from the point of view of boat subsidies has been returned to fishermen, but the criteria have been changed.

Mr. Stevens: Mr. Chairman, I rise on a point of order. I know the hon. member perhaps was inadvertent in his comment when he referred to the hapless hacker. It is the happy hacker.

Mr. Dionne (Northumberland-Miramichi): I am not prepared to comment on the state of happiness or unhappiness of the minister. I know that the fishermen are concerned with his actions; they are very unhappy. I have referred to him as hapless, and I shall continue to do so.

Since the election on May 22, the government has not approved, to my knowledge, a single penny for the construction of small craft harbours. I represent a riding in which about 40 per cent of the people depend upon the fishery for their

livelihood. We had a very active and progressive program of construction and maintenance of small craft harbours before May 22. Since that date the only activity on any small craft harbour was the one put in place before the election, whereby the Canada Works program is paying for the cost of labour and the Department of Fisheries is paying for the materials. I hope I have not made a mistake in stating that, and all of a sudden the funds for materials will be cut. In any case, we are not receiving the emphasis on fisheries on the part of the government which we should.

Being from Newfoundland the minister has high hopes for the development of the petroleum industry in the offshore waters of that province. I understand that, and I hope it happens. But I remind him—and I hope he will remind the Minister of Finance, the local practitioner of buffoonery in the House—that long after scientists have come up with alternate sources of energy, and petroleum no longer has the value it has today, the products swimming around in our marine waters will be vital for the sustenance of the population of the world. It will still be the most valuable resource of the eastern provinces of Canada.

Some hon. Members: Hear, hear!

Mr. McGrath: Right on.

Mr. Dionne (Northumberland-Miramichi): I hope the government will change its attitude and not continue with the one which seems to be prevalent now, that it is petroleum versus fish, because it should not be so. All of the resources of this nation should not be going into one basket. We should continue to develop fisheries, but unless we have funds from the government to provide the necessary tools for fishermen to do their jobs, they will not be able to do them.

Also we have witnessed the spectacle of the large processors dictating their positions to fishermen as to what they will receive for their products, when, and where they will be able to sell it. We have witnessed the spectacle of the local, small, individual processors, small businessmen whom the government pretends to represent, being told, "No, you cannot enlarge your plant; you cannot get a subsidy from DREE. Even though DREE is willing to give it to you, we are not willing to agree because there are not sufficient quantities of fish." They are being told this when in fact right now plants do not have the capacity to hold the fish which fishermen want to sell them. Where are the minister and his officials when such idiotic decisions are made?

Will the policy for fisheries in Atlantic Canada be dictated by the large processors, the three or four large companies which must have made healthy donations to the Tory party? An important question is: will it be decided by the minister and the department in consultation with the people who risk their lives to bring in fish stocks?

The government has been in power for approximately six months, and already we see that patronage is more important than progress; the large processors are more important than fishermen; it is more concerned with the desires of provincial ministers and local Tory hacks than with the series of fishermen and the orderly development of the fishery.

Some hon. Members: Shame!

Mr. Dionne (Northumberland-Miramichi): How long will this continue? When will the minister stop being a pussycat? When will he become the rabble rouser he was in opposition? When will he stand up to the Minister of Finance?

Mr. Baker (Nepean-Carleton): Mr. Chairman, I rise on a point of order. I appreciate the hon. member's anger; he wants to exhibit it. But I should like to indicate that there have been consultations among House leaders with respect to the availability of ministers for questioning during consideration of this bill before Committee of the Whole. Arrangements have been made for the following ministers to be present: the Minister of Finance, the Minister of Energy, Mines and Resources, the Minister of Employment and Immigration, the Minister of Transport, the Minister of Fisheries and Oceans who is here now, the minister in charge of Canada Mortgage and Housing Corporation, and the Minister of Regional Economic Expansion. Arrangements were made to have these ministers available to answer questions from hon. members. The process that we are engaged in is a very good one in terms of the ability of members of Parliament to question ministers. I do not want to interrupt the hon. member, because I know he feels strongly about the subject, and he can make his own judgment as to how he wishes to use his time, but the ministers are here and prepared to answer questions.

• (1530)

The Chairman: Of course I have no authority over the contributions made by hon. members. These agreements do not restrict the right of members to express in their own way their opinions.

Mr. Dionne (Northumberland-Miramichi): Mr. Chairman, in total, including the interruptions I have suffered from ministers of the Crown, I have used up about seven minutes. I know that the chief government whip will be happy to hear that I am just about finished, because he does not like to hear the truth any more than some of the ministers. They do not like to be shown up for the kind of petty patronage players they are.

Mr. Nystrom: They learn from you, Maurice.

Mr. Dionne (Northumberland-Miramichi): Now we have the happy socialists to my left tripping in. I am sure that the hon. member who is interrupting knows a lot about fish. Probably the only fish he has ever seen are the ones in the Parliamentary Restaurant.

Mr. Nystrom: Especially Liberals.

Mr. Dionne (Northumberland-Miramichi): I was about to wind up my remarks when I was interrupted by the government House leader. The government and the other opposition

party seem so anxious for me to sit down that I think I will say a few more things.

We are tired, after a period of only six months, of having this government use public funds for purposes of patronage rather than progress. If these ministers, who were such tigers when they were in opposition, would present on behalf of the people for whom they now have responsibility the same kind of vigour and determination that they displayed in opposition, when they constantly complained that the government of the day was not providing enough for them to do the very thing which I am trying to do this afternoon and for which I am now being chastised by the government, then the fishermen of eastern Canada would be a lot better off.

Mr. LeBlanc: Mr. Chairman, there are a number of questions that I would like to ask, especially since the well-dressed Minister of Employment and Immigration is with us. The President of the Treasury Board has disappeared, but I am sure that somebody will report to him.

Mr. McGrath: Mr. Chairman, I hesitate to interrupt, but I had hoped that the hon. gentlemen opposite, to whom I have listened with great respect and patience, would allow me an opportunity this afternoon to reply to some of the remarks which they have made over the course of today and last night. If it is their intention to go into other areas, I will be denied that opportunity.

Mr. LeBlanc: Mr. Chairman, had the minister been a little more patient, he would have realized that I was trying to come to his help. What I wanted to ask the Minister of Employment and Immigration and the President of the Treasury Board is whether or not they would allow funds, which are intended for creating employment, to be allotted, for example, in modest amounts for equipment and material to the budget that the minister has for small craft harbours. The paper which was given to the departmental officials in committee this week indicated that in one year alone some $44 million in combined Canada Works and small craft harbours money was allotted to improve the facilities that fishermen use. I would like to know if the minister has been able to convince his colleagues that something should be done in this area.

I can think of no better way to contribute to a community than by having the fishermen themselves participate in the building of some of their facilities. These fishermen have done some remarkable work in the east coast provinces. Members of Parliament, I am sure from both sides of this House, have supported the idea of giving fishermen funds to improve their own facilities. I am not talking about building huge wharfs. I am talking about improving facilities such as bait sheds, and community stages which, with the help of modest amounts of money, can simplify the lives of fishermen.

I would like to ask the minister if he has been successful in convincing the President of the Treasury Board and the Minister of Employment and Immigration, who particularly has a large amount of money in his budget for job creation, to consider the replacement of small wooden boat vessels as a great source of employment on the whole east coast. In the fiscal year 1978-79 our administration added $7.5 million to the vessel subsidy program to bring the total up to $10 million. This year, in addition to the normal $2.5 million in the budget of April, we decided to add an additional $6 million or $7 million. Can the minister tell us whether that money has been frozen or whether it has been allocated?

The improving of the fleet of the fisheries is a very important priority, especially the smaller vessels, because these non-incorporated fishermen do not have the tax write-offs and other advantages that the major corporations have.

I would like to say a word about the decision to allow the large trawlers to return into the Gulf. I have listened to the minister's arguments and to the debate, and I wonder if the minister bases his decision on the arithmetic on the landings of different parts of the fleet. I know that some of these decisions are difficult. I have scars to show for some of my decisions while I was in that portfolio. The scientists alone cannot carry the responsibility. They may make a judgment, based on the arithmetic and possibly on some abstract laws of economics, that it perhaps might be better to have all the fish caught by a very small number of vessels such as large factory freezer trawlers, but what would that do to our communities?

I have with me the figures on the landings which were given to the committee this week. The large vessels which will come in and compete for a modest amount of fish are mainly from two provinces, Nova Scotia and Newfoundland. In Nova Scotia inshore fishermen in 1974 had landings of 39,000 tons. In 1975 they had landings of 36,000 tons; in 1976, 35,000 tons; in 1977, 35,000 tons, and by 1978 they had only reached 44,000 tons in landings. However, the large offshore vessels, which through their representatives this week before the committee were crying that they were hard done by and which have paid spokesmen to lobby for them, in 1974 had landings of 122,000 tons; in 1975, 122,000 tons; and in 1976, 125,000 tons. The takeoff point is 1977 where they had landings of 130,000 tons.

• (1540)

Listen to this. These poor, bereft, forgotten, large boat owners from Nova Scotia landed a 161,000 metric tons in 1978. These gentlemen have not done too badly from what they used to call the "disastrous policy". They used to advertise in the *The Globe and Mail* because they could afford to do that.

Mr. McGrath: That includes inshore fishermen.

Mr. LeBlanc: I can only read from the minister's own department's document—"Offshore—Hauturier" for 1974, 122,527 and for 1978, it is 161,026.

Mr. McGrath: Read the footnote.

Mr. LeBlanc: If the figures are wrong, I am quite willing to make the correction.

Mr. McGrath: Read the footnote.

Mr. LeBlanc: The footnote does not destroy what I have been trying to say. Let us look at the arithmetic for Newfoundland which is the home of a lot of the large vessels. Again, the minister's own document shows "Offshore—Hauturier", 121,956 in 1974; in 1975, 122,758; in 1976, 156,451; in 1977, 159,204; and in 1978, 154,353 metric tons. We know that in 1979 the large offshore trawlers have been doing very well and I suspect the amount will be away above this.

It is the inshore fishermen who need to be protected by the only person who can do it. The minister must protect the fragmented and disorganized inshore fishermen of the east coast. I have one simple difference of opinion with the minister.

There are other figures that have to be put on the record which are also taken from a document issued by the department. These figures relate to the stern trawlers, the poor forgotten element of our fisheries, and show the average yearly landings per trip. In other words, if there are a lot of fish, they take a lot on every trip. In 1976 the Newfoundland stern trawlers were taking an average of 176,000 pounds per trip; in 1978, they took 216,000 pounds per trip, and by 1979 they were taking 263,000 pounds per trip. That figure only covers January to August, 1979, so it will go much higher.

This week the Nova Scotia trawlers organized, but it is interesting to note that the inshore fishermen were not represented. The provincial minister, Mr. Cameron, said they had been "suckered" into this movement. Maybe the small fishermen of Nova Scotia know about the figures. In 1976 the large stern trawlers that had been complaining they did not get enough fish, were taking an average of 207,000 pounds per trip. By 1978 they were getting 276,000 pounds per trip. In 1979, the year of disaster when they need help—when they came to see the minister, aided and abetted by the provincial minister—these large Nova Scotia stern trawlers landed 286,000 pounds per trip.

The minister has to make difficult decisions, Mr. Chairman, and I recognize that he is subject to many pressures. As I said last night, however, at some point he will have to make up his mind if he is going to defend those who do not have a strong voice. I heard him say again, this afternoon, that the industry also needs strong voices. Mr. Chairman, I have never failed to hear the voice of the industry, especially the large companies—

Mr. McGrath: You are misrepresenting. I said it needs to speak with one voice.

Mr. LeBlanc: I have never noticed the industry silent on the issues, Mr. Chairman. In fact they can afford to advertise, and from the figures I have just quoted for landings, I can see why—

An hon. Member: At taxpayers' expense.

Mr. LeBlanc: I have given the figures for the offshore fishermen in New Brunswick and should like now to turn to the figures for the inshore fishermen, also taken from the document the minister tabled this week at the committee. In 1974 the inshore fishermen of New Brunswick were taking 3,329 metric tons; in 1975, 3,079; in 1976, 3,737, but by 1978 landings had dropped to 3,144 metric tons. These are the people against whom the minister is now deciding to send large, offshore trawlers, who have done as well as I have indicated. I hope I can leave enough time for the minister to answer these questions. I should like to hear his explanation of why he has done this.

Mr. McGrath: Mr. Chairman, I welcome the opportunity to reply, although I have less than 15 minutes to do so. I had hoped to be given the full 20 minutes because the hon. gentleman who just took his seat has had two interventions. He spoke last night, and today repeated essentially what he said at that time.

An hon. Member: I am going to get up on a point of order if you talk like that.

Mr. McGrath: Mr. Chairman, that is the hon. gentleman who likes to call me a pussycat. I have been around here long enough to know that a pussycat is a reasonably ineffectual fellow—

An hon. Member: Exactly.

Mr. McGrath: I like to look upon myself as a tom-cat because a tom-cat has the ability to survive. That is the important thing.

An hon. Member: What else does a tom-cat do?

Mr. McGrath: The question is about cod in zone 4T. It is basically a question of philosophy. I have listened to what I can only call, regretfully, the hypocritical intervention of my hon. friend opposite. I was saddened by the hypocrisy of my predecessor. He asks why I opened the Gulf and why the 100-footers were allowed in the Gulf. The hon. gentleman could answer that himself, because he closed the Gulf in 1976. When he did so, he issued a statement to the effect that the prime objective was to protect the small vessel fisheries, and the economic foundation of many coastal communities in the Gulf, while making allowance for larger vessels from elsewhere which traditionally fished there. There was a clear implication in that statement that when the fish stocks recovered, the larger vessels would be allowed back in. That is what they read into it.

Mr. LeBlanc: Your arithmetic does not prove that they have recovered.

Mr. McGrath: If the hon. gentleman wants to talk about arithmetic, I would draw his attention to the fact that at the time of the closure of the Gulf the TAC was at 15,000 metric tons and today the TAC is 49,000 metric tons. It has recovered to the point that we can now allow the larger vessels to go back in there.

When the hon. member for Gaspé spoke this afternoon he talked about "sharks". These sharks were supported before the

committee by two very important trade unionists, a representative of the Canadian Brotherhood of Railway, Transport and General Workers Union, and the president of the Canadian Seafood Workers Union. They represented Canadians who derive employment from—

Mr. LeBlanc: One company.

Mr. McGrath: It does not matter whether it is one, two or three companies; the fact is that these people are employed and depend upon these companies for a living, as do the people employed in the plants.

I listened very carefully to the remarks of the hon. member for Cape Breton-The Sydneys, and was most impressed with what he had to say. I do not know whether it was his maiden speech or not. He spoke of the danger of provincializing cod stocks. I see that as a clear danger. The moment you provincialize cod stocks, you balkanize the east coast fishery, the Government of Canada has lost control, and there is no way it can adjudicate between the provinces. In fact there is no way to effectively manage that stock.

It is interesting to note the representations made to the committee by the government of Nova Scotia. It referred to the provincialization of cod stocks and rejected that as a concept. If we were to keep the Gulf closed to offshore trawlers it would mean, in effect, that the southern Gulf would be exclusively open to inshore fishermen from Cape Breton and New Brunswick. The same argument can be applied to any cod stock. The important thing is that there was a clear understanding at the time the Gulf was closed that trawlers would be allowed back in—

● (1550)

Mr. LeBlanc: When stocks justified it and the inshore fishermen had taken a fair share.

Mr. McGrath: The inshore fishermen were consulted, and determined that they could take an additional 4,000 metric tons of the new TAC. That is what they were allocated, and that is what they got. That left 9,000 metric tons, and 6,000 of that was allocated to the trawler fleet. This was not done because of any pressure from Nova Scotia. There was none. This was not done because of any pressure from the large processing companies of whom the hon. gentlemen are trying to paint me as their great advocate—indeed, I had not heard from them. There were no representations from them whatsoever. The allocations were made. The hon. gentleman knows full well—he sits there smiling with that self-righteous look upon his face as though he was the only one in this House who cared about the inshore fishermen. That kind of hypocrisy does not become him because he was a good minister of fisheries. I suggest he should not sit there and pretend he is the representative of all that is right and good with respect to the fishery.

The hon. gentleman from Gloucester made a great rhetorical intervention in this debate. I read what he had to say and discovered there was nothing in it. There was just 20 minutes of bombast and rhetoric. He made no substantial contribution whatsoever.

The question of section 4T cod has been gone over in committee. It has been dealt with in the House during the course of the question period. The hon. member for Grand Falls-White Bay-Labrador surprised me when he said he was against opening the Gulf. Let the hon. gentleman go to Burin-St. Georges and defend that position. I would like to see how long he would last if he went there. The fish plants on the south coast of Newfoundland depend to a large extent on that fish stock. He knows it. Indeed, of the 17 or so trawlers operating in section 4T in the southern Gulf today, 15 of them are from southern Newfoundland fish plants.

An hon. Member: What is going on in Burin-St. Georges?

Mr. McGrath: What is going on in Burin-St. Georges? The hon. member who asked me that knows full well that a byelection is to be held. I am afraid the NDP will come in as a very poor third. Their candidate is not doing well. If he was, hon. gentlemen would be helping him out today. Because they are not, it tells me everything about it.

I listened very carefully to the remarks made by the hon. member for Westmorland-Kent. He did have some substantive and important remarks to make. He talked about the 200-mile limit and what it meant to the resurgence of the fish stocks as well as the new pressures it has created on fisheries management. As a result of the growth of the stocks, new complex problems have been created. The hon. gentlemen then went on to talk about freezer trawlers. A picture was painted that there has been some great change in policy on freezer trawlers. There have been no changes in freezer trawler policy. We are still operating under the same policy. The only freezer trawlers that were licensed were licensed by the hon. gentleman opposite when he was minister of fisheries.

Mr. LeBlanc: To catch northern shrimp.

Mr. McGrath: To catch northern shrimp, and with unrestricted groundfish licences.

Some hon. Members: Shame!

Mr. McGrath: With unrestricted groundfish licences.

Mr. LeBlanc: Not unless it was a replacement.

Mr. McGrath: No. There are no restrictions whatsoever on these freezer trawlers which are now operating. To catch northern shrimp they have unrestricted groundfish licences. The hon. gentleman should admit that. These are the only freezer trawler licences that have been issued. In effect, what I am saying is that with all the inherent faults with fisheries management today we are essentially operating under the same policy put together by my hon. friend but with one very notable exception. That is, the hon. gentleman opposite likes to present himself as the champion of the inshore fisherman. I do not quarrel with that, but when he does it to the exclusion of the rest of the industry, it can only create confrontation. It is

creating confrontation. That has been the legacy of the hon. gentleman. There is no co-operation in the industry. When the hon. member was minister he set one group against another. He said it all when he said this: "I suspect at some point he will not be able to speak comfortably for both."

The day that I cannot speak comfortably for both segments of this industry, both of which are vitally important to the economy of the Atlantic provinces and, indeed, the west coast, then I cease to operate responsibly as Minister of Fisheries of Canada. That was the mistake the hon. gentleman made. He was merely the spokesman for one segment. That is why we have problems.

Mr. LeBlanc: I do not apologize for it one bit.

Mr. McGrath: That is why we have the problems we have today. The hon. gentleman from New Brunswick speaks about patronage. He did not identify where the patronage was. The only patronage that has caused me any trouble was when the hon. gentleman opposite was Minister of Fisheries and he yielded to pressure put on him by his colleague, the then deputy prime minister. He issued crab fish licences in Cape Breton which caused no end of trouble. Eleven licences were recommended by the committee, and the hon. gentleman yielded to the pressure of the then government house leader and issued five licences purely on the basis that the applicants were prominent supporters of the Liberal party. That kind of patronage has to end. The hon. gentleman knows what I am talking about. It has been around for the last six months. If he does not know what I am talking about he has failed to follow the ombudsman's program on CBC. It has aired this problem twice.

Mr. LeBlanc: I rise on a point of order, Mr. Chairman. If the minister is going to make a retroactive charge based on one of the most ill-informed programs that I have seen on television in a long time, I hope he will produce the evidence.

Mr. McGrath: Mr. Chairman, I can produce the evidence by putting the names of the fisherman on the record. However, I do not think it will serve any useful purpose to do that. Licences were issued as a result of political pressure, and that really surprised me. I can assure the hon. gentleman, and my friend from New Brunswick who made the charge of patronage, that there has been no patronage since I became Minister of Fisheries and Oceans. I can assure him that there will be no licences issued as long as I am Minister of Fisheries and Oceans on the basis of political pressure or on the basis of the political persuasion of the applicant for the licence. I think that is a reprehensible practice. It tends to undermine the management of the fishery. It is difficult enough—

An hon. Member: Does the Premier of P.E.I. agree with that?

Mr. McGrath: Perhaps the hon. gentleman will tell me what is he talking about, when he asks if the Premier of P.E.I. agrees?

[Mr. McGrath.]

Mr. LeBlanc: Mr. Chairman, in answer to the minister's question—

The Acting Chairman (Mr. Ethier): Order, please—

Mr. LeBlanc: —when he ruled in favour of one fisherman they thought it was on the basis of representation from the Premier of P.E.I., who is a Tory premier.

The Acting Chairman (Mr. Ethier): Order, please. I am sure that both hon. gentlemen will be able to continue when the committee reconvenes on Monday. It now being four o'clock p.m., it is my duty to rise and report progress.

Progress reported.

* * *

• (1600)

BUSINESS OF THE HOUSE

Mr. Breau: Mr. Speaker, may I ask the government House leader the business of the House for Monday.

Mr. Baker (Nepean-Carleton): Mr. Speaker, it is the intention of the government to call as the first order of government business the redistribution reference about which I spoke. I hope that will not take very long. This will be followed by Bill C-10, which is without amendment from the committee, for third reading. We will then again take up the business of this bill which we were dealing with this afternoon.

Mr. Breau: Will the minister say whether we will follow the same priority list that was talked about previously? Will we have here the minister of fisheries or the minister for DREE?

Mr. Baker (Nepean-Carleton): Mr. Speaker, the question the hon. member asks is quite relevant. I indicated there would be ministers available yesterday, ministers available today, and ministers will be available on Monday, if we get to the bill, for as long as it is considered necessary. There have been discussions between the opposition House leader and myself with regard to curtailing the debate. I asked how long we would be.

Ministers are busy. They have to spend some time in their departments and at meetings. I want the House to understand that from time to time it may be necessary for a parliamentary secretary to be here. The parliamentary secretary will be prepared to answer questions. The purpose of this process is to get questions from members of the House of Commons and to do our best to answer them.

I have undertaken with my friends and have made arrangements, after discussions, to have ministers available, subject to those unavoidable things that ministers may have in their lives.

I ask for the courtesy of the House, given that availability and the fact that officials are also waiting to answer questions. Speeches can be made at any time. We are anxious to answer questions.

Mr. Breau: Mr. Speaker, I just want to say that we were very co-operative in not debating the two motions. The reason we wanted to make speeches was because we did not take the time at the first stage. I remind the President of the Privy Council that in the case of Bill C-10 and with other bills it will go a lot quicker if we get the opportunity to discuss them in this forum with the ministers.

Mr. Baker (Nepean-Carleton): I appreciate the point. Because of that courtesy extended to me, we are making available ministers and parliamentary secretaries for the purpose of answering questions. The process will work in that way. I also say there is a reasonable limit to the process. I will be discussing with the opposition House leader and my friend, the hon. member for Winnipeg North Centre, their judgment as to what the limit ought to be. I hope we can get some reasonable definitiveness, without curtailing the rights of the House.

Mr. Stevens: Mr. Speaker, partly following on my colleague's comments, I should draw to Your Honour's attention that while we have had two days on this bill, there has not been one question specifically in relation to any of the items in the bill. It has been a discourse prompted by certain members of the opposition without literally touching on one point that is in this bill.

I suggest, with all due respect, that some consideration be given between now and Tuesday, or Monday if the bill is reached then, to this whole question of speakers having some relevance to what they are questioning on or speaking about. Surely it is a misuse of the whole parliamentary process to have a bill before us, where we are at the clause by clause stage and have agreed to stand all the provisions down to schedule D, and that, notwithstanding that co-operation, there has not been a question dealing with any item in the bill.

Mr. Knowles: Mr. Speaker, I rise on a point of order. I do not want to drag this out, but it seems that is an unfair comment that should not be left on the record unanswered. Let me answer it by speaking on behalf of my friends in the Liberal party, not on behalf of my own friends.

The President of the Treasury Board says there has not been a single question about any item in the bill. Fisheries and Oceans are in the bill. That is what my friends have been talking about all afternoon. There are in schedule D, estimates for fisheries and oceans. It is in order to ask questions about what is in the schedule. I do not know what the President of the Treasury Board is talking about.

The Acting Speaker (Mr. Ethier): Order, please. Rather than have further comments, perhaps this can be raised at the next sitting of the Committee of the Whole.

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

Constitution

PRIVATE MEMBERS' MOTIONS

[*Translation*]

Mr. David Kilgour (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, today I think we will discuss notice of motion No. 11 presented by the hon. member for Windsor-Walkerville (Mr. MacGuigan). Could all the other notices of motion be stood by unanimous consent of the House?

The Acting Speaker (Mr. Ethier): The House has heard the hon. parliamentary secretary's request. Shall all motions before motion No. 11 be allowed to stand?

Some hon. Members: Agreed.

* * *

[*English*]

THE CANADIAN CONSTITUTION

SUGGESTED COMMITMENT TO CERTAIN GOALS

Mr. Mark MacGuigan (Windsor-Walkerville) moved:

That, in the opinion of this House, a new constitution for Canada should specifically commit Canada to the goals of

(a) promoting international peace and security;

(b) maintaining just and honourable relations between nations;

(c) fostering respect for international law and treaty obligations;

(d) encouraging the settlement of international disputes by arbitration; and

(e) transferring agreed national powers to world authorities when this would facilitate world peace.

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

Mr. MacGuigan: Mr. Speaker, I would not object if the House were ready for the question, but I think we want to have some discussion on this issue. The very purpose of putting it on the order paper was to give us an opportunity for some extended discussion.

I am very pleased to move this motion, not only on my personal behalf but on behalf of the World Federalist Parliamentary Association which, in a sense, is the real sponsor of this motion. Perhaps I might begin by again reading it and then making some further comments. It is moved:

That, in the opinion of this House, a new constitution for Canada should specifically commit Canada to the goals of

(a) promoting international peace and security;

(b) maintaining just and honourable relations between nations;

(c) fostering respect for international law and treaty obligations;

(d) encouraging the settlement of international disputes by arbitration; and

(e) transferring agreed national powers to world authorities when this would facilitate world peace.

The parliamentary association of world federalists is a grouping of members and senators, some 100 in number, who are devoted in a broad way not only to the cause of world peace but to achieving world peace through forms of federalism in the world. I have had the honour of being the chairman

of that group in Parliament since May, 1976, and I plan to lay down that burden at the annual meeting on November 28. I would like to say I have had very excellent co-operation from the hon. member for Edmonton South (Mr. Roche), the vice chairman of the organization, and the hon. member for Egmont (Mr. MacDonald), who preceded me as chairman.

● (1610)

This is really a multi-party and a two-House venture which enables us to come together to try to organize the activity and the thoughts of Parliament toward supranational activities and agencies. The ultimate goal is, of course, world government in the sense of a federal world government which preserves the governments of the individual parts but also leads us gradually toward some kind of world unity. But we need more direct and proximate goals, subsidiary goals, if you like, so the World Federal Parliamentary Association along with world federalists in general has a number of intermediate goals which it supports as being realizable in the short run. Among such have been the reform of the United Nations, the internationalization of the seabed question, and the objectives of the motion I propose this afternoon, one seeking to place in our constitution, which I believe all Canadians are determined to renew at this time in our history, a statement indicative of our desire in Canada to participate in international authorities and to subject ourselves to world law to the extent that it exists, and, to the extent it does not, to try to make it exist.

I might mention in passing that the World Association of World Federalists also adopts similar subsidiary goals and that the title of the next international conference, to be held in Tokyo next July, is "Toward a New International Order in the Third Development Decade". A great deal of stress is being placed by the World Association of World Federalists on the question of world development.

I would also like to mention that the Canadian Parliamentary Association has been very instrumental in the establishment of a new association of parliamentarians devoted to the cause of world federalism which goes by the title of Parliamentarians for World Order. A number of meetings have been held, initially at Canadian initiative, over the past few years in Washington, New York, London and Paris, to mention the major ones. The new parliamentary association will probably devote most of its efforts to working through the United Nations and its specialized agencies, and we shall be able to take a stronger position with respect to international issues than is possible for an organization such as the Inter-Parliamentary Union which is less dedicated to a particular goal and more dedicated merely to providing a forum.

The motion before us today was inspired by the submission last fall to the Special Joint Committee on the Constitution of Canada, of which I had the honour to be joint chairman, by the World Federalists of Canada, and was prepared by Mr. T. James Stark, chairman of Operation Dismantle, and Dr. Hanna Newcombe, co-chairman of the Peace Research Institute, Dundas. The introduction to that document reads as follows:

> In so far as a number of other countries have constitutionally dealt with the important issue of national sovereignty and the need for "collective security" and international order, the World Federalists of Canada ask that our government look toward the future in the formulation of our new constitution and make general provision for the resolution of these two interdependent interests.

In support of their proposal, the World Federalists of Canada cited action taken by a number of other countries which I think worth drawing to the attention of hon. members. For example, article 25 of the constitution of the Federal Republic of Germany reads as follows:

> The general rules of public international law shall be an integral part of federal law. They shall take precedence over the laws and shall directly create rights and duties for the inhabitants of the federal territory.

That is a very strong provision to place in a national constitution. It makes international law an integral part of domestic law and subjects domestic law directly to the rules of international law.

The constitution of India provides in article 51:

> The state shall endeavour to:
>
> (a) promote international peace and security;
>
> (b) maintain just and honourable relations between nations;
>
> (c) foster respect for international law and treaty obligations in the dealing of organized peoples with one another; and
>
> (d) encourage settlement of international disputes by arbitration.

It will not escape the attention of hon. members that the proposals I am making this afternoon in my motion are very close to those which are contained in that article of the Indian constitution. The principal difference is the addition, in the motion, of a fifth category in accordance with the request of the World Federalists of Canada which in its brief to the Joint Committee on the Constitution of Canada went on as follows:

> We recommend that in recognition of the interdependence of all nations and peoples, Canada declare its willingness to transfer by legislation certain sovereign powers to a world authority such as the United Nations or a federal world government as and if such actions would facilitate world peace (collective security) and a more just and human world order.

That is the source of the fifth part of the motion which is presented here today.

The special joint committee had a great deal to do in a very short time last year and was not able to consider this proposal in its only report—we had expected that the committee would be reconstituted last winter but that never happened, so the committee never really had a chance to go into this question. But I do wish to draw the attention of the House to the fact that the provisions of Bill C-60, a principal subject matter of consideration by the committee, did not contain any reference to international law or to the international order. There is in Bill C-60 a statement—"the stated aims of the Canadian federation shall be—". Then follows a series of stated aims, all of which are very fine, but none of which expands our horizons to the world scene, even though one of the subclauses does use the phrase "to expand the horizons of Canadians as individuals and enhance the collective security and distinctiveness of the people." The explanation of that sentiment in the detail which followed made no reference to the international order, and it is such a reference that this motion would seek to incorporate in a future document of this kind.

● (1620)

One may well ask why such a document should contain such a reference to the international order when in fact it perhaps might not have any direct influence on Canadian policy, we being a peace-loving people who have in any event been very co-operative in the international arena? We have been prominent in supplying, for instance, support for peacekeeping forces. We are generally known as one of the "good countries" in the world which is always prepared to try to help on the international scene.

However, to take such a view would ignore the symbolic value of a statement of this kind, and that, of course, is what is contained in a statement such as that in Bill C-60. The section to which we would wish to make an amendment if that bill were before us was entitled "Statement of Aims of the Canadian Federation". The authors of that statement of aims laboured hard to try to encompass in their wording all of the various symbolic aspects of the meaning of being a Canadian. I think what we are asking is whether we can really express ourselves as Canadians, in the sense in which we really are, without saying something about the international order too, given the fact that Canadians have played such a co-operative role in the world and undoubtedly will continue to do so.

So, if we are to express our reality as it is, then surely we owe it to ourselves and perhaps to the world to make this kind of statement in our fundamental document. It was Aristotle who said that a constitution is not just a way of organizing offices in the state. It is something much more than that. It is ultimately the principal means of stating the way of life of a people. That is just what I am suggesting here, that this fundamental document should express our way of life as it is, and our way of life in Canada surely does include a devotion to the principles of international law and a very strong desire on behalf of our people to act as good neighbours in the world.

In this sense I think it is extremely important that our fundamental constitutional document should state this. It should pay lip service to it. It should pay service to it by declaring it as an ideal to which the Canadian people aspire.

Mankind has in its long history been perhaps more motivated by symbols than by any of the hard realities of daily life, often perhaps because we wish to get away from those hard realities and sometimes, unfortunately, because unscrupulous leaders try to distract us from the hardships of some daily realities by using symbols as a way of extricating people's thoughts from their daily round.

Wars have been caused by symbols such as the concept of *Lebensraum*, Jenkin's ear, or whatever. Symbols have been matters of extreme importance in the history of mankind, and if we in Canada are to be expressing in a symbolic way what Canada is about, surely, a very important part of that expression is to say where we stand in relation to the rest of the world. No man is an island, no country can stand alone, and no country can express itself in a world which is as interdependent as everyone recognizes our world to be without expressing the relationship to the whole.

These are the reasons, among others—and I know other hon. members such as the hon. member for Edmonton South will wish to state others—why the Parliamentary Association of World Federalists felt that this motion should be put for debate before the House. This is not a motion which has been appearing every year. It is not a traditional motion, as are many motions we see in private members' hours. I think some of those motions have been around for probably ten, 12 or 15 years. This is the first time this subject has been debated. We have put it on because we believe it is very important, and we want to bespeak the support of the House for it.

We want as strongly as possible to urge the government, if it should in the near future, I hope, be coming forward with new proposals on the Constitution of Canada, to recognize that this is one of the most important things to be stated in the aims of the Canadian federation.

I will now leave the rest of the time to other speakers. I merely want to say that I have been very grateful for the support I have been given in the ultra-national role, if I may put it that way, which the Canadian Parliamentary Association of World Federalists has assumed.

Mr. Douglas Roche (Parliamentary Secretary to Secretary of State for External Affairs): Mr. Speaker, the hon. member for Windsor-Walkerville (Mr. MacGuigan) should be commended for bringing forward this very important motion. He has done an ingenious thing here this afternoon by wedding two of his principal concerns in his career in Parliament, namely, his concern about world federalism and his concern about constitutional reform. He has brought those two concerns together in an admirable way, and I thank him for deepening the attention of the House about matters which go beyond the immediate crises and exigencies which occupy all our attention on a regular basis.

This debate is useful because it brings to the floor of the House of Commons a reflection of the work of one of the parliamentary associations to which all of us belong in one form or another. There are various conferences held in various parts of the world at regular periods. Very seldom do we have an opportunity to consider the findings of the parliamentary associations which are, at the very least, performing an educative function for members of Parliament on world conditions.

This debate gives me an opportunity to make a plea once more—as has been done in the past—to have the reports of parliamentary associations automatically referred to the Standing Committee on External Affairs and National Defence for its consideration, because I think it is in that way that a structured input of the findings of associations can benefit us all.

Today the hon. member for Windsor-Walkerville has leaped forward, thanks to the luck of the draw, and has been enabled to bring forward a motion that is very timely, because he is also reflecting on a meeting which was held only last Friday at the United Nations in New York when members of Parliament from 31 nations took part in a discussion of global conditions, which occupied the attention of the United Nations. This

meeting was sponsored by the International Parliamentary Union and the parliamentarians for a world order to which the hon. member has referred. Indeed, the hon. member for Windsor-Walkerville, the hon. member for Waterloo (Mr. McLean), and myself were present.

I may say in passing that we missed the company of the Secretary of State (Mr. MacDonald). If he had not been otherwise preoccupied with the things I see on his desk now, I am sure he would have been there too, for indeed the Secretary of State has been one of those parliamentarians who has taken a vigorous leadership role in the development of the world federalists parliamentary association. Indeed, that work owes much to him and his predecessors for developing it.

Mr. MacDonald (Egmont): It is in better hands now.

Mr. Roche: If it is not in better hands, it is in other hands at the moment.

However, before I leave the World Federalist Parliamentary Association, I remind the Secretary of State and others that the distinguished Dr. Frank Leddy, former president of the University of Windsor, will be addressing the annual meeting of the World Federalist Parliamentary Association on November 28 at 12.30 p.m. on these premises.

● (1630)

With all that said, we come now to the substance of what the hon. member for Windsor-Walkerville is asking us to consider. Another reason for the timeliness of the remarks he made today is the forthcoming foreign policy review being conducted by the government in association with the special joint Senate-Commons committee which will be set up to consider the totality of the Canadian foreign policy. Indeed, the subjects he has drawn to our attention today—on which I will be commenting in more detail in a moment—are the kinds of subjects that should be considered by those who are charged with considering, in a parliamentary sense, what Canada's foreign policy ought to be as we head into the 1980s in a world that is going to be more discernably interdependent than it now is.

In the 1970s we have seen the kind of world that is emerging, indeed one could say exploding, the major trend of geopolitics affecting north-south relations, the emergence of China, the whole question of the Middle East, Southern Africa, the world economic system, the energy question, reallocation of resources, the sharing of resources. All these questions have had a major impact on whether or not our world can be made not only a safe place but a stable environment in which we and those who come immediately after us will live.

It is opportune for us to consider the questions that the hon. member has brought forward, but I have to say that it does not take constitutional reform or a new constitution in order to highlight the questions of promoting international peace and security—which is the first of the five specific comments the hon. member has made in his motion—because the present constitution does not impede the attaining of those goals. What is really necessary, before we become embroiled again in the questions of constitutional reform, is to do a better job as government and Parliament in informing the Canadian people, in giving more attention here as a government, to those questions that are at the heart of world peace, security and justice in this changing world. That does not take constitutional reform.

When we consider the five goals that are being presented to us today in the motion, we must remember that those goals are in fact incorporated in the United Nations Charter which was, of course, subscribed to by Canada as a founding member and, I might say, as a leading member of U.N. We know that Canada has played a substantial role in the development of the United Nations.

While I welcome the motion put forward by the hon. member, indeed its consideration at the proper time and with proper provincial input into the questions of constitutional reform with respect to international obligations, I think it would be preferable to highlight at this moment the work of the United Nations as a body established in the international community to further the very goals which the hon. member and myself, and indeed our colleagues, want to see furthered. For you see, Mr. Speaker, however slow the pace, it is a certainty that the United Nations is already putting into place the beginnings of an international legal order.

The U.N. Declaration and Covenants on Human Rights—and I speak of economic and social as well as political and civil—provide, for the first time, humanity with a profound philosophical base expressed in practical terms. Here we have an official recognition, a world recognition, of the respect that ought to be accorded to every human being in the world in virtue of his humanity. In reaching out to the open seas and to outer space, the U.N. treaties today that we have at our service emphasize the common heritage of mankind.

The urgent needs of the world are being met by the vast extension of United Nations practical work, the programs in addition to the covenants which are pieces of paper. Eighty per cent of the United Nations effort and budget go into the development questions that are at the heart of the hon. member's motion today. Indeed, our daily life would grind to a halt without those international institutions which we now have in place regulating air transport, the control of epidemics, posts and telegraphs, weather reports, or the responsibility for satellites. All these are operations within the United Nations system, whether we consider U.N. activities in Geneva, in Vienna, in Nairobi, in New York or other places where U.N. commissions and boards are hammering out the infrastructure for the world community that is emerging before our eyes. So I do think we do not give the United Nations sufficient credit, nor do we give ourselves sufficient credit, as Canadians who have participated not only at the start of the United Nations but indeed in the old League of Nations, for recognizing the movement forward of humanity at this very moment.

I know that the world is in chaos in many respects. We are having just one indication today of the kind of chaos that exists in the world and that has affected the life of this government, indeed the life of the government of the United

States. One does not have to go through a long catalogue to remind oneself of the parade of injustices and discrimination and of all the negative things in the world. They are there and we cannot turn our backs on them, but while we consider that, I think we should also be as reflective of the creative things that are happening in the world to help bring mankind together. This is not just an empty vision I am presenting to you. It is a reflection of the reality of the many movements throughout the world which are perhaps spinoffs of the United Nations and spinoffs of other international associations.

In the past few years I have had the opportunity of travelling to quite a number of countries. When I go into their societies and cultures I find something very interesting happening in our world. There is more positive development taking place than is reflected in the headlines which tell us about the confrontations and the terrible things that are happening. There is more creativity present than we realize, and I think that is a reflection of what the United Nations principally has been able to achieve.

I am just suggesting here that perhaps it would be helpful if we, as parliamentarians, gave more emphasis to the creative side of the world which would give a greater sense of encouragement and hope to Canadians generally, if an argument can be put forward that Canadians are kind of turned off international development, because progress does not seem to have been made when you measure it by a very limited yardstick. Therefore, it would be helpful to remember that there are 168 non-governmental organizations in this country which drew in excess of $50 million in matching funds from the Canadian government last year. These 168 non-governmental organizations reflect the work of thousands of Canadians who stand for the very things mentioned in the motion and which we see as an ongoing operation.

● (1640)

I should like to remind the House that on November 6 the Secretary of State for External Affairs (Miss MacDonald) said that the government attaches great importance to the work of non-governmental organizations, and that the support of government for these organizations will increase, and not decrease, in the years ahead. That is very good news, particularly for those many Canadians who are concerned with the direction of the government in foreign policies geared to promoting creative development in the international world community, which the hon. member drew to our attention.

Briefly I should like to consider some of the points in the hon. member's motion. The question of promoting international peace and security is handled in the Charter of the United Nations. When we talk about peace and security, we would be remiss if we did not remind ourselves of the role of Canada in peacekeeping forces in several areas of the world. Indeed it is a tradition for Canada to maintain its participation in international peacekeeping forces. That is one example of how we have contributed to the promotion of international peace and security.

In the second part of his motion the hon. member calls our attention to the need to maintain just and honourable relations between nations. Of course to that we say "amen". In addition to maintaining an extensive diplomatic network, Canada has adhered to many conventions regulating the conduct of relations between nations. We helped to draft a convention on friendly relations between states. We adhere to the 1961 Vienna convention on diplomatic relations, and participated in establishing the 1963 Vienna convention on consular relations. It was ratified in 1974, not only to protect its own citizens, but also to regularize this aspect of relations between states.

When we consider the next item, fostering respect for international law and treaty obligation, we see that Canada strongly supports the rule of law in international affairs. The strong participation of Canada in the ongoing Law of the Sea conference is an example of our participation in this endeavour.

The fourth item is encouraging the settlement of international disputes by arbitration, which is the most important aspect of this motion. But we must remember that Canada accepts the compulsory jurisdiction of the International Court of Justice. In certain instances we are prepared to accept arbitration as a means of settling international disputes. Arbitration clauses are often included in our bilateral agreements with other countries. Many of the items mentioned in the motion are before us in an ongoing manner.

The hon. member drew to our attention particularly the fifth item in his motion which deals with transferring agreed national powers to world authorities to facilitate world peace. The United Nations is building the framework for such a world order. It is a very slow, one might even say methodical, process. We are in motion on that. But we should remember that in any transferring of national powers to world authorities, the role of the provinces would be paramount, in any consideration of that subject, because some of the powers being considered now lie within provincial jurisdiction.

In closing, I commend the hon. member for his motion, for making a plea for the interparliamentary association to which we belong becoming more vigorous and following the lead of the World Federalist Parliamentary Association in bringing to the floor of the House and before the Standing Committee on External Affairs and National Defence their findings, so that all members of the House can share in the activities of these very worth-while associations.

Some hon. Members: Hear, hear!

Mr. Ian Waddell (Vancouver-Kingsway): Mr. Speaker, I enjoyed the speech and the remarks of the hon. member for Windsor-Walkerville (Mr. MacGuigan). It sure beat his lectures at the University of Toronto Law School which I attended.

Mr. MacGuigan: You should have heard Atkey's.

Mr. Waddell: I notice the Minister of Employment and Immigration (Mr. Atkey) sitting opposite. I was spared his lectures.

Mr. Atkey: There is a lot of time.

Mr. Waddell: I applaud the initiative of the hon. member for Windsor-Walkerville. Had I been permitted, I might have brought some apple pie to the chamber from Jean Pigott's bakery, because the motion is somewhat apple pie-ish, if I can use a term that the Prime Minister (Mr. Clark) might applaud.

We on this side of the House cannot argue about items (a), (b), (c) and (d) of the motion. They seem to make sense, and we are in favour of those items. Item (e) is the interesting one. It reads as follows:

transferring agreed national powers to world authorities when this would facilitate world peace.

The hon. member for Windsor-Walkerville asked us to put this in the Canadian constitution. It is interesting that he brings up the matter of transferring powers from the Canadian government to the world government in this new constitution of ours at the same time as we see in the House, day after day, the present government transferring powers to the provinces. The clause itself is too vague, and I am sure the hon. member for Windsor-Walkerville would agree if he were lecturing in law again. Already we have transferred out of Canada a lot of effective powers and control. For example, we have transferred control of our energy policy outside of Canada.

In the last three weeks in the House we have dealt with the problems of a west coast oil port and a gas pipeline to the United States. We have dealt with the problems of acid rain, and we are about to deal with some communications problems in radio and television and the Americanization of Canadian airwaves and programs. We were supposed to hear from President Carter today, but unfortunately he had to postpone his visit. We were awaiting his arrival because it was necessary to go to him to solve many of our problems. In effect, Canada has transferred a lot of power and control over domestic matters to international authority, mainly American.

Another area I should like to mention is that we have lost control over the flow of information because we transferred computer and transmission data, television broadcasts and control of television influence, to the United States. Last night I met with some American public broadcasters who were here in Ottawa to get some Canadian programs because they had Canadian listeners. So not only is our broadcasting being Americanized, but American stations are interested in Canadian material. Having made those points about the *de facto* surrender of sovereign Canadian powers to foreign authorities, mainly American, it seems to me that—getting back to world federalism—there is no need for a new constitution. But it is clear that the old one is out of date and that many changes are necessary.

[Mr. MacGuigan.]

• (1650)

One of the major ministers of the government, Senator de Cotret, sits in the Senate. As a newcomer and an outsider to Ottawa, this to me is very obscene. A 35-year old man is made a Senator and given a pension for life. Why could that money not be given to people who are in need, such as pensioners or parents of single families?

We can solve some of the immediate problems mentioned in the resolution, such as promoting international peace, maintaining just and honourable relations between nations, and encouraging the settlement of international dispute, by arbitration, without constitutional amendments. We can do this by many of the strategies which have been proposed over the past fews weeks in the House, such as taking control over our own resource revenue, being responsible for our own culture and communication, fashioning an industrial strategy, and taking care of the problems of our own native people. The hon. member for Selkirk-Interlake (Mr. Sargeant), for example, brought up the horrible situation today of a Canadian war veteran who had died in a very sad state of affairs. Perhaps if these policies were implemented, we would not be slipping away from sovereignty.

I wish to make a point with regard to constitutional reform. I know that the hon. member for Edmonton South (Mr. Roche) has said that the hon. member for Windsor-Walkerville is concerned and has made this matter a cause in his parliamentary career, but where I come from in the west, constitutional reform is not an important issue. This issue seems to be more important to the people here in Ottawa than it does to the people in the west. Before I became a member of Parliament I met the hon. member for Edmonton South in New York. I have always been an admirer of the hon. member and I hope that some day he gets a chance to be our Secretary of State for External Affairs. I say that very sincerely, because I was impressed as an ordinary citizen seeing him in action in New York.

The hon. member talked about the future and spirit of world government, and that is really what this resolution is about. I share that spirit and that hope that there will be a world government. This has always been a platform of our party, and perhaps of other parties as well. It is important to my party that we have a very strong international association. Indeed, the international socialist meeting was held in Vancouver last year, and that spirit was clearly evident there.

I believe that we will see a world government one day. It may not be in my lifetime, or even in the lifetime of our children, but when it arrives I think that it will come, as the hon. member for Edmonton South stated, through the back door in a functional way, with the social agencies having gradually intertwined themselves through the nations of the world.

Martin Luther King once said, "Through our scientific genius we have made of the world a neighbourhood; now through our moral and spiritual genius we must make it a brotherhood". I believe that this resolution serves that end, and I support it for that reason.

Mr. Walter McLean (Waterloo): Mr. Speaker, in the moments remaining I would like to be identified with those who have expressed their appreciation to the hon. member for Windsor-Walkerville (Mr. MacGuigan) for the introduction of this motion. The intention of the motion is, I believe, synonymous with the direction of our times. We live in the reality of a world which thrives on interdependence. It is significant that all five goals referred to are incorporated in the character of the United Nations of which Canada is a founding member. Canada has continually sought to play its part in all aspects of the United Nations.

It is significant that the United Nations is working toward a forum not just for governments, but for parliamentarians who go back to the grassroots level and who would like to help interpret some of these global issues for the people of our world.

Along with two other members of this House it was my privilege to be part of the Canadian parliamentary delegation to the United Nations Inter-Parliamentary Union conference in Sri Lanka at the end of August. There I saw illustrated interdependence. The United Nations had brought together over 66 nations. These nations were not bound to attend because of constitutional change, although in some cases it was for that reason, but through their common covenant in the United Nations. These nations were there to look ahead into the 1980s and to determine how effectively development assistance funds could be used in bettering world order. As a representative of a member nation of the Commonwealth, I was reminded again of our interdependence and our mutual linkage with the Commonwealth. I was mindful that Canada—through the input of CIDA—has, without duress, been sharing in the development programs of the world.

There was one other ingredient that came home to me, and that was the role of the Canadian voluntary community in that partnership and in developments toward a world community. It is my hope that in the forthcoming review of our foreign aid policy we will have an opportunity to give expression to Canada's direction for the 1980s and that coming out of that review, to be held with representatives of all parties and of the other place, there will be a momentum created by the initiatives suggested in relation to the constitution, so that there will be represented the will of the Canadian people at all levels of government and through non-government organizations.

The Acting Speaker (Mr. Ethier): The hour provided for the consideration of private members' business has now expired.

It being five o'clock this House stands adjourned until Monday next at 2 p.m., pursuant to Standing Order 2(1).

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